



MKHONDO

LOCAL MUNICIPALITY

ANNUAL REPORT

24/25

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2024/2025

This Draft Annual Report is drafted in terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

MKHONDO LOCAL MUNICIPAL

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CHAPTER

1

1.1 COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



In the presence of you today, I, **Cllr. Ngelosi Ndhlovu, Executive Mayor of Mkhondo Local Municipality**, presents before you this Annual Report for the fiscal year 2024/2025. It is with a tremendous feeling of honour and duty that I do so. This paper serves as a tribute to our collaborative efforts in providing services to the people who live in eMkhondo (Piet Retief), Amsterdam, and the surrounding villages in this stunningly beautiful south-eastern part of Mpumalanga, which is a gateway that borders both eSwatini and KwaZulu-Natal.

On behalf of the Municipal Council, which is led by the Speaker, the Mayoral Committee, and our committed administration, which is led by the Municipal Manager, I would like to extend a warm welcome to all of the stakeholders, including our communities, traditional leaders, the business sector, civil society, and our partners from the provincial and national governments. Your voices and active engagement continue to be the foundation of our plan for progress.

When we look back on the past year, we can see that while dealing with ongoing difficulties, we have achieved significant progress in terms of developing infrastructure and service delivery. Important accomplishments include making significant headway on vital water infrastructure projects, in particular our contributions to the Gabosch Dam Project, which we worked on in conjunction with the Gert Sibande District Municipality and the Department of Water and Sanitation. This flagship project, which has been under development since the middle of 2023 and has a capitalization of nearly R450 million, continues to demonstrate significant progress. More than eleven local small, medium, and micro enterprises (SMMEs) have been given possibilities as a result of this initiative, which has enabled them to generate over 78 new jobs. With its completion, which is anticipated to take place in August 2026, it will provide long-term water security to about 19,837 homes in locations such as Amsterdam (Wards 5 and 19). This will ensure a sustainable

supply for more than half a century, despite the fact that demand is increasing and existing sources are decreasing. This collaboration is a prime example of the regional collaborations that increase our capacity to address the historical backlogs in rural areas and to ensure that our people have access to fundamental services.

In addition, we have continued to maintain and increase our provision of electricity, road maintenance, and sanitation services across all 19 of our wards. This is in accordance with the constitutional responsibility that we have to provide sustainable basic services. Through community programs, tourism marketing, and collaborations that strengthen small and medium-sized enterprises (SMMEs), jobs have been created as a result of local economic development activities. This is especially true in the areas of agriculture, forestry, and tourism prospects that capitalize on our strategically located environment and abundant timber resources.

These accomplishments have their origins firmly planted in our Integrated Development Plan (IDP) for the years 2022-2027, which is centered around the topic "A successful model municipality." The construction and maintenance of infrastructure, spatial planning, LED, public involvement, and good governance are some of the areas that we have prioritized in terms of advancement. Our emphasis on social cohesion, youth development, education support (as demonstrated by recent back-to-school campaigns and congratulations to the Matric Class of 2025), and environmental sustainability reflects alignment with national imperatives such as the National Development Plan (NDP), the District Development Model (DDM), and Mpumalanga's provincial growth agenda. Mpumalanga is a province in South Africa.

Nevertheless, we are aware of the reality that we are confronted with. The problems that we face in terms of Rates collection efficiency, along with the financial limits that include a high reliance on equitable share grants and conditional allocations such as the Municipal Infrastructure Grant (MIG), continue to put our resources to the test. There are a number of factors that have contributed to the slowdown of certain programs. These include vandalism of infrastructure, historical backlogs in rural service delivery, and capacity deficiencies in administration. We continue to be dedicated to tackling these issues by implementing enhanced revenue enhancement techniques, asset protection measures, filling essential vacancies (including the recent administrative strengthening), and utilizing tools such as the Livi Lempakatsi mobile application to guarantee the delivery of services that are responsive and community driven.

Despite continued attempts to enhance collection rates and judicious management of limited resources, the municipality has managed to maintain a steady position in terms of its finances. We are filled with gratitude for the support that we receive from both the national and provincial treasuries, which enables us to continue our activities and invest in the priorities of the community.

We have a crystal clear vision for the future: to create a wealthy and welcoming Mkhondo community in which every citizen has the opportunity to experience an enhanced quality of life. Accelerating the rollout of infrastructure (water, roads, and electricity), including the successful completion of Gabosch Dam; boosting LED through agriculture, forestry, and tourism; strengthening public participation through ward committees, IDP forums, and recent ward councillor introductions; and establishing ethical and accountable governance will be the primary focuses of future developments. For the purpose of ensuring that services continue to be responsive and inclusive, we will increase our level of community interaction, particularly through the use of platforms such as the Livi Lempakatsi app.

The renewal of our collaboration is something that I am requesting from our Council, administration, traditional authorities, the business community, and each and every person. In order to realize our common goals, it is very necessary for you to take an active role in the planning, supervision, and execution of the project. By working together, we will be able to overcome challenges and establish Mkhondo as a leading example of excellence in terms of both service delivery and development.

Please accept my gratitude for your unwavering support and trust. In this stunning region of Mpumalanga, let us move forward with resoluteness and solidarity in order to create a more promising future for ourselves.

Cllr Ngelosi Ndhlovu

Executive Mayor

Mkhondo Local Municipality

encapsulates these ideals.

1.2 MUNICIPAL MANAGER'S OVERVIEW



OVERVIEW BY THE MUNICIPAL MANAGER

During the 2024/2025 financial year, the Mkhondo Local Municipality achieved a “qualified” audit opinion resulting from an issue identified during the year under review but emanating from previous years. This is a regression from the previous years’ outcomes. The municipality is still committed to achieve an “unqualified audit opinion with no matters of emphasis”. We believe that this is an achievable milestone.

We are excited to report that during the year under review, the municipality managed to have a full complement of Section 56 and 54A managers, which was last seen around the year 2021. This, together with the commitment from the executive management, must take the municipality back to the previous year’s audit opinion, if not better.

The municipality continued in its quest to improve service delivery in a sustainable manner. With the help of our stakeholders, amongst them, the Department of Water and Sanitation, we were able to continue with the implementation of projects that will ensure water stability like the Refurbishment of the Piet Retief Water Treatment Works. This project will be completed in the 2025/2026 financial year. It is exciting to report that the municipality was approved by DWS to participate in the latter’s Debt Relief Programme. This programme is aimed at relieving the municipality from the strain caused by historical debts. Engagements to have DWS write-off a “disputed portion” of the municipal debt are also towards conclusion.

The water supply has stabilized in the eMkhondo/ Thandakukhanya as well as the Amsterdam/ KwaThandeka urban nodes. The Saul Mkhizeville node is experiencing

challenges brought by the fact that the Municipality is not owning the supply of the raw water. The means to turn around the situation including lodging an application for a water use license, have been commenced with.

Supply of water throughout our communities including the rural areas that were previously not receiving such service from the municipality is ongoing. This must be complimented by a corresponding commitment from our recipient communities to contribute towards the sustainability of such service, even if it is on a flat rate basis.

The current state of our roads both in urban and rural areas is not encouraging investment and neither is it allowing ease of movement. Our efforts must therefore be doubled to improve and increase the confidence of investors in our municipality. We are tirelessly engaging all stakeholders and partners to ensure that this service is prioritized through improvement.

Our revenue collection is under strain at around 60% but there is commitment from all internal parties to increase such to acceptable levels. During 2025/2026, the municipality will push the replacements of most conventional electricity meters to pre-paid meters. This is among efforts to improve our revenue collection efforts. The Amsterdam's Eskom account is up-to date and we have been awaiting Eskom to provide us with the budget quote which we committed to pay. That must be followed by Eskom upgrading the Notified Maximum Demand (NMD) for the municipality.

Our quest to capitalize on the benefits of technology and 4th industrial revolution is ongoing. This will optimize the efficiency of its service delivery and improved monitoring of our critical infrastructure.

MJ MKHONZA

MUNICIPAL MANAGER

1.3 VISION, MISSION AND CORE VALUES

VISION

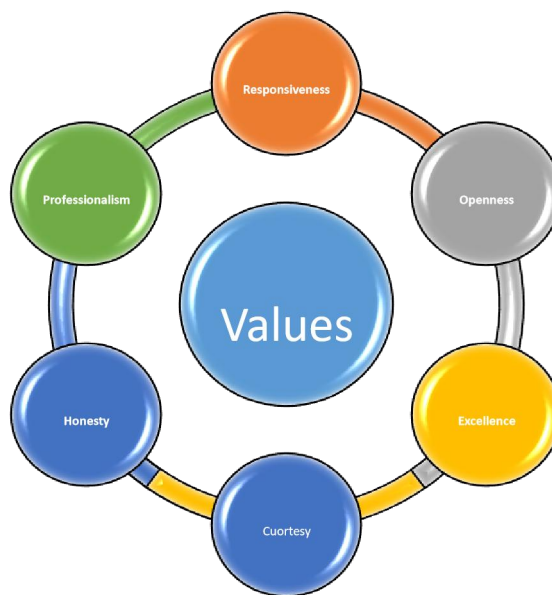
A model municipality of excellence

MISSION

Committed to deliver quality and sustainable services that will enhance economically viable and better life for our community.

MUNICIPAL CORE VALUES

Mkhondo Local Municipality's activities are underpinned by the following core values:



1.4 MKHONDO DEMOGRAPHICS

1.4.1 HISTORY OF MKHONDO LOCAL MUNICIPALITY

Mkhondo Local Municipality is Located in the south-eastern corner of Mpumalanga, and the Municipality is bordered by Chief Albert Luthuli Municipality towards the North, Msukaligwa Municipality towards the Northwestern, and The Kingdom of Swaziland towards the east, uPongola Local Municipality and eDumbe Municipality towards the

South (KwaZulu Natal Province) and Dr Pixely Ka Isaka Seme Municipality towards the West. The municipality is located on the N2 (National Road) where the R543 (Volksrust/Swaziland) and R33 (Vryheid/Amsterdam) intersect. N2 bisects the municipality, which links with the N17 from Ermelo. The N2/N17 is a prominent link between Gauteng Province, Swaziland and Kwazulu Natal (Richard's Bay and further to Durban). The N2/N17 are recognized as strategic roads and freight corridors.

The Municipality is made up of nineteen (19) wards covering 4 868 square kilometres. Municipality amalgamated two former Transitional Local Councils and two Transitional Rural Councils which are the historic towns of Piet Retief and Amsterdam. The municipality is demarcated as MP303 in terms of the Municipal Demarcation Board. It falls within Gert Sibande District Municipality, which is one of the three District Municipalities in Mpumalanga Province.

The Mkhondo Local Municipality falls within the 25 km radius identified for the KZN/MP transboundary development initiative, which includes amongst others Mpumalanga Province local municipalities (Mkhondo Local Municipality and Pixley Ka Isaka Seme Local Municipality) and Kwa Zulu Natal Province Local Municipalities (eDumbe Local Municipality, Uphongolo Local Municipality, Emadlangeni Local Municipality and Newcastle Local Municipality).

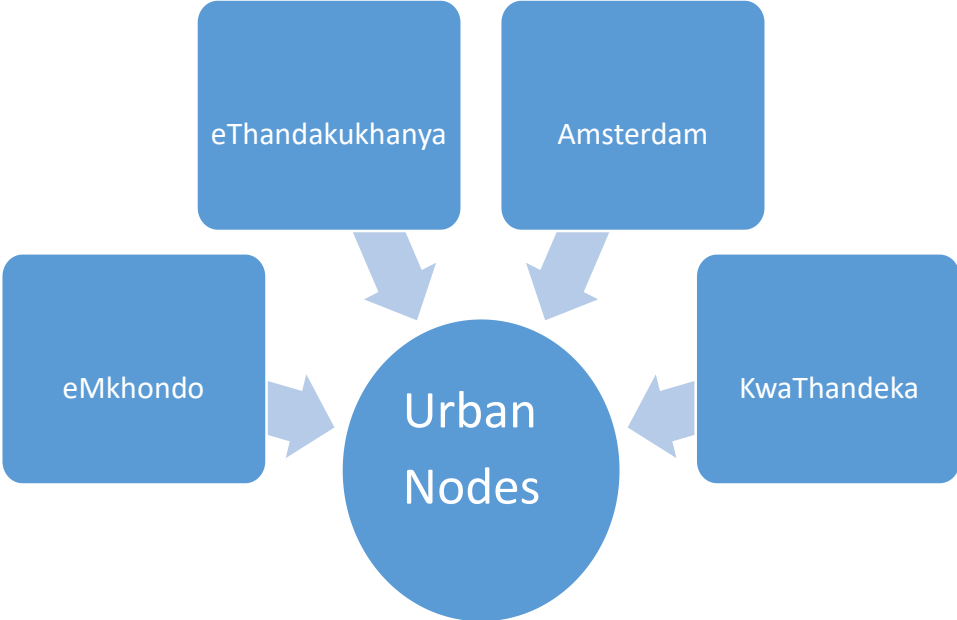
The Municipality comprises of forestry plantations and much of its economy originates from this source. Mondi, Sappi, TWK and Komati Land Forests are the major companies that lead the forestry industry in the municipality. Mkhondo Local Municipality is known for wood processing, furniture, manufacturing, and coal briquettes manufacturing. A number of timber producing companies are located within the municipality, including Mpact, Tafibra and PG Bison and Normandien which are national businesses. Largescale agriculture is limited in the municipality due to the extensive use of land for forestry.

Forestry, mining and subsistence farming are the main economic factors within the municipality. There are two major mining companies within Mkhondo Local Municipality (Jindal and Kangra Coal Pty (Ltd)). Mkhondo Local Municipality ranks low in terms of tourism statistics compared to other local municipalities in Mpumalanga. However, there is a lot of tourism potential within the municipality, with the South African Heritage sites which lie within the municipality namely the Entombe Battlefield, Rooikraal, Confidence, Kalkoenvlakte and the Heyshope Dam. The Heyshope Dam is located west of the municipality (Saul Mkhizeville/KwaNgema Area). It is the only other main tourist

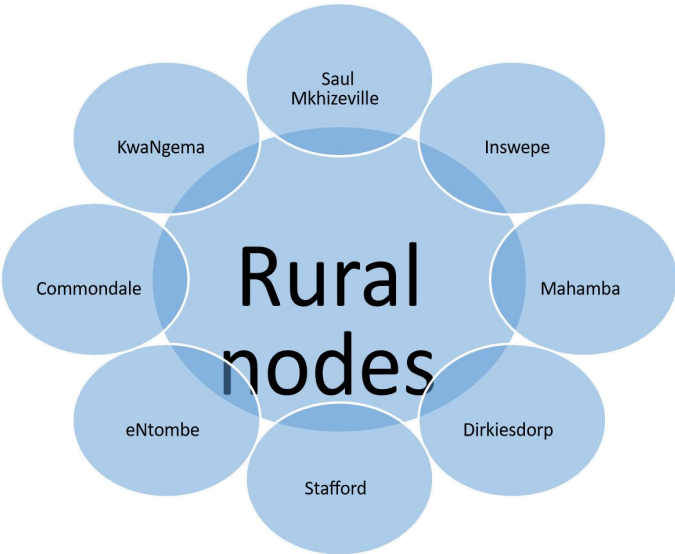
fascination in the municipality despite the numerous guest houses and 'bed & breakfast' within the municipality. The Jabulani Agrivillage has great tourism potential with proposal of a Resort near the Jabulani Agri-village dam.

1.4.2 NODAL POINTS

Mkhondo Local Municipality includes the following urban nodes:



The Municipality includes the following rural nodes/settlements:



1.4.3

1.4.3 DEMOGRAPHICS ANALYSIS

According to Stats SA's Census 2022, Mkhondo's population increased from 171 982 in 2011 to 255 411 people in 2022 – 8th largest population in 2022/ second highest population within the Gert Sibande District Municipality after Govan Mbeki. Increasing share of the provincial and district population.

The share of population in Mkhondo below the lower bound poverty line (LBPL) increased/deteriorated from 62.0% in 2019 to 63.8% in 2022 – the highest/worst of the local municipal areas. In 2022, the number of people below the LBPL was 127 869.

In 2022, the Human Development Index (HDI) of 0.55 was equal to the 2019 level. Overall, a score of 0.55 is a cause for concern, but it doesn't mean there's no hope. By focusing on areas like education, healthcare, and infrastructure development, Mkhondo can work towards improving its HDI in the future.

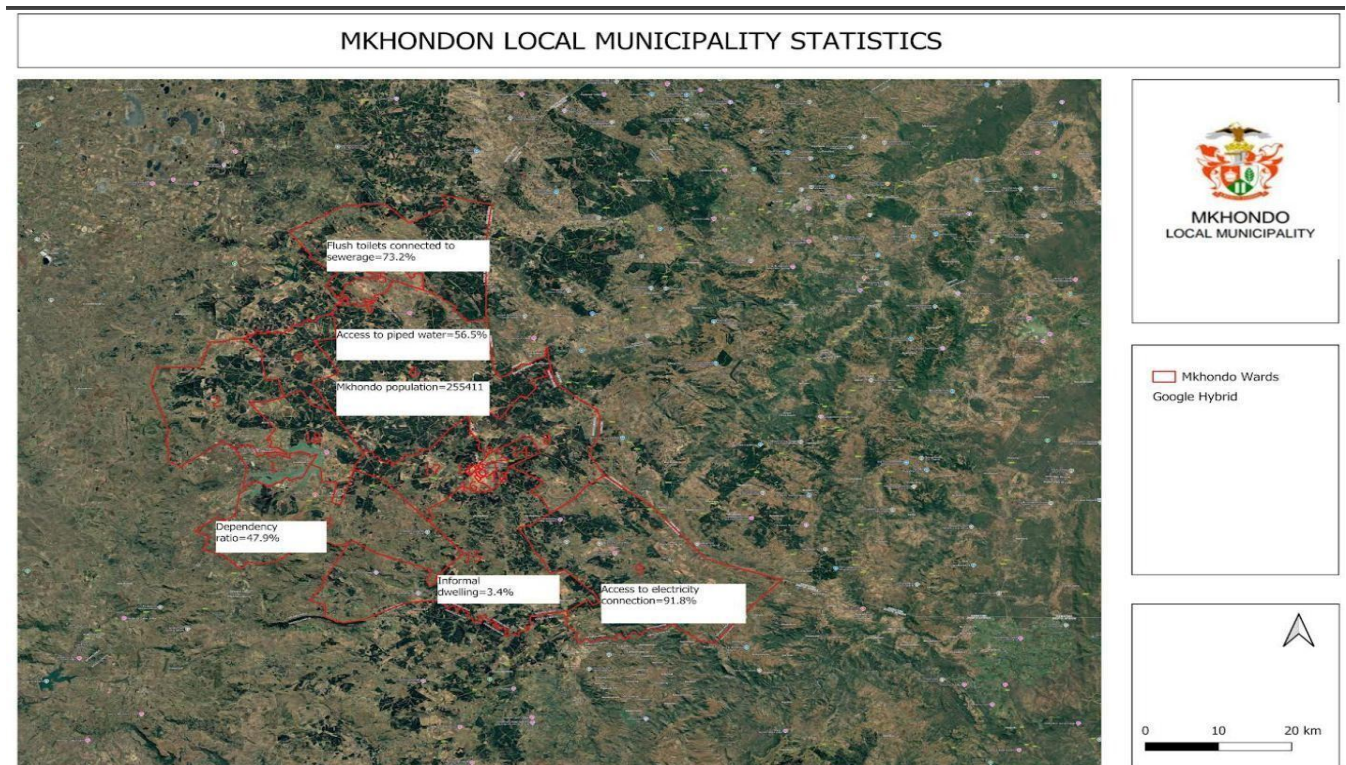
The official/ strict unemployment rate for 2022 was at 37.7% which is the 2nd highest in Gert Sibande. This is a deterioration from 32.2% in 2019. The official female unemployment rate for is at 42.0% which deteriorated from 33.7% in 2019. The official youth (15-35 yr) unemployment rate was at 52.4% which deteriorated from 44.4% in 2019.

The prevailing trend in the municipality infers that the unemployment rate is deteriorating. Mkhondo ranked 4th lowest/best in terms of the 17 serious crimes reported and recorded an improvement between 2018/19 and 2022/23.

The population increased by 83 429 between 2011 and 2022, a high population growth rate of 3.8% per annum (2nd highest of the 17 municipal areas), which was nearly five times faster than the corresponding economic growth of 0.8% p.a.

The proportion of population 20 years and older with no schooling improved between 2011 and 2022 – the indicator shows a marked decline from 18.1% in 2011 to 11.2% in 2022. The proportion of population 20 years and older with a tertiary qualification declined between 2011 and 2022 – the indicator deteriorated from 5.2% in 2011 to 4.0% in 2022. In 2022, the functional literacy rate (82.1%) was the 3rd lowest in the province & showed an improving trend.

1.4.4 MKHONDO STATISTICAL MAP:



1.4.5 POPULATION DISTRIBUTION

According to Stats SA (2022) the population of Mpumalanga Province as a whole has increased. The population of Gert Sibande District Municipality has increased from 1 135 409 in 2016 to 1 283 459 in 2022 and that of Mkhondo Local Municipality has also increased (from 189 036 in 2016 to 255 411 in 2022). It is evident that the Gert Sibande District recorded an increase in population of 66 375 people between 2016 and 2022. It is noteworthy that Mkhondo Local Municipality grew at an annual rate of 3.8 % during the 2011 to 2022 period, which is the 2nd highest annual growth rate in Mpumalanga. This shows that the Gert Sibande District is ever-growing in population.

Table 1: Mkhondo Local Municipality Population Distribution

	2011	2022
Population	171 982	255 411
Number of Household	37 433	58 504
Households in Shacks within Informal Settlements	642	1970

Population 2011 vs 2022

Description	Census 2001	Census 2011	Census 2022
Mkhondo Local Municipality	143 077	171,982	255 411

Sources: STATS SA (2022)

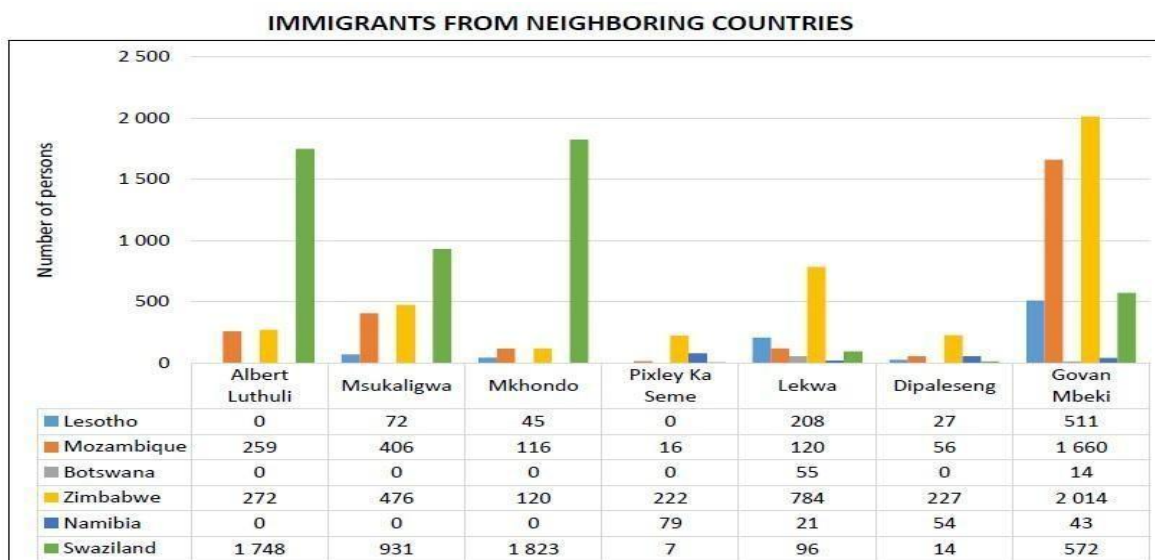
Table 2: Mkhondo Local Municipality Population per Ward:

Ward Number	Villages/Town	Census 1996	Census 2001	Census 2011
Ward 1	Saul Mkhizeville (Mkhize Village, New Stand)	6 345	4 754	10 133
Ward 2	Saul Mkhizeville (Mabilisa, Masihambisane)	11 824	8 088	16 446
Ward 3	Dirkiesdorp/KwaNgema South	7 878	15925	13 006
Ward 4	Insephe	6 090	10 343	5 862
Ward 5	KwaThandeka, Winnie Mandela	6 032	9 501	12 188
Ward 6	Rustplaas	6 003	9 759	8 277
Ward 7	eMkhondo Town	6 853	12 303	6 083
Ward 8	Maphepheni/Ajax	8 690	12 262	9 096
Ward 9	Moolman/Sulphur Springs	8 431	14 475	14 030
Ward 10	Thandakukhanya (Kempville, Retiefville &	4 189	4754	6 752
Ward 11	Thandakukhanya (Eziphunzini, Marabastad, Magadeni	4 362	2 849	12 321
Ward 12	Thandakukhanya (Long homes, Mafred, Sbetha,	5 660	4 699	6 384
Ward 13	Thandakukhanya (Sbetha, Part Eziphunzini, Part Mangosuthu, Zone 5, Part of Phosa village)	4 468	4 634	7 451
Ward 14	Harmony Park (Mangosuthu)	3 009	10 997	9 395
Ward 15	ENtombe	10 411	17 544	8 454
Ward 16	Mangosuthu/Phola Park			5 700

Ward 17	Ezinkonjaneni/Phoswa Village			6 884
Ward 18	Saul Mkhizeville (Esibovini, Masihambisane east)			3 404
Ward 19	Amsterdam, Thokozani			10 120
Total (Mkhondo Local Municipality)		106 248	142 884	171 982
DC30: Gert Sibande District Municipality			900 010	1 043

Sources: STATS SA 194 (ward level breakdown is not yet available for 2022)

Table 3: Immigrants from neighbouring countries:



According to Stats SA (2016) most of the immigrants in Mkhondo are from Swaziland (1823 people) followed by Zimbabwe (120 people); Mozambique (116 people) and Lesotho (45 people).

1.4.6 AGE AND SEX STRUCTURE

In terms of Sex-Ratio, it is noteworthy that there are more women (53.1%) than men (46.9%) in Mkhondo. Furthermore, there is a decline in a number of people aged 14 years and younger, from 36.6% in 2011 to 28.9%.

Table 4: Age and Sex Structure 2011 vs 2016

AGE	2016		2011	
	Male	Female	Male	Female
0 – 4	11 703	11 616	10 949	10 737
5 – 9	10 297	10 423	10 423	10 657
10 – 14	10 476	10 956	10 113	10 043
15 – 19	10 424	10 845	9 980	9 946
20 – 24	9 311	9 641	8 452	9 006
25 – 29	8 706	9 829	7 192	7 371
30 – 34	6 059	6 943	5 145	5 406
35 – 39	4 952	5 411	4 562	5 079
40 – 44	4 156	4 687	3 822	4 350
45 – 49	3 742	4 449	3 093	4 180
50 – 54	2 775	3 566	2 449	3 343
55 – 59	2 390	3 048	2 060	2 768
60 – 64	2 208	1 990	1 512	2 064
65 – 69	1 205	1 847	905	1 552
70 – 74	791	1 511	741	1 368
75 – 79	479	1 089	362	743
80 – 84	126	444	273	665
85+	378	562	232	439
Total	90 178	98 858	82 265	89 717

Sources: STATS SA 2016

Table 5: Gender 1996 vs 2001 vs 2011 vs 2016

GENDER	2001	2011	2016	2022
FEMALE	75 163	89 717	98 858	135 623
MALE	67 912	82 265	90 178	119 788
TOTAL	143 075	171 982	189 036	255 411

Sources: STATS SA 2022

Table 6: Gender statistics

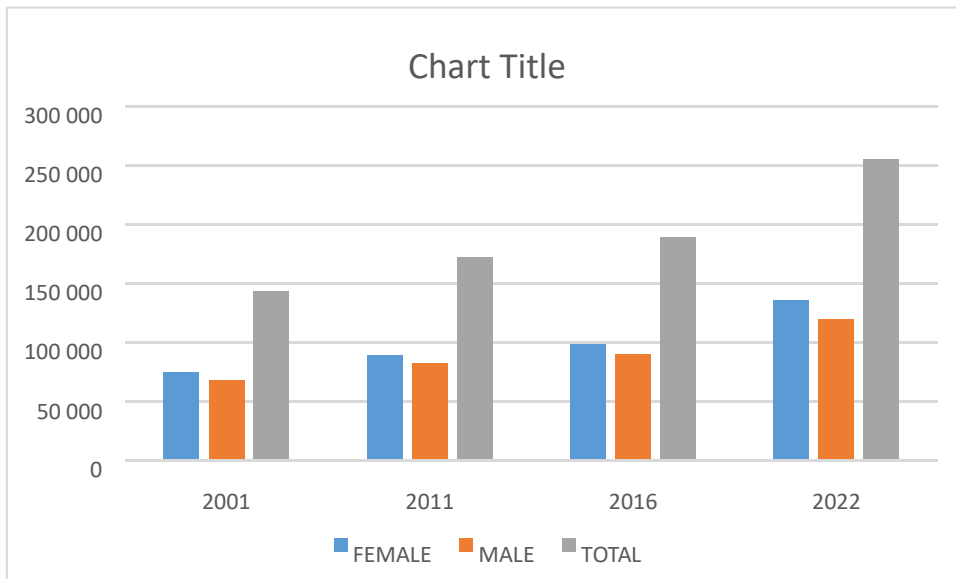


Table 7: Disability

The census that was conducted by the Stats SA in 2011 revealed that Mkhondo is constituted by more than 1 755 persons with disabilities. This figure poses direct challenges to the Municipality and government.

DISABILITY	1996	2001	2011
MALE	48%	47%	48%
FEMALE	52%	53%	52%

Sources: STATS SA 2011

Table 8: Sex ratio (Males per 100 females)

	2001	2007	2011	2016	2022
NO. OF MALES PER 100 FEMALES	90	86	92	91	88

1.4.7 RACIAL COMPOSITION

The population in Mkhondo Local Municipality is predominantly Black African. The Indian/Asian and White racial groups have seen a decline from 2011 to 2022 (Stats SA, 2022). In areas such as Amsterdam, there has been a shift in racial composition, with the white population declining from

2,5% of population in 2011 to 1,7% in 2022 and the black population increasing from 94% in 2011 to 97% in 2022.

Mkhondo Population

According to Stats SA's Census 2022, Mkhondo's population increased from 171 982 in 2011 to 255 411 people in 2022 – 8th largest population in 2022. The population increased by 83 429 between 2011 and 2022, a high population growth rate of 3.8% per annum (2nd highest of the 17 municipal areas), which was three times faster than the corresponding economic growth. The youth population (0-34 years) formed 68.3% (2nd highest share in MP) of the local municipal area's population & the elderly population (60+ years) 6.6%. In 2022, the female population's share was 53.1% and that of males 46.9%. The number of migrants from other provinces were 2 524 and 779 from outside of South Africa.

Table 9: Racial composition 2001 vs 2011 vs 2022

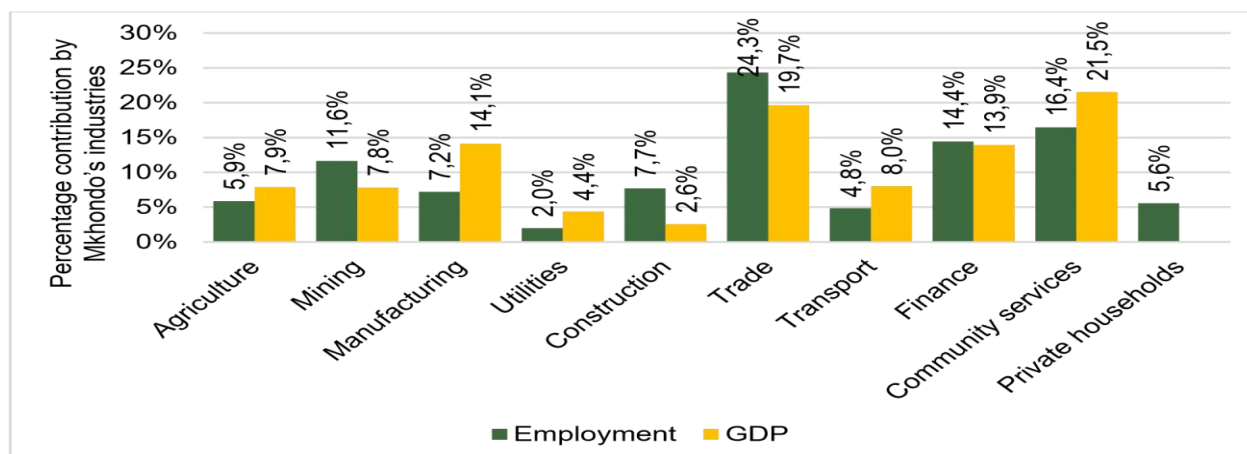
RACE	2001	2011	2022
Black African	136 523	162 322	248 860
Coloured	587	894	999
Indian/Asian	773	1417	1054
White	5195	6447	4463

Sources: STATS SA 2022

Development Gini Coefficient

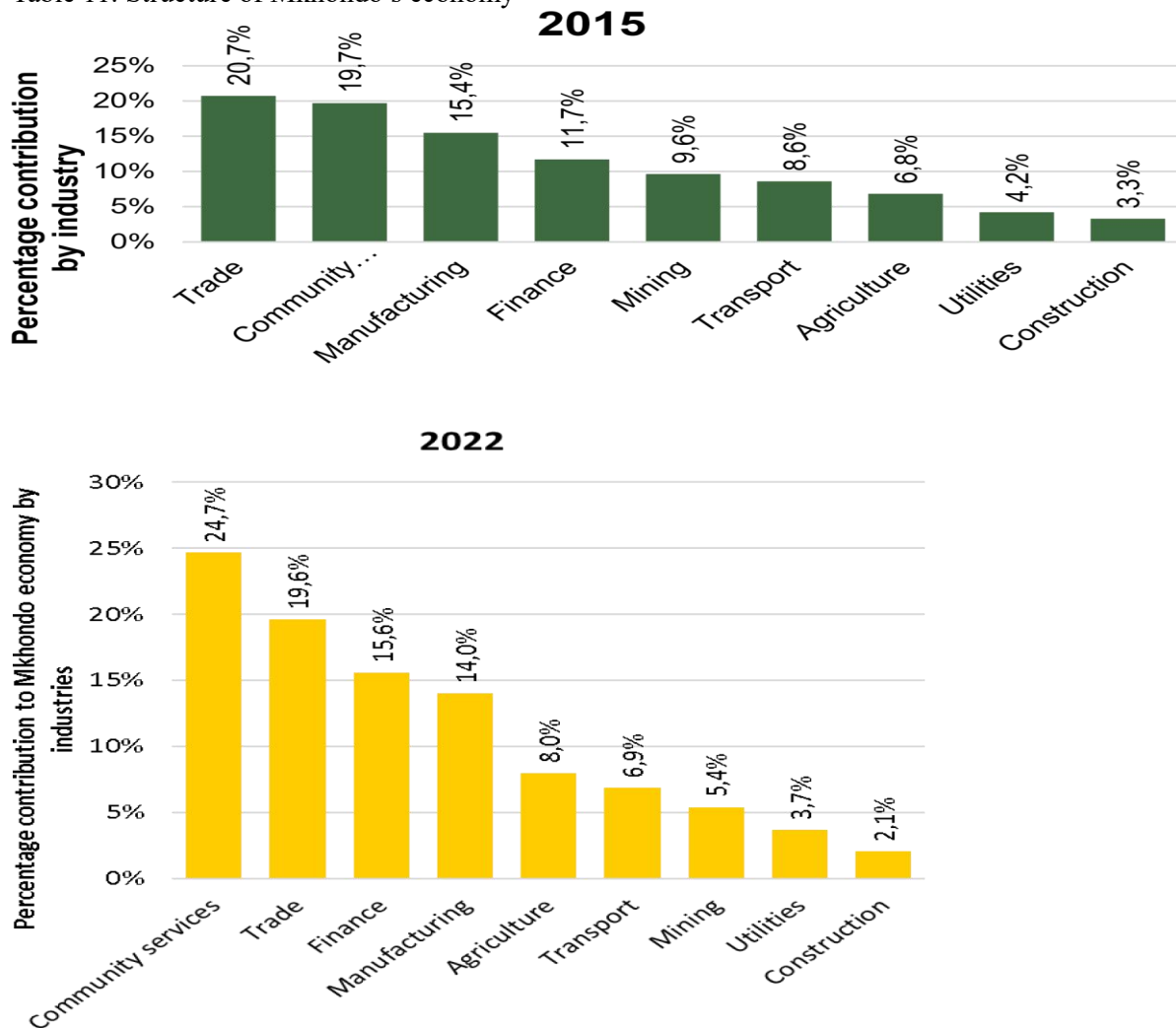
Mkhondo local Municipality's Gini coefficient went from 0.58 in 2011 to 0.59 in 2022 (Stats SA).

Table 10: Economic Gross Domestic Product (GDP)



Data source: SERO 2021

Table 11: Structure of Mkhondo's economy



Data source: SERO 2023 **Table 12: Mkhondo's economy**

- Contribution to the Mpumalanga economy in 2022 was 2.3% – 7th smallest economy in the province. Contributed 9.1% to the district economy in 2022.
- Relatively large contributions to Gert Sibande's agriculture, trade, transport, community services and finance industries. The economic growth rate for Mkhondo was 2.2% p.a. over the period 1996 to 2022 – 5th highest among local municipal areas. For the period 2019-2022 the economy contracted by -1.0% p.a. in line with the weak economic climate in the country.
- Estimated growth of 1.4% between 2023-2027.
- The estimated average annual GDP growth for Mkhondo between 2020 and 2025 is only 1.8% in line with national and provincial growth expectations.
- In 2022, community services, trade (including tourism), manufacturing and finance, were the largest industries in the local economy. Together, these four industries contributed

two thirds to the local economy. The size of the economy in 2022 was estimated at approximately R11.3 billion in current prices.

- In 2022, tourism spend totalled more than R500 million which was a decline from the 2019 spend.

Table 13: Economic contribution & growth

% contribution to Mpumalanga economy 2020	Average annual economic growth 1996-2020	Average annual economic growth 2015-2020	Average annual economic growth 2020-2025
2.5%	2.4%	-1.4%	1.8%

Data source: SERO 2021

Table 14: Economic contribution per industries

Industry	Percentage
Agriculture	12.3%
Mining	3.8%
Manufacturing	7.7%
Utilities	6.9%
Construction	10.1%
Trade	14.3%
Transport	12.5%
Finance	11.0%
Community services	11.1%
Total	9.4%

Data source: SERO 2021

Table 15: Estimated Mkhondo economic growth per industry, 2020

Industry	Estimated economic growth in 2020
Agriculture	12.6%
Mining	-4.6%
Manufacturing	-10.1%
Utilities	-4.1%

Construction	-17.1%
Trade	-8.6%
Transport	-12.7%
Finance	3.9%
Community	1.5%
Total	Between -4% & -5%

Data source: SERO 2021

Table 16: Tourism by local municipal area

Total tourism spend (R-million)		Tourism spend as % of GDP (current prices)	
2015	2020	2015	2020
397.6	145.1	5.0%	1.5%

Data source: SERO 2021

Poverty, inequality, HDI & crime indicators in Mkhondo

- The share of population in Mkhondo below the lower bound poverty line (LBPL) increased/deteriorated from 62.0% in 2019 to 63.8% in 2022 – the highest/worst of the local municipal areas.
- In 2022, the number of people below the LBPL was 127 869.
- In the calculation of the Local Government Equitable Share (LGES), National Treasury estimates that Mkhondo had 37 103 poor households in 2023 – more than 60% of the households.
- In 2022, Mkhondo's share of income by the poorest 40% of households was 8.9%, an increase/improvement from 8.4% in 2019.
- Mkhondo ranked 6th highest/best, indicating that income inequality was not as severe within the area as in other areas of the province.
- In 2022, the Human Development Index (HDI) of 0.55 was equal to the 2019 level.
- In April 2023, there were 44 894 beneficiaries of social assistance grants in Mkhondo – more than 60% child support grants.
- Mkhondo ranked 4th lowest/best in terms of the 17 serious crimes reported and recorded an improvement between 2018/19 and 2022/23.

POVERTY RATE Table 17: Poverty rate

Local Municipal Area	% below LBPL 2014	% below LBPL 2015	% below LBPL 2019	% below LBPL
Mkhondo	54.1%	55.2%	53.1%	2022 63.8%

Table 18: INCOME INEQUALITY

Local Municipal Area	Share of income by poorest 40% of households			
	2014	2015	2019	2022
Mkhondo	9.3%	9.3%	9.1%	8.0%

The number of people that are unemployed has declined in Mkhondo Local Municipality, however unemployment of youth specifically females still remains a major concern in the country. It is noteworthy that low level of education and inadequate skills have a negative impact on employability. In Mkhondo Local Municipality settlements with high unemployment rates are Saul Mkhizeville, KwaNgema Tribal Trust and Dirkieisdorp.

Table 19: Unemployment rate 2014 vs 2015 vs 2019 vs 2022

Unemployment rate			
2014	2015	2019	2022
30.2%	29.6%	32.3%	35.5%

Sources: Community survey 2019

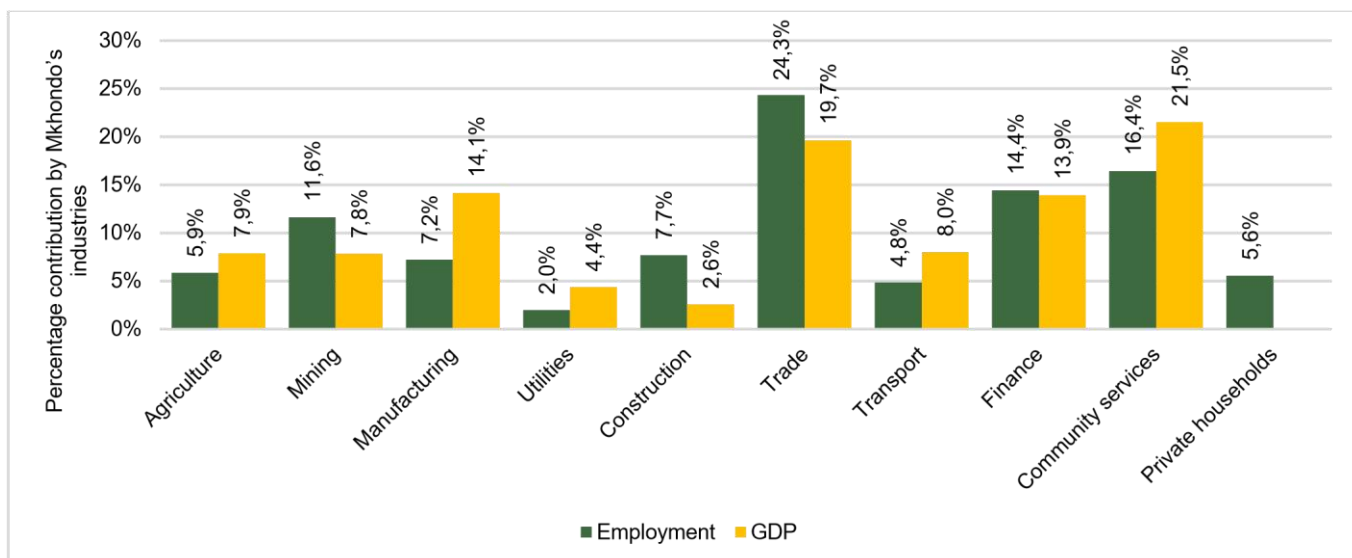
Table 20: Youth (15-24 yr) unemployment rate per municipal area

Unemployment rate			
2014	2015	2019	2022
57.5%	56.8%	62.3%	52.4%

Table 22: Average annual employment growth per municipal area

Average annual employment growth	Average annual employment growth	Average annual employment growth
2011-2014	2015-2019	2019-2022
5.4%	2.1%	-3.3%

Table 23: Employment by industry in Mkhondo



Data source: SERO 2021

Labour market in Mkhondo

- The expanded unemployment rate of Mkhondo was 41.7% in 2020, which was one of the higher unemployment rates in the province and relatively high in comparison with the 6% target by 2030.
- In 2020, the expanded unemployment rate for females was 47.0% and that of males 36.6%.
- In 2020, the youth (15-34 yr) expanded unemployment rate was high at 55.2%.
- There is concern about the high share of unemployed youth & especially females – there appears to be a mismatch between their offering of education and skills (or lack thereof) and the demand of the labour market, but also a lack of investment to create jobs.
- Importance of quality and relevant education and training in line with the economic needs of the province to improve their employability but also a need to retain businesses and attract new investment. Importance and relevance of the UMP and TVETs in this regard.
- In 2020, Mkhondo contributed 3.6% to total employment in the province.
- Between 2016 & 2020 employment declined by 0.1% p.a. The average annual employment growth deteriorated compared with the 2011 to 2015 growth of 5.4% p.a.

Labour market indicators in Mkhondo

41.7%	47.0%	55.2%
<ul style="list-style-type: none"> • 2020 expanded unemployment rate • Deteriorated from 39.7% in 2016 	<ul style="list-style-type: none"> • 2020 female expanded unemployment rate • Deteriorated from 45.3% in 2016 	<ul style="list-style-type: none"> • 2020 youth (15-34yr) expanded unemployment rate • Deteriorated from 51.0% in 2016
-0.1%	3.6%	3 516
<ul style="list-style-type: none"> • Average annual employment contraction 2016-20 • Worse than 5.4% p.a. growth 2011-15 	<ul style="list-style-type: none"> • Share of Mpumalanga's employment in 2020 	<ul style="list-style-type: none"> • Estimated number of job losses in 2020 due to COVID-19

Data source: SERO 2021

EMPLOYMENT RATE

- The unemployment rate of Mkhondo was 29.6% in 2015 and increased to 35.5% in 2022.
- In 2019, Mkhondo's unemployment rate was the 8th highest among all the municipal areas of Mpumalanga.
- In 2019, the unemployment rate for females was 35.9% and has deteriorated to 42% in 2022.
- Concern about the high unemployed youth & especially females – relatively low level of education and inadequate skills impact negatively on their employability.
- Importance of quality and relevant education and training in line with the economic needs of the province – important role of the University of Mpumalanga & TVETs.
- In 2019, 3.7% of Mpumalanga's employed worked in Mkhondo. There has been a slight decline as the percentage is only 3.6% in 2022.
- Significant decrease in employment level between 2019 & 2022, at a rate of -3.3% p.a. Average annual employment growth declined/deteriorated when compared with the 2014 to 2019 rate of 2.0% p.a.
- The largest employing industries in Mkhondo were trade (including tourism), community services, finance and manufacturing.

Mkhondo's Education Indicators

- Mkhondo's grade 12 pass rates increased from 70.9% in 2014 to 74.5% in 2023, however it was the lowest in the district and the 5th lowest in the province.
- Mkhondo's pass rate improved between 2022 and 2023 by 1.8 percentage points.
- The area's admission rate to university/degree studies declined marginally from 33.3% in 2022 to 33.2% in 2023, which was the 10th highest/8th lowest of the 17 Mpumalanga municipal areas.
- There is an existing challenge with regards to accommodating the educated young people in the area - inadequate economic opportunities.
- Provision of adequate educational & recreational infrastructure as well as skills development activities to meet the needs of the community.
- In 2020, the functional literacy rate (78.6%) was the 3rd lowest in the province but showed an improving trend.

Table 24: Basic education data & performance per municipal area

Grade 12 Pass Rate				
2025	2024	2023	2022	2021
84.90%	87.30%	82.90%	72.70%	64.30%

Data source: SERO 2021

Table 25: Functional literacy rate per municipal area

Age 15yr+ & completed gr 7 or higher		Age 15yr+ & completed gr 7 or higher	
2011	2015	2016	2020
70.4%	72.3%	73.0%	78.6%

Data source: SERO 2021

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CHAPTER

A solid blue square is centered on the page, containing the number '2' in a white serif font.

2

CHAPTER 2 Political and Administrative Governance Structure

2.1 COMPONENT A: POLITICAL GOVERNANCE

Section 151 (3) of The Constitution of the Republic of South Africa states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community. Mkhondo Local Municipality is a category B municipality situated in the Gert Sibande District Municipality of the Mpumalanga Province. The political structure of Mkhondo Local Municipality is comprised of a municipal council consisting of 38 Councillors of which 19 are ward councillors and 19 proportional representation councillors chaired by the Speaker.

Table 27: Representation of Political Parties

Political Party	Number of Representatives/Councillors
African National Congress	21
Economic Freedom Fighters	7
Democratic Alliances	4
Inkatha Freedom Party	1
National Freedom Party	1
Independent Candidate	2
Vryheidsfront Plus	1
African Transformation Movement	1
TOTAL	38

Table (a) TRIOKA

Designation	Incumbent
Speaker	Cllr. M Z Ngwenya
Executive Mayor	Cllr. NC Ndhlovu
Whip of Council	Cllr. SD Thwala

Table 28: MEMBERS OF MAYORAL COMMITTEE:

No.	Department	MMC
1.	MMC Planning and Development Services	Cllr T E Khumalo
2.	MMC Finance	Cllr T W Manana
3.	MMC Technical Services	Cllr D M Thwala
4.	MMC Corporate Services	Cllr. M T Mkhabela
5.	MMC Community Services	Cllr. W H Vilakazi

Council is chaired by the Speaker. Policy decisions and resolution are taken by the Council per recommendation from the Executive Mayor. The Executive Mayor and members of mayoral committee are required to execute council resolutions and to resolve on matters delegated to the Executive Mayor by Council.

Table 29: WARD COUNCILLORS AND PROPORTIONAL REPRESENTATIONS (PR)

NO.	INITIAL AND SURNAME	WARD No/PR	Designation	Political Party
1	Councillor M Z Ngwenya	Ward 8	Speaker of Council	African National Congress
2	Councillor N C Ndhlovu	Proportional Representative	Executive Mayor	African National Congress
3	Councillor S D Thwala	Ward 4	Whip of Council	African National Congress
4	Councillor D M Thwala	Proportional Representative	MMC Technical Services	African National Congress
5	Councillor T E Khumalo	Proportional Representative	MMC of Planning and Economic Development	African National Congress
6	Councillor M T Mkhabela	Ward 18	MMC Corporate Services	African National Congress
7	Councillor W H Vilakazi	Ward 14	MMC Community Services	Independent Candidate
8	Councillor T W Manana	Ward 9	MMC Financial Services	African National Congress
9	Councillor B M Khumalo	Proportional Representative	Chairperson of Section 79 Financial Services	African National Congress
10	Councillor D M Ntshakala	Proportional Representative	MPAC Chair	African National Congress
11	Councillor N D Sangweni	Ward 1	-	African National Congress
12	Councillor B E Maisela	Ward 2	-	African National Congress
13	Councillor M N Mbatha	Ward 3	-	African National Congress
14	Councillor J M Nkosi	Ward 5	Chairperson of Section 79 of Rules and Ethics Committee.	African National Congress
15	Councillor M S Ngwenya	Ward 6	Chairperson of Section 79 Polices and By Laws	African National Congress
16	Councillor J L I Brussow	Ward 7	-	Democratic Alliance
17	Councillor M Z Thomo	Ward 10	Chairperson of Section 79 Technical Services	African National Congress
18	Councillor N G Gwebu	Ward 11	-	African National Congress
19	Councillor M R Q Mhlanga	Ward 12	-	African National Congress
20	Councillor N S Mthethwa	Ward 13	Chairperson of Section 79 of Corporate Services	African National Congress
21	Councillor S M Shoba	Ward 15	Chairperson of Section 79 of Local Geographical Name Changes (LGNC)	Africa National Congress
22	Councillor T M Qwabi	Ward 16	Chairperson of Section	Africa National Congress

NO.	INITIAL AND SURNAME	WARD No/PR	Designation	Political Party
			79 Community Services	
23	Councillor M A Simelane	Ward 17	-	Independent Candidate
24	Councillor M S Lukhele	Ward 19	-	Africa National Congress
25	Councillor M J Dlamini	Proportional Representative Councillor	-	African Transformation Movement
26	Councillor S J Methula	Proportional Representative	-	Democratic Alliance
27	Councillor B A Dlamini	Proportional Representative	-	Democratic Alliance
28	Councillor T Tshandu	Proportional Representative	-	Democratic Alliance
29	Councillor S P Mkhwanazi	Proportional Representative	-	Economic Freedom Fighters
30	Councillor S P Sibiya	Proportional Representative	-	Economic Freedom Fighters
31	Councillor N N Zulu	Proportional Representative	-	Economic Freedom Fighters
32	Councillor V S Hlophe	Proportional Representative	-	Economic Freedom Fighters
33	Councillor L L Ngubeni	Proportional Representative	-	Economic Freedom Fighters
34	Councillor D W Nkosi	Proportional Representative	-	Economic Freedom Fighters
35	Councillor E F Nkosi	Proportional Representative	-	Economic Freedom Fighters
36	Councillor J R Sibiya	Proportional Representative	-	Inkatha Freedom Party
37	Councillor T H Mtshali	Proportional Representative	Chairperson of Section 79 of Planning and Economic Development	National Freedom Party
38	Councillor H W Weber	Proportional Representative	-	VryheidsFront Plus

Designation

The position of Speaker is full-time and takes responsibility for the running of council meetings. The Speaker is the chairperson of the council.

The Office of the Whip of Council is established to create synergy and to maintain discipline among councillors from various political parties. The Role of the Whip of Council of council covers both the political and administrative domains of council with emphasis on the political aspect. The Whip of Council deals with the well-being and to monitor effectiveness whispery committees.

The Council meetings are governed in accordance to the approved rules of order. Council has an executive mayoral system with Section 79 and 80 Committees. The section 79 Committees are chaired by none executive councillors who are not members of the mayoral committee. Section 80 committees assist and report to the Executive Mayor. The Executive Mayor has appointed the mayoral committee members as chairpersons for each of the committees.

The Municipality has established an Audit Committee. The Audit Committee meets a minimum of four times per year and is an independent advisory body that advises council, political office bearers, the accounting officer and the management of the municipality on matters relating to good governance and internal controls in particular, namely; internal audit, risk management, accounting policies and adequate reliable and accurate financial reporting and information, performance management, effective governance. The Division of Revenue Act and provides comments to the Municipal Public Accounts Committee (MPAC) and Council on the Annual Report.

MPAC is a section 79A oversight committee which comprises of non-executive councillors, with the specific purpose of providing oversight over the executive functionaries of Council to ensure good financial governance in the municipality. MPAC also makes comments and recommendations on the Annual Report separately to Council.

ADMINISTRATIVE GOVERNANCE

Council has appointed five (5) section 80 committees chaired by members of the mayoral committee to assist the Executive Mayor. Section 79 (oversight) committees, chaired by non-executive councillors, have also been established to monitor the functioning of the municipality on a quarterly basis and to report to Council directly

Section 80 Committees

Section 80 committees		
Corporate Services	Community Services	Financial Services
1. Cllr M T Mkhabela (Chairperson)	1. Cllr W H Vilakazi (Chairperson)	1. Cllr T W Manana (Chairperson)
2. Cllr S P Mkhwanazi	2. Cllr V S Hlophe	2. Cllr T M Qwabi
3. Cllr B A Dlamini	3. Cllr T W Tshandu	3. Cllr M Q R Mhlanga
4. Cllr J M Nkosi	4. Cllr M N Mbatha	4. Cllr J L I Brussow
5. Cllr M Z Thomo	5. Cllr S M Shoba	5. Cllr M S Ngwenya
Technical Services	Planning and Economic Development	
1. Cllr D M Thwala (Chairperson)	1. Cllr T E Khumalo (Chairperson)	
2. Cllr S J Methula	2. Cllr M J Dlamini	
3. Cllr W H Weber	3. Cllr M S Ngwenya	
4. Cllr J M Nkosi	4. Cllr N N Zulu	
5. Cllr D M Ntshakala	5. Cllr N S Sangweni	

Section 79 Committees

Section 79			
Corporate Services	Community Services	Financial Services	Municipal Public Account Committee
<ol style="list-style-type: none"> 1. Cllr N S Mthethwa (Chairperson) 2. Cllr N G Gwebu (Whip) 3. Cllr D W Nkosi 4. Cllr J L I Brussow 5. Cllr M S Lukhele 	<ol style="list-style-type: none"> 1. Cllr T M Qwabi (Chairperson) 2. Cllr N S Sangweni 3. Cllr N N Zulu 4. Cllr M S Lukhele 5. Cllr D W Nkosi 	<ol style="list-style-type: none"> 1. Cllr B M Khumalo (Chairperson) 2. Cllr N S Mthethwa 3. Cllr S P Sibiya 4. Cllr S J Methula 5. Cllr B E Maisela 	<ol style="list-style-type: none"> 1. Cllr D M Ntshakala (Chairperson) 2. Cllr J M Nkosi (Whip) 3. Cllr N G Gwebu 4. Cllr M N Mbatha 5. Cllr B E Maisela 6. Cllr M S Lukhele 7. Cllr M J Dlamini 8. Cllr S J Methula 9. Cllr V S Hlophe 10. Cllr J R Sibiya
Technical Services	Planning and Economic Development	Policies and by Laws	Local Geographical Name Changes (LGNC)
<ol style="list-style-type: none"> 1. Cllr M Z Thomo (Chairperson) 2. Cllr M N Mbatha (Whip) 3. Cllr E F Nkosi 4. Cllr T W Tshandu 5. Cllr N S Mthethwa 	<ol style="list-style-type: none"> 1. Cllr T H Mtshali (Chairperson) 2. Cllr M S Shoba 3. Cllr L L Ngubeni 4. Cllr B M Khumalo 5. Cllr T M Qwabi 	<ol style="list-style-type: none"> 1. Cllr M S Ngwenya (Chairperson) 2. Cllr D M Ntshakala 3. Cllr B M Khumalo 4. Cllr M N Mbatha 5. Cllr L L Ngubeni 	<ol style="list-style-type: none"> 1. Cllr S M Shoba (Chairperson) 2. Cllr N G Gwebu 3. Cllr M J Dlamini 4. Cllr M A Simelane 5. Cllr J R Sibiya
Rules and Ethics Committee			
<ol style="list-style-type: none"> 1. Cllr J M Nkosi (Chairperson) 2. Cllr V S Hlophe 3. Cllr N S Mthethwa 4. Cllr W H Weber 5. Cllr M A Simelane 			

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The administration is led by the Municipal Manager, who is appointed in terms of section 54A of the Municipal Systems Act. The Municipal Manager is employed on a contract basis, which includes an annual performance agreement with performance objectives and

targets and procedures for evaluating performance. Together with the General Managers who are employed in terms of section 56 of the Municipal Systems Act he leads the administration by amongst others implementing council resolutions, advising council and its Committees, lead the IDP and Budget planning and implementation processes.

There are functions that are delegated by council to the Municipal Manager, who in turn subdelegated certain functions to the General Managers. Under their leadership, municipal officials attend community consultative meetings, report in management meetings on plans and progress in addressing community issues.

The Municipal Manager is the administrative head and acts as a link between the politicians and the administration. The Municipal Manager is supported by the following section 56 Managers appointed in terms of the Municipal Structures Act:

TOP ADMINISTRATIVE STRUCTURE

Department	Names	Gender
Municipal Manager (Administrative Head & Accounting Officer)	Mr. MJ Mkhonza	Male
Acting General Manager Financial Services	Mr. T. Motha	Male
General Manager Corporate Services	Ms W D Mahlangu	Female
General Manager Community Services	Mrs A Z Mthethwa	Female
Acting General Manager Planning & Dev	Mrs B Nxumalo	Female
General Manager Technical Services	Mr S. W Nkosi	Male

CRITICAL POST FILLED

Position	Status	Units
Municipal Manager	Filled	Legal
		Communication
		PMS
		Internal Audit
		Risk
Chief Financial Officer	Vacant	SCM
		Budget -Vacant
		Revenue

Position	Status	Units
		Asset
		Expenditure
		Water Service and Waste Water
General Manager Technical Service	Filled	Electrical Division
		Road and Storm Water
		Project Management
General Manager Planning Economic Development	Vacant	Local Economic Development
		IDP, IGR & Special Projects
General Manager Community Services	Filled	Waste Management
		Public Safety
General Manager Corporate Service	Filled	Human Resources
		ICT
		Auxiliary
		Transversal

2.2 COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTERGOVERNMENTAL RELATIONS

Co-Operative Governance and Intergovernmental Relations

The purpose of intergovernmental relations is to achieve the constitutional mandate for local government by mobilizing resources and strategic partnerships which will ensure co-operation and coordination by all stakeholders (National, Provincial and Local) to ensure service delivery to the residents of the municipality to ensure a better-quality life to all.

NATIONAL INTERGOVERNMENTAL STRUCTURES

National Treasury

The National Treasury co-ordinates the development of the local government fiscal framework applicable to municipalities within the context of the Division of Revenue Act. It manages the development of the Local Government Equitable Share formula and ensures compliance with the MFMA to modernize local government budgeting and financial management processes and practices. Provide assistances to improve financial

governance and to maximize municipal capacity to deliver services through efficiency, effectiveness and sustainability, and by dealing with corruption. They set-up the accountability cycle by ensuring proper linkages between IDPs, Budgets, SDBIPs, In-Year reports, Annual Financial Statements, Annual reports, Oversight reports and Audit reports.

Department of Co-operative Governance and Traditional Affairs, (CoGTA)-Develops various policies, guidelines to enable sustainable development to eradicate poverty and develops a service-orientated culture that promotes the active participation of the wider community. Community inputs are essential to improve on integrated development planning and service delivery. Linked to this is the establishment of performance management which is a crucial mechanism to achieve this.

South African Local Government Association (SALGA)-Is the national representative body of local government and has a constitutionally defined mandate. It responds to challenges facing organized local government and addresses past weaknesses

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

Office of the Premier-The Office of the Premier focuses on co-operative and good governance through the provision of advice and information, co-ordination, monitoring and support to local government.

Provincial Treasury-The functions of provincial treasuries are to promote co-operative government among role-players and assist National Treasury in implementing the MFMA, monitor municipal budgets and outcomes, analyse in-year reports and take intervention measures to assist municipalities that breach the MFMA. Provincial Treasury has established various units to assist and monitor the municipalities. These units specialize in, amongst other things, revenue enhancement, assets, accounting standards, and in-year reporting. Through the Munimec meetings and Technical Munimec meetings, various municipal issues in the province are discussed to formulate solutions and plans to improve governance and service delivery. These meetings were conducted quarterly during the financial year.

COGTA MPUMALANGA assists and provides guidance to build clean, effective, efficient, responsive and accountable local government. It strengthens partnerships between local government and communities and ensure municipalities meet their mandate to provide basic services. Its core mandate is to support and monitor municipalities in the execution of their core mandate.

DISTRICT INTERGOVERNMENTAL STRUCTURES

The Gert Sibande District municipality has a supporting role to play in the planning and coordinating of activities within its boundaries to ensure the provision of services in the district. It is therefore imperative that the capital allocations from the district are based on community needs. These projects are implemented by the district municipality and transferred to the municipality on completion.

2.3 COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The following is done by the municipality to ensure widespread and conducive stakeholder participation and accountability:

- Both the print and electronic media such as the newspapers, community radio, and municipal billboard are utilized to inform communities and stakeholders on Council's activities.
- All messages/information are conveyed in a language/s understood by the general community.
- The correct venues and times for public meetings are well communicated. Furthermore, the municipality ensures that meetings are held at such times that all stakeholders can attend.
- Adequate time is allowed to community, representatives of organizations, business to report back to their relevant forums and make inputs.
- Council meetings are open to the public and residents are invited to attend. Important documents such as IDP, Budget, and Valuation roll are available at all public libraries within the municipal area.
- Ward committee and ward community monthly meetings are convened and serve as a platform for interaction, engagement and sharing of information.
- Various fora on local, district and provincial level.
- Mayoral outreach programmes were held during the year in areas determined by the mayoral committee in consultation with the designated Ward Councilors.

PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

WARD COMMITTEES

The role of ward committees is to enhance participatory local governance and development within the Municipality. There has been a widely observed commitment in Mkhondo to participatory governance within both government and civil society, which has been given legal standing and encouragement through the Municipality's key performance areas such as *Putting People First* and giving feedback to communities and stakeholders. All nineteen (19) Ward Committees have been the focus of considerable attention by government as well as civil society, with substantial investment already made in an attempt to ensure that these structures have the necessary capacity and resources required for them to fulfil their envisaged roles as the "voice" of communities.

These Ward Committees provided a channel for public participation and communication for the community and also served as a link between the community and Council. The Municipality has an intensive community consultation process that is done at a ward level in line with the community-based planning approach. This process stimulates participatory governance by affording community members a fair opportunity to deliberate on issues affecting them in their respective wards. Furthermore, this approach was implemented to inevitably include the local community in decision-making, planning and generally allowing them to play an active part in their own development. To facilitate this community consultation process, 19 Ward Committees consist of 10 members and are chaired by respective Ward Councillors. The Ward Councillor ensures that the interests of all members of community in the ward are presented in Council.

Ward committee and community meeting 2024-2025

Ward number	Community meeting planned	Community meeting conducted	Ward committee meeting planned	Ward committee meeting conducted
Ward 1	4	5	12	9
Ward 2	4	12	12	12
Ward 3	4	4	12	11
Ward 4	4	3	12	10
Ward 5	4	2	12	11
Ward 6	4	4	12	10
Ward 7	4	1	12	12
Ward 8	4	9	12	12

Ward number	Community meeting planned	Community meeting conducted	Ward committee meeting planned	Ward committee meeting conducted
Ward 9	4	9	12	12
Ward 10	4	3	12	12
Ward 11	4	3	12	12
Ward 12	4	4	12	11
Ward 13	4	7	12	12
Ward 14	4	3	12	8
Ward 15	4	5	12	12
Ward 16	4	5	12	11
Ward 17	4	3	12	10
Ward 18	4	7	12	12
Ward 19	4	1	12	10

IDP PUBLIC PARTICIPATION

INTEGRATED DEVELOPMENT PLAN

An Integrated Development Plan is a single, inclusive and strategic plan which guides and informs all planning, budgeting and development of the municipality. It is adopted by the Municipal Council and must be submitted to the Member of Executive Council (MEC) of Local Government in the Province for comments. It has to be harmonized, aligned and coordinated with all other municipal plans, strategies and frameworks, as well as National and Provincial strategic, departmental and sector plans, frameworks and strategies.

It enables the Municipality's leadership and management to make informed decisions towards ensuring efficient and effective service delivery. It must be adopted by each Municipal Council, within a prescribed period after it is elected, in terms of the Municipal Systems Act, No. 32 of 2000(as amended).The main objective of an Integrated

Development Plan (IDP) is to ensure the sustainable, equitable and inclusive development of a municipal area and to ensure a decent quality of life for all those who live in it.

The aforementioned objective links to the following:

The alleviation and eradication of poverty and of all lingering spatial, social, and economical legacies of apartheid; The identification and removal of all obstacles to development; The pursuit of sustainable and optimal use of resources; and the establishment of sustenance of efficient, effective and caring administrative services.

According to Section 28 of the Municipal Systems Act, Act No. 32 of 2000 (MSA) read in conjunction with Section 21 Municipal Financial Management Act, Act No. 56 Of 2003 (MFMA), the Executive Mayor of a municipality must at least 10 months before the start of the budget year table in the Municipal Council a Process Plan that will guide the planning, drafting, adoption and review of its IDP and the preparation, tabling and approval of the annual budget. The Act requires that the Process Plan should cover a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget; the annual review of the IDP and budget; the tabling and adoptions of any amendments to the IDP and budget; and any consultative processes forming part of the IDP/budget process

IDP PROCESS

The following process was followed for the development of the review of IDP 2022-2027: IDP Implementation Monitoring and Revision Programme. The following public participation mechanisms are proposed for each and every milestone. The milestone that we are referring to above will be outlined later.

IDP CYCLE	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
PHASE 0: PREPARATION. Process Plan.												
PHASE I: ANALYSIS. Revise/Confirm Issues.												
PHASE II: STRATEGIES Revise / Confirm Strategies												
PHASE III: PROJECTS Revise / Confirm Projects												
PHASE IV: INTEGRATION Revise/ Confirm Integration												
PHASE V: ADOPTION Approval by Council												
BUDGETING Draft and adoption of budget												
IMPLEMENTATION AND MONITORING												
COMMUNITY PARTICIPATION												

The synchronization of planning activities between District and constituent Local Municipalities is essential to ensure that the planning activities occur and outputs are available more or less simultaneously so that the joint and complimentary responsibilities of the municipalities can be undertaken for all and by all responsible, at the same time. This approach will avoid duplication of the required joint processes and maximize the use of limited human resource capacities. It will also ensure consultation between the local and district municipalities and over decision that effect and are binding on both.

CORE ELEMENTS OF THE IDP DRAFTING AND REVIEW CYCLE

Figure 1 demonstrates the 5 phases of IDP. A detailed explanation of what each phase entails is given below:

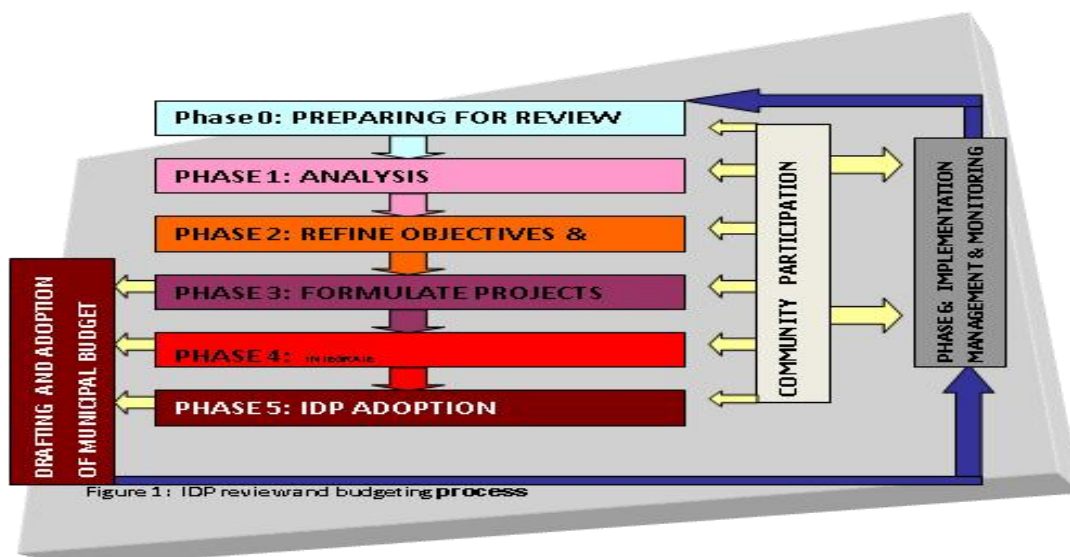


Figure 1: The IDP and the review process

Pre-PLANNING Phase: Before starting the planning process, an IDP Process Plan must be drawn up. This plan is meant to ensure the proper management of the Integrated Development Planning Process. All local municipalities including the district municipality must adopt their IDP Process Plans/Framework Plans 10 months before the start of the budget year with key deadlines (end of August), subsequent to consulting with its local communities. Once the Framework Plans/ Process Plans are adopted by Council, the District Municipality including Local Municipalities must submit the adopted Framework Plans/ Process Plans to the MEC: Cogta within the prescribed period of ten (10) days (MSA, 32 of 2000).

Analysis Phase: During this phase, information is collected on the existing conditions within the municipality. Community meetings, stakeholder meetings, surveys, opinion polls and researched information should form the basis of this phase. All Local Municipalities including the District Municipality must effectively ensure that the public consultations are convened in accordance with the approved Framework/

Process Plans to strengthen the effectiveness of this phase. This phase should be completed by October.

Strategies Phase: Municipalities must begin to contemplate on the best possible strategies to tackle the identified challenges. Critical in this process in order to ensure a focused analysis, the municipal vision must be confirmed and development objectives containing clear statements of what the municipality would like to achieve in the medium term to deal with the problems outlined in the first phase be confirmed. Internal transformation needs; Council's development priorities must be taken into account when formulating council objectives. Once the municipality has identified the best methods and strategies to achieving its development objectives identification of specific projects must commence. This phase should be completed by January.

Projects Phase: During this phase the municipality works on the designs and content/specifications of projects identified during the prior phases. Clear details for each project have to be worked out. Clear targets must be set and indicators worked out to measure performance as well as the impact of individual programmes and projects. The identified projects must have a direct link to the priority issues and objectives identified in the previous phase. Municipalities must ensure engagement of internal technical committees, possibly with selected key stakeholders. The needs and views of the affected communities must be taken as a priority.

The project technical committees and their subcommittees must be able to distinguish between the strategic municipal wide development programmes and the localized community-level projects. This phase should be completed by February. The IDP drafting action programme indicates that the District Municipality and the Local Municipalities should have adopted their first Draft IDPs by end of March each year. Once the draft IDPs are adopted by Council, the District Municipality including Local Municipalities must submit the adopted IDPs to the MEC: Cogta within the prescribed period of ten (10) days (MSA, 32 of 2000).

Integration Phase: Once all projects have been identified, the municipality must confirm that the identified projects will achieve the desired impact in terms of addressing the identified challenges and are aligned with the objectives and strategies and comply with legislation. During this period, as per Diagram 1,

Provincial Sector Departments will have finalized their draft strategic plans. The integration phase should be completed by April.

ADOPTION PHASE: After finishing with the integration phase, the IDP document should be adopted by Council on or before 31st of May each year. Once the IDPs are adopted by Council, the District Municipality including Local Municipalities must submit the adopted IDPs to the MEC: Cogta within the prescribed period of ten (10) days (MSA, 32 of 2000).

2.4 COMPONENT D: CORPORATE GOVERNANCE

Overview of corporate governance

The Municipality has implemented a system of corporate governance that encourages the effective, efficient and economic use of resources towards better service delivery and ensures accountability and responsibility for the stewardship of those resources. This governance framework supports sound financial decision making, ensuring affordable services to the community, guide the funding and financing priorities and facilitate performance monitoring and review. During the year under review the following key governance responsibilities were functional:

Internal audit function which operates in terms of an approved internal audit plan.

Audit committee which operates in accordance with approved terms of reference.

A Risk assessment was conducted which include a risk management strategy and monitoring of key risks according to a risk register.

Approved fraud prevention plan.

Performance management system.

An approved system of delegations to maximize administrative and operational efficiency and to provide for adequate checks and balances as required in terms of sections 59 to 65 of the Municipal Systems Act, 32 of 2000.

2.4 .1 ALIGNMENT OF IDP, BUDGET & SDBIP

IDP PARTICIPATION AND ALIGNMENT CRITERIA	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes

Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 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?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames to AG?	Yes

The above table described what the Municipality has or has not achieved as stipulated by Section 26 of the Municipal System Act of 2000

2.4.2 RISK MANAGEMENT

Risk Management is a tool which increases the Council's prospects of success through minimizing negative outcomes and optimizing opportunities.

This support is provided through:

- Risk Identification which is a deliberate and systematic effort to identify and document the Council's key risks.
- Risk Management unit should ensure that the council adopts a rigorous and ongoing process of risk identification.
- Risk assessment is a systematic process to quantify or qualify the level of risk associated with specific threat or event.
- Risk Response that is concerned with developing strategies to reduce or eliminate the threats and events that creates risks.
- Communicating and reporting relevant, timely, accurate and complete risk information should be disseminated in the Council and responsibilities and actions should be communicated.
- Risk Monitoring on a regular basis to confirm the proper functioning of the entire risk management systems.

The Strategic Risk Identification/Risk Assessment workshop for the 2024/25 FY took place on 23 April 2024 and the Operational Risk Identification/Risk Assessment workshop took place in the month of July 2024. The Risk Management and Fraud Prevention Committee is in place and its chaired by an external chairperson, the committee met four times in the 2024/25 FY as per approved Risk Management Committee Charter and the Risk Management and Fraud Prevention

Implementation Plan. The 2024/25 approved Risk Implementation Plan had 23 activities planned for the year and all activities planned were achieved as we did in the previous financial year. The Risk Profile of the institution for the 2024/25 FY was characterised by Financial non-Viability which in turn affected cash flow of the institution. The Municipality as result could not pay suppliers adequately within the legislated 30 days, Bulk suppliers such as Eskom, Department of Water Affairs and Auditor General. Mkhondo Municipality will need to improve on its revenue collection and general financial management in the 2025/26 FY, these the two highest risk areas the institution is facing. We are also experiencing a stagnant economy risk and as a result we have a high unemployment rate within Mkhondo.

2.4.3 ANTI CORRUPTION AND FRAUD

The Risk Management unit is also tasked with the providing Anti-Corruption and Fraud Prevention awareness programs; the municipality held its annual awareness (anticorruption and fraud prevention) workshops on 06 and 07 May 2025 which was well attended by both municipal officials' led by the Municipal Manager and municipal councillors led by the Speaker of Council respectively. This indicates commitment at the very top to fight fraud and corruption. Furthermore, the municipality has a council approved Fraud Prevention Strategy in place and the municipality on an annual basis conducts fraud and corruption risks assessments which are monitored on a quarterly basis by our risk management unit. The municipal Council has also appointed a Financial Misconduct Board which aimed at investigating allegations of fraud and corruption speedily and effectively. The municipality has zero-tolerance for corruption and fraud. The Risk Management Unit has an Ethics and Compliance Officer, who ensures that ethics related matters are attended to and also ensure that compliance to legislations, Acts and also internal policies are adhered to by all municipal officials and Councillors. This above mentioned controls indicate the willingness of the municipality to fight the scourge of possible corruption and possible fraud at the municipality.

2.4.4 SUPPLY CHAIN MANAGEMENT

Mkhondo Local Municipality has adopted the SCM Policy Incorporating Preferential Procurement (SCM Policy) which are reviewed annually. The policy is implemented by a functional SCM Unit (SCMU) under the direct supervision of the Chief Financial Officer.

The Municipal Manager has also implemented a delegation system for procurement-related actions, which includes the establishment of bid committees and the appointment of members. The delegations also allow for appropriate segregation of duties and councillors are not involved in any of the procurement and tender processes.

The structure of the SCMU was amended and approved and requires periodical review in order to address on-going procurement shortcomings within the Municipality. The current organogram covers the implementation of centralised procurement (in terms of Demand and Acquisition Management) and Contract and Bid Management which focuses on supervision of contracts and Bid Administration. Demand Management allows for procurement planning, whereas procurement management specifically undertakes the procurement of goods and services. On-going review of the structure and organogram allows for compliance with best practices and SCM Regulations and prescripts. The following disciplines are covered under the organogram of the Supply Chain Management Unit:

- Demand, Tender, Contract administration and supplier performance
- Demand Planning and Specifications Development
- Procurement of Goods & Services
- To serve in the Bid Committees

ACQUISITION MANAGEMENT

The municipality's system of acquisition management must ensure:

That goods and services are procured in accordance with authorized processes only; that expenditure on goods and services is incurred in terms of an approved budget in terms of Section 15 of the MFMA; that the threshold values for different procurement processes are complied with; that bid documentation, evaluation and adjudication criteria and general conditions of a contract are in accordance with any applicable legislation; and that any Treasury guidelines on acquisition management are properly taken into account.

Goods and service are procured in accordance with authorized processes and approved delegations. Expenditure that has been incurred was budgeted for in the approved budget of Council. The bid documentation that is utilized is in accordance with the guidelines issued by National and Provincial Treasury, the general conditions of contract and applicable legislation such as the Construction Industry Development Board Act (Act 38 of 2000) and we are continuously improving the documents in order to improve access and ease of use.

Highlights: SCM

The table below specifies the achievements for the year:

Highlights	Description
<i>Contract Management</i>	<i>The municipality has achieved 100% performance on Contract Management. This relates to the timeous signing of contracts after</i>

	<i>awards, the monitoring of contractors and service providers, and document management relating to contracts</i>
<i>Demand Management Plan</i>	<i>The municipality had managed to achieve 100% performance on Grant Funding related tenders.</i>
<i>Irregular Expenditure</i>	<i>The municipality has recorded R 3 142 793 during the 2024/25 Procurement Year. The expenditure has been referred to Municipal Public Accounts Committee (MPAC) for further investigation</i>
<i>Litigations with Suppliers</i>	<i>The Municipality hasn't recorded any litigations with suppliers in the 2024/25 Procurement Year</i>

Challenges: SCM

The table below specifies the challenges for the year:

Description	Actions to address
Compilation of Tender Specifications	Some user-departments still encounter challenges in compiling or drafting sound tender specifications. There is also inadequate implementation of the procurement plan.
Human Resource Management	There is high vacancy rate of officials within the SCM division. The posts have been advertised, however the process of filling them is a bit slow.

Competitive Bids in Excess of R200 000:

Annexure A shows all the awarded tenders for 2024/25 FY made through competitive bidding process by the Municipality.

Deviations from the SCM Policy

Section 36 of Council's Supply Chain Management Regulations allows the Accounting Officer to dispense with the official procurement processes. Annexure B shows the approved SCM deviations for the year ended 2024/25.

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 & Regulations
- 3) Establishment and appointment of Bid Committees in line with the SCM Regulation
- 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

ANTI-CORRUPTION AND FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), Section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

Name of strategy	Developed (Yes/No)
<p>SCM Orders Register for procurements below R30 000.</p> <p>It serves as a control toward all quotations received in lieu of procurements below R30 000. Such quotations are registered in a register on the closing date. The register must be reviewed by the Senior Manager SCM on monthly basis.</p>	Yes
<p>SCM Meetings</p> <p>Regular meetings are held with Managers pertaining to the implementation of the SCM Policy. During such meetings, issues relating to transparency, fairness and value for money during the procurement of goods and services are also highlighted.</p>	Yes
<p>Strategic Procurement</p> <ul style="list-style-type: none"> • The importance of compiling and procuring goods and services through a Demand Management Plan of the municipality, • The effective utilization of the Inventory Unit of the municipality, • The importance of bulk buying as a cost reduction strategy for the municipality. 	Yes

Financial Health Overview

The municipality had reported an operating deficit of R 212 660 681 in the 2024/2025 financial year, the deficit has increased with R 110 346 231 from R 102 314 450 recorded in the 2023/2024 financial year. The increase in the deficit is attributed to the Bad Debts Written Off amounting to R 211 956 410. The debts written off relates to the property of late estates, which the properties were registered as indigent households.

The Municipality's operating revenue for the 2024/2025 financial year increased with R 41 321 419 (4.7%) to R 920 175 706 when compared to the operating revenue generated for the 2023/2024 financial year which was R 878 854 287.

The increase in the revenue is attributed to the increase in service charges of R 3 694 47, construction R 3 825 726 and property rates R 6 264 302. The grants & subsidies R 54 717 372.

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

- Electricity R 144 million (34%)
- Property Rates R 89 million (21%)
- Water R 19 million (4%)
- Sanitation R 10 million (2%)
- Refuse R 12 million (2%)

The revenue generated from sales of electricity contributes 34% (R 144 million) of the total revenue mix, thus indicating that the electricity business unit should be natured and operated efficiently to ensure growth. This includes ensuring revenue protection by removing illegal connection, replacing bridged and tampered meters, ensuring accuracy of billing by ensuring correct tariffs are billed and meter readings.

The Municipality has numerous strategies that are being implemented in an effort to improve the financial viability, these includes but not limited to Budget Funding Plan, Revenue Enhancement Strategy and Cost Curtailment Strategy.

The Municipality is currently implementing the following activities as part of the Revenue Enhancement Strategy:

- 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 of provision of services
- Introduction of meter reading gadget to improve meter reading accuracy thus improving billing.
- Installation of 2000 electricity split meters
- Performance of monthly billing reconciliation to ensure completeness of revenue generated.
- Increase access to Pay Point & Receipt Management to allow consumer to pay for services in various payment points.
- Intensify indigent management in response to the socio-economic whilst protecting the poor from the severe economic impact.
- Vigorous implementation of credit Control and Debt collection

The Municipality will be developing a Long-Term Financial Plan. The objective of a Long-Term Financial Plan is to recommend strategies and policies that will maximise the probability of the municipality's financial sustainability into the future. This is achieved by forecasting future cash flows and affordable capital expenditure based on the municipality's historic performance and the environment in which it operates.

The Municipality had a total operating expenditure for the reporting period ending 30 June 2025 amounting to R 1 141 700 906. There was an increase in the expenditure amounting R 167 409 291 million when compared to the period ended 30 June 2025 where the expenditure was R 974

291 615. This was due to the increase in employee related cost R 15 762 099, bad debts written off R 211 199 080, electricity bulk purchases amounting to R 25 500 004 and operating expenditure R 33 989 247.

The following expenditures remains the highest cost drivers and have a significant impact on the revenue of the Municipality:

- Bulk Purchases R 206 million (18%)
- Employee related costs R 264 million (23%)
- Bad Debt Written Off R 211 million (18%)
- Depreciation R 80 million (7%)
- Operating Expenditure R 175 million (15%)
- Contracted Services R 146 million (13%)

The Municipality has further implemented cost curtailment strategy as well as consultant reduction strategy in order to reduce expenditures. The Municipality is committed to reducing running overheads such as overtime, standby, telephone costs, printing & stationery including reduction of non-essential procurements/expenditure. Adequate provision is made to expenditures that improves service delivery such as road maintenance, water network maintenance & electricity maintenance amongst other expenditures.

Financial Overview: 2024/2025			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	369,990	369,990	502, 868
Taxes, Levies and tariffs	509,040	495, 215	321,492
Other	9,136	42,316	95,816
Sub Total	888,166	907,521	920, 176
Less: Expenditure	876,554	896,522	1,141,700
Net Total*	11,612	10,999	(212,661)

Financial Ratios and Norms Analysis

Operating Ratios	
Detail	%
Employee Costs	23%
Repairs & Maintenance	4.5%
Collection Rate	64%

Bad Debts Written-off as % of Provision for Bad Debt	26%
Cash/Cost Coverage Ratio (Excl. Unspent Conditional Grants)	0.007
Current Ratio	0.17
<i>T 1.4.3</i>	

Auditor General Report: 2024/2025 Financial Year

The overall audit outcome of the municipality qualified with findings. This is a regression from the previous year’s audit outcome.

The AGSA’s basis for Qualification of Opinion was the following:

Cash Flow - Supplier

Cash flow from operating activities – Restatements of comparatives

The municipality did not account for cash flows from suppliers in accordance with GRAP 2, Cash flow statements. This is due to some errors and non-cash items included in the corresponding amounts for cash flows from suppliers. Consequently, I was unable to determine the full extent of the misstatement to the corresponding amounts of suppliers as it was impractical to do so.

Post Audit Action Plan

The Municipality has developed an audit action plan that will be monitored monthly in an effort to ensure that we are able to improve from the qualified audit opinion. In addition, the Municipality will be preparing quarterly financial systems.

APR 24/25

3



AUDITED ANNUAL PERFORMANCE REPORT
2024/2025

MKHONDO 303MP

Abbreviations	
APR	Annual Performance Report
AGSA	Auditor General South Africa
BSD	Basic service delivery
FMPPi	Framework for managing programme performance information
MFMA	Municipal Financial Management Act
MSA	Municipal System Act

3.1 ANNUAL PERFORMANCE REPORT

Every municipality must prepare an annual performance report which must form part of the Annual Report for each financial year in accordance with Section 46 of the Municipal Systems Act 2000 and Section 121 of the Municipal Finance Management Act The Annual Report will assist municipal councillors, municipalities, residence and oversight institutions with information and progress made on service delivery and it must be aligned to the IDP and the SDBIP Purpose of the Annual Report: To provide a record of the activities of the municipality or entity during the financial year to which the report relates To provide report on performance in service delivery and budget implementation for the financial year. To promote accountability to local community for the decisions made through the year by the municipality. During the 2024/25 FY the institution had 124 indicators, below is the summary progress on the implementation of the SDBIP 2024/25 per KPI.

STANDARD RATING SCHEDULE

RATING	SCORES	CATEGORY	DESCRIPTION	MEANING
1	33% TO 66,99%	UNACCEPTABLE PERFORMANCE	Performance does not meet the standard expected for the job. The review/assessment indicates that the jobholder has achieved <u>less than fully effective results against almost all</u> of the performance criteria and indicators as specified in the Performance Agreement and Work plan.	DANGER
2	67% TO 99,99%	PERFORMANCE NOT FULLY EFFECTIVE	Performance meets some of the standards expected for the job. The review/assessment indicates that the jobholder has achieved <u>less than fully effective results against more than half</u> of the performance criteria and indicators as specified in the Performance Agreement and Work plan.	DANGER ZONE
3	100% TO 132,99%	FULLY EFFECTIVE	Performance fully meets the standard expected in all areas of the job. The review / assessment indicates that the jobholder has achieved as a minimum <u>effective results against all</u> of the performance criteria and indicators as specified in the Performance Agreement and Work plan.	MODERATE
4	133% TO 166,99%	PERFORMANCE SIGNIFICANTLY ABOVE EXPECTATIONS	Performance is significantly higher than the standard expected in the job. The review/assessment indicates that the jobholder has achieved <u>better than fully effective results against more than half</u> of the performance criteria and indicators as specified in the Performance Agreement and Work plan and fully achieved all others throughout the performance cycle.	NOBLE
5	167% TO 200%	OUTSTANDING PERFORMANCE	Performance far exceeds the standard expected of a jobholder at this level. The review/assessment indicates that the jobholder has achieved <u>better than fully effective results against all</u> of the performance criteria and indicators as specified in the Performance Agreement and Work plan and maintained this in all areas of responsibility throughout the performance cycle.	CHERISHED

Summary of the KPI 2023/24

Key Performance Area	No KPI	150%-200%	101%-149%	95%-100%	50%-94%	0%-49%
Basic Service Delivery	58	54	3	1	0	0
Municipal Institution Development & Transformation	22	20	0	0	0	1
Municipal Viability Finance Management	22	21	1	0	0	0
Good Governance and Public participation	35	33	0	1	0	1
Local Economic Development	16	15	0	1	0	0
Spatial Rational Development	10	10	0	0	0	0
Total	159	153	4	3	0	2

Summary of KPI 2024/25

Key Performance Area	No..KPI	167% TO 200%	133% TO 169	100% to 132.99%	67% to 99.99%	33% to 69,99%
TAG 1	25	1	1	22	2	0
TAG 2	8	2	0	3	1	2
TAG 3	18	0	1	17	0	0
TAG 4	6	2	1	3	0	0
TAG 5	44	10	2	28	3	1
TAG 6	23	2	0	17	3	1
Total	124	17	5	90	9	4

TAG 1

SDBIP	Key Performance Indicator	Department	BASELINE	BUDGET	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rate	Compare	Reason for deviation	Remedy	POE
Capacity building facilitated												
Key Focus Area (KFA): Skills development and Job creation												
TAG1.1	Number of report on vacancy rate submitted to mayoral	HR	49%	Opex	49%	4	4	3,00	0,00	None	None	Reports
TAG1.2	Number of leave report submitted to Council	HR	4	Opex	4	4	3	2,25	-1,00	Unable to print the report due to the disaster that occurred and the unavailability of the leave system	Unable to print the report due to the disaster that occurred and the unavailability of the leave system	Reports
TAG1.3	Number of health and safety workshops conducted	HR	20	Opex	20	12	18	4,50	6,00	Additional workshops were done to ensure all employees were being workshopped during the year	None	Reports & attendance register
TAG1.4	Number of internal bursaries offered	HR	15	Opex	15	10	19	5,00	9,00	19 internal bursaries offered in the second quarter	None	Signed list of candidate & acceptance letter/form.
TAG1.5	Work-place skills plan submitted annually	HR	1	Opex	1	1	1	3,00	0,00	None	None	WSP
TAG1.6	Employment Equity Report submitted annually	HR	1	Opex	2	1	1	3,00	0,00	None	None	EE Report

SDBIP	Key Performance Indicator	Department	BASELINE	BUDGET	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rate	Compare	Reason for deviation	Remedy	POE
TAG1.7	% SLA and Contract ratification within 30 days	Legal	100%	Opex	100%	100%	100%	3,00	0,00	None	None	Register of SLA
TAG1.8	Number of litigation progress reports	Legal	100%	Opex	100%	4	4	3,00	0,00	None	None	Attendance Register
TAG1.9	% of Section 4 applications facilitated	Legal	100%	Opex	100%	100%	100%	3,00	0,00	None	None	Reports

SDBIP	Key Performance Indicator	Department	BASELINE	BUDGET	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rate	Compare	Reason for deviation	Remedy	POE
TAG1.10	Number of Municipal Newsletters compiled and submitted to the Accounting Officer.	Communication	4	Opex	4	4	4	3,00	0,00	None	None	Publication
TAG1.11	100% section 75(MFMA) documents published on the website	Communication	12	Opex	100%	100%	100%	3,00	0,00	None	None	Reports
TAG1.12	% of public enquires process within 14 days	Communication	New	Opex	100%	100%	100%	3,00	0,00	None	None	Reports
TAG1.13	% Media enquires resolved within 48hours (All General Managers)	Communication	New	Opex	100%	100%	100%	3,00	0,00	None	None	Reports
TAG1.14	Number of Assessments conducted to all General Managers	PMS	2	Opex	0	4	4	3,00	0,00	None	None	Quarterly & Assessment Report

SDBIP	Key Performance Indicator	Department	BASELINE	BUDGET	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rate	Compare	Reason for deviation	Remedy	POE
TAG1.15	Number of Quarterly Performance Reports submitted to Accounting Officer and Council	PMS	4	Opex	4	4	4	3,00	0,00	None	None	Scorecard & Minutes
TAG1.16	Performance agreement signed within 20 days and submitted to CoGTA within 30 days	PMS	6	Opex	6	6	6	3,00	0,00	None	None	Proof of submission
TAG1.17	Annual report submitted to Accounting Officer and Council	PMS	1	Opex	1	1	1	3,00	0,00	None	None	Contract Register
TAG1.18	Signing of SDBIP by Executive Mayor, 28 days after the budget approval	PMS	1	Opex	1	1	1	3,00	0,00	None	None	Signed SDBIP
TAG1.19	Number of PMS feedback sessions conducted (Ass. Report)	PMS	4	Opex	4	4	4	3,00	0,00	None	None	Quarterly report
TAG1.20	Number of quarterly risk monitoring reports submitted to management and Risk Management	Risk Management	4	Opex	4	4	4	3,00	0,00	None	None	Quarterly report
TAG1.21	Number of risk management and fraud prevention committee meetings held	Risk Management	4	Opex	4	4	4	3,00	0,00	None	None	Agenda & Minutes

SDBIP	Key Performance Indicator	Department	BASELINE	BUDGET	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rate	Compare	Reason for deviation	Remedy	POE
TAG1.22	Number of strategic risk assessment workshops conducted	Risk Management	1	Opex	1	1	1	3,00	0,00	None	None	Agenda & Minutes
TAG1.23	Number of quarterly internal audit reports submitted to Management and audit committee	Internal audit	4	Opex	4	8	8	3,00	0,00	None	None	Agenda & Minutes
TAG1.24	Number of Internal Audit Charter & Plans submitted for Approval by Audit Committee	Internal Audit	1	Opex	1	1	1	3,00	0,00	None	None	Quarterly report
TAG1.25	Annual Anti-Fraud and Anti-Corruption workshop	Risk Management	New	Opex	0	1	1	3,00	0,00	None	None	Attendance Register

TAG 2

No	Key Performance Indicator	Department	Baseline 2022/23	BUDGET	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for deviation	Remedy	POE
Growing Economy												
TAG 2.1	Number of special initiatives implemented	LED	1987	OPEX	0	2600	1858	2,14	- 742,00	Financial constrains 2 MIG Project Ended		Reports

No	Key Performance Indicator	Department	Baseline 2022/23	BUDGET	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for deviation	Remedy	POE
TAG 2.2	Poverty alleviation programmers coordinated	LED	5	Opex	0	20	21	3,15	1,00	None	None	Reports
TAG 2.3	Catalytic projects coordinated	LED	New	Opex	0	1	3	5,00	2,00	None	None	Reports
TAG 2.4	Number of SMMEs supported	LED	78	OPEX	175	100	191	5,00	91,00	90 Informal Traders trained on Economic Development for Informal Traders	None	Reports
TAG 2.5	LED FORUM meetings held	LED	4	OPEX	12	4	4	3,00	0,00	None	None	Reports

No	Key Performance Indicator	Department	Baseline 2022/23	BUDGET	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for deviation	Remedy	POE
TAG 2.6	Number of Hectors Establish	Forestry	121.1	Opex	105,9	150	4,9	1,00	- 145,10	Planting operations were delayed last financial year due to adverse weather and logistical challenges in securing seedlings and equipment on time	To prevent a recurrence, we have secured all necessary resources in advance, completed early site preparation, established a monitoring schedule, and allocated additional workforce as needed. These measures will ensure that the upcoming planting season proceeds efficiently and meets our targets	Reports

No	Key Performance Indicator	Department	Baseline 2022/23	BUDGET	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for deviation	Remedy	POE
TAG 2.7	Number of compartment maintained	Forestry	2000	Opex	3463,61	2000	1284,39	1,93	- 715,61	The shortage of skilled labor and equipment delayed scheduled operations, resulting in a shortfall against planned maintenance activities	To ensure timely and effective delivery going forward, a silviculture service provider will be appointed to augment internal capacity. This partnership will provide the necessary expertise, labor, and equipment to improve operational efficiency	Reports
TAG 2.8	Fire breaks	Forestry	170	Opex	342,3	170	170	3,00	0,00	None	None	Reports

TAG 3

SDBIP	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE	BUDGET	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for Deviation	Remedy	POE
sustainable Human Settlement												
TAG3.1	% of building plans processed within 30 days(Less than 500sqm)	Planning and Development	100%	Opex	100%	100%	100%	3,00	0,00	None	None	Letters
TAG3.2	% of building plans processed within 60 days(More than 500 Sqm)	Planning and Development	100%	Opex	100%	100%	100%	3,00	0,00	None	None	Letters
TAG3.3	% of building inspections conducted as per request	Planning and Development	100%	Opex	100%	100%	100%	3,00	0,00	None	None	Letters
TAG3.4	% of land development applications processed within 30 days	Planning and Development	100%	Opex	100%	100%	100%	3,00	0,00	None	None	Reports
TAG3.5	% of beneficiaries registered on the NHNR Database against received applications	Planning and Development	New	Opex	100%	100%	100%	3,00	0,00	None	None	Reports
TAG3.6	Number of Project Steering Committee meetings held with stakeholders	Planning and Development	New	Opex	0	1	1	3,00	0,00	None	None	Reports

SDBIP	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE	BUDGET	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for Deviation	Remedy	POE
TAG3.7	Number of Monitoring reports to the Beneficiary Management process until the hand-over of title deeds.	Planning and Development	New	Opex	0	1	1	3,00	0,00	None	None	Reports
TAG3.8	No. of consumer education conducted	Planning and Development	4	Opex	4	1	1	3,00	0,00	None	None	Reports
TAG3.9	Number of households inspected for illegal building activities	Planning and Development	5500	Opex	1550	6000	6000	3,00	0,00	None	None	Reports
TAG3.10	Number of households inspected for illegal land uses	Planning and Development	100%	Opex	1550	6000	6000	3,00	0,00	None	None	Reports
TAG3.11	Development of the IDP process plan	Planning and Development	IDP Process plan 2019/2020	Opex	1	1	1	3,00	0,00	None	None	Approved Process Plan
TAG3.12	Annual review of the IDP	Planning and Development	1	Opex	1	1	1	3,00	0,00	None	None	Approved IDP
TAG 3.13	Number of Business Inspection conducted (Formal & informal Business compliance	Public Safety	12	Opex	12	12	12	3,00	0,00	None	None	Reports

SDBIP	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE	BUDGET	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for Deviation	Remedy	POE
TAG3.14	Number of streets cleaned in the CBD & BUS and TAXI Route	Environmental Management	Opex	25	25	25	25	3,00	0,00	None	None	Registers
TAG3.15	% of Graves prepared within 5 days from the date of request	Environmental Management	Opex	100%	100%	100%	100%	3,00	0,00	None	None	Job card
TAG3.16	Number of refuse collection trips from serviced areas disposed of at the landfill site	Environmental Management	Opex	1202	1202	830	1152	4,16	322,00	The target for waste collection was overachieved due to the effective use of a tractor in the month of April and May as a backup when the compactor truck experienced mechanical issues.	The truck was then taken to the mechanic, as a result that the truck was operational throughout June	Collection registers, schedule

SDBIP	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE	BUDGET	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for Deviation	Remedy	POE
TAG3.17	Number of landfill sites compliance reports submitted to Mayoral committee	Environmental Management	Opex	4	4	4	4	3,00	0,00	None	None	Report
TAG3.18	Number of monthly waste reports submitted to Department of Environmental Affairs via South African Waste Information System	Environmental Management	Opex	12	12	12	12	3,00	0,00	None	None	Submitted volumes to SAWIS

TAG 4

# KPI	Key Performance Indicator	DEPARTMENT	BASELINE	BUDGET	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for Deviation	Remedy	POE
Strategic Objectives			Reduce response time to complaints and emergencies									
To ensure effective law enforcement and compliance with municipal bylaws												
TAG4.1	% of ticket fine issued	Public Safety	New	Opex	97%	100%	334%	5,00	234%	The deviation is due to Easter operations collaborating with stakeholders on multiple initiatives	None	reports
TAG4.2	Number of report on structural fire incidents attended within 14 minutes (5 km from fire station)	Public Safety	12	Opex	12	12	12	3,00	0,00	None	None	Report
TAG4.3	No. of cultural events & exhibitions held	Social Cohesion	4	Opex	6	7	10	4,29	3,00	Honoured an invitation to be part of 16 Days Activism vs Abuse of Women & Children awareness campaign.	None	Reports
TAG4.4	% of Compliance Certificate issued (fire permit)	Public Safety	New	Opex	100%	100%	100%	3,00	0,00	None	None	reports

# KPI	Key Performance Indicator	DEPARTMENT	BASELINE	BUDGET	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for Deviation	Remedy	POE
TAG4.5	Number of road block conducted for revenue collection	Public Safety	New	Opex	42	12	28	5,00	16,00	1. October was Transport Month and that meant road safety awareness had to be done. 2. Strengthening	None	Receipt printout
TAG4.6	Number of Business Inspection conducted (Formal & informal Business compliance)	Public Safety	12	Opex	115	12	12	3,00	0,00	None	None	reports

TAG 5

No KPI	Key Performance Indicator	Department	Budget	Baseline	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for Deviation	Remedy	POE
Strategic Objectives			Eradication of basic services backlog									
KEY FOCUS AREA(WATER AND SANITATION)												
TAG5.1	% of New water connections	Water & Sanitation	Opex	100%	100%	100%	100%	3	0%	None	None	Application, proof payment and job card
TAG5.2	Number of Mega liters of water treated from water treatment works	Water & Sanitation	Opex	8783	8783	10548	9103,4	2,79	-1444,6	Amsterdam drought affected the water supply	Residents were supplied water through water tankers	Spreadsheets report

No KPI	Key Performance Indicator	Department	Budget	Baseline	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for Deviation	Remedy	POE
TAG5.3	% of new waste water connections	Water & Sanitation	Opex	100%	100%	100%	100%	3	0	None	None	Application, proof payment and job card
TAG5.4	Number of Mega liters of waste water treated from waste water treatment	Water & Sanitation	Opex	3812	3812	2808	3400	3,63	592	During the Taking legislature to the people program, the municipality has added	None	Spreadsheets report
	works and septic tanks									yellow fleet which assisted		
TAG5.5	No of report on drinking water samples reports complying to SANS241	Water & Sanitation	Opex	4	4	4	4	3	0	None	None	Publication reports
TAG5.6	% of water meters replaced	Water & Sanitation	Opex	100%	100%	100%	100%	3	0	None	None	Job cards
KEF FOCUS AREA (ELECTRICITY)												
TAG5.7	% of new electricity meters installed	Electricity Unit	Opex	100%	100%	100%	100%	3	0%	None	None	Job cards
TAG5.8	% of electricity meters replaced	Electricity Unit	Opex	100%	100%	100%	100%	3	0%	None	None	Job cards

No KPI	Key Performance Indicator	Department	Budget	Baseline	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for Deviation	Remedy	POE
TAG5.9	Replacement of conventional meter to prepaid meters	Electricity Unit	Opex	100%	100%	700	30	1	-670	Shortage of 3 phase prepaid meters	Purchase order issued	Job cards
KEY FOCUS AREA (ROADS AND STORM WATER)												
TAG5.10	KMs of roads maintained and graded	Roads & Storm water	Opex	581,4 Km	581	160	830	5	670	During the Taking legislature to the people program, the municipality has added yellow fleet which assisted	None	Job card
TAG5.11	Square meters (M ²) of tar road potholes repaired	Roads & Storm water	Opex	41317,23m ²	41317	16800	29159	5	12358,73	During the Taking legislature to the people program, the	None	Job card
										municipality has added yellow fleet which assisted		

TAG 5 PMU

No KPI	Key Performance Indicator	Project Number	Project Management	Budget	Baseline	Prior Year 23/24	Annual Target	Actual	Score	Compare	Reason for deviation	Remedy	Expenditure to date	POE
Strategic Objectives			Improve infrastructure maintenance and ensure sustainable access to basic services											
TAG5.12	Construction of KwaThandeka Main Access Road	MKHO 07/2023/24/01	Project Management	R 16 609 769.00	Construction 50%	Construction 50%	100%	100%	3,00	0	None	None	R 16 609 769.00	Progress Reports and completion certificate
TAG5.13	Installation of Pour Flush Toilets in rural villages of Mkhondo LM	MKHO 08/2024/25	Project Management	R 6 151 703.00	220 units completed	220 units completed	100%	100%	3,00	0	None	None	R 6 151 703.00	Progress Reports and completion certificate
TAG5.14	Construction of 3km Bus and Taxi route at Kempville	MKHO 17/2023/24(3)	Project Management	R 15 215 342.16	New	-	85%	95%	3,35	10%	None	None	R 15 215 342.16	Progress reports
TAG5.15	Planning, Design and construction supervision of Ethandakukhanya bulk sewer outfall upgrade	MKHO 07/2024/25	Project Management	R 13 322 039.85	New	-	25%	37%	4,44	12%	Contractor worked more than planned	None	R 13 322 039.85	Progress reports
TAG5.16	Eradication of water backlog drilling, equipping and electrification of boreholes in rural villages of Mkhondo Local Municipality	MKHO 06/2024/25	Project Management	R 18 976 077.00	New	-	85%	92,50%	3,26	8%	Contractor worked more than planned	None	R 18 976 077.00	Progress Reports
TAG5.17	Electrification of rural villages (ward 15 and ward 17) in Mkhondo Local Municipality	MKHO18/2023/24(2)	Project Management	R 292 391.00	New	-	1	1	3,00	0	None	None	R 292 391.00	Detailed Design report
TAG5.18	Electrification of rural villages (ward 09) in Mkhondo Local	MKHO 18/2023/24(1)	Project Management	R 397 077.65	New	-	1	1	3,00	0	None	None	R 397 077.65	Detailed Design report

No KPI	Key Performance Indicator	Project Number	Project Management	Budget	Baseline	Prior Year 23/24	Annual Target	Actual	Score	Compare	Reason for deviation	Remedy	Expenditure to date	POE
	Municipality Villages of Mkhondo Local Municipality													
TAG5.19	88/11KV upgrade 2MVA-10MVA Amsterdam Substation	MKHO 18/2023/24 (3)	Project Management	R 4 641 450.60	2MVA	2MVA	10%	10%	3,00	0	None	None	R 4 641 450.60	Detailed Design report
TAG5.20	Planning, Design and Construction of Amsterdam Sewer Reticulation Network	MKHO 07/2024/25	Project Management	R 15 396 440.84	Construction 85.6%	Construction 85.6%	100%	68%	2,04	-32%	Hard rock and underground water	A revised scope technical report to be approved	R 15 396 440.84	Completion certificate
TAG5.21	Rehabilitation of Bus and Taxi Route in ward 10 Emagadeni eThandukukhanya	MKHO 07/2023/24 (2)	Project Management	R 15 000 000.00	Construction 10%	Construction 10%	100%	100%	3,00	0%	None	None	R 15 000 000.00	Completion Certificate
TAG5.22	Rehabilitation of Internal Street in ward 11 eThandukukhanya	MKHO 03/2023/24 (10)	Project Management	R 3 000 000.00	Construction 40%	Construction 40%	100%	100%	3,00	0%	None	None	R 3 000 000.00	Completion Certificate
TAG5.23	Electrification of rural villages 102 households Sqintini and Bazane.	MKHO 01/2023/24	Project Management	R 1 190 046.38	Construction 73,5%	Construction 73,5%	100%	100%	3,00	0%	None	None	R 1 190 046.38	Completion certificate
TAG5.24	Construction of the Driefontein Sanitation Infrastructure	MKH018/2020/21	Project Management	R 0.00	Construction 94%	Construction 94%	100%	94%	2,82	-6%	Hard rock and underground water	Works to be completed October 2025	R 0.00	Completion certificate
TAG5.25	Construction of Steel Pedestrian Bridge at Mafred in eThandukukhanya	MKHO 41 2022/2023	Project Management	R 0.00	Construction 85%	Construction 85%	100%	100%	3,00	0%	None	None	R 0.00	Completion Certificate

No KPI	Key Performance Indicator	Project Number	Project Management	Budget	Baseline	Prior Year 23/24	Annual Target	Actual	Score	Compare	Reason for deviation	Remedy	Expenditure to date	POE
TAG5.26	Retrofitting of Mkhondo 250W HPS with 100W LED Lights	MKHO 18/2023/24(04)	Project Management	R 2 611 800.00	New	-	160	160	3,00	0	None	None	R 2 611 800.00	Completion certificate
TAG5.27	Retrofitting of Thanda 250W HPS with 100W LED Lights	MKHO 18/2023/24(04)	Project Management	R 1 507 700.00	New	-	388	388	3,00	0	None	None	R 1 507 700.00	Completion certificate
TAG5.28	Retrofitting of Kwa Thwandeka 250W HPS with 100W LED Lights	MKHO 18/2023/24(04)	Project Management	R 647 600.00	New	-	85	85	3,00	0	None	None	R 647 600.00	Completion certificate
TAG5.29	Highmast lights: Ward 1 to 19: Retrofit 400w to 200W	MKHO 18/2023/24(04)	Project Management	R 2 231 900.00	New	-	232	232	3,00	0	None	None	R 2 231 900.00	Completion certificate
TAG5.30	Re-gravelling and storm water management for 600m road at ward 17 Welverdiend	MKHO 03/2023/24(11)	Project Management	R4 065 325,70	New	-	100%	100%	3,00	0%	None	None	R4 065 325,70	Completion Certificate
TAG5.31	Re-gravelling and storm water management for 2km road at ward 8 Dr Pols village	MKHO 03/2023/24(13)	Project Management	R3 634 084,25	New	-	100%	100%	3,00	0%	None	None	R3 634 084,25	Completion Certificate
TAG5.32	Re-gravelling and storm water management for 1900m x5m road at ward 13 Mangosuthu	MKHO 03/2023/24(12)	Project Management	R2 745 074.45	New	-	100%	100%	3,00	0%	None	None	R2 745 074.45	Completion Certificate
TAG5.33	Re-sealing a 1km of Pretorius street in Harmony Park ward14	MKHO 07/2023/24(4)	Project Management	R6 522 515,60	New	-	100%	100%	3,00	0%	None	None	R6 522 515,60	Completion Certificate
TAG5.34	Re-gravelling of 3000m bus and taxi route in Driefontein ward 1)	MKHO 03/2023/24(8)	Project Management	R 0.00	Construction 94%	Construction 94%	100%	100%	3,00	0%	None	None	R 0.00	Completion Certificate

No KPI	Key Performance Indicator	Project Number	Project Management	Budget	Baseline	Prior Year 23/24	Annual Target	Actual	Score	Compare	Reason for deviation	Remedy	Expenditure to date	POE
TAG5.35	Re-gravelling of 2200m bus and taxi route in Driefontein ward 2	MKHO 03/2023/24(9)	Project Management	R 0.00	Construction 93%	Construction 93%	100%	100%	3,00	0%	None	None	R 0.00	Completion Certificate
TAG5.36	Refurbishment of Piet Retief Water Treatment works	MKHO 09/2024/25(1)	Project Management	R 9 364 164.21	New	-	20%	30%	4,50	10%	Contractor worked more than planned	Completion date remains same	R 9 364 164.21	Progress Report
TAG5.37	Replacement of Harmony Park 11KV T3 RMU	MKHO 11/2024/25(3)	Project Management	R 1 000 000.00	New	-	20%	100%	5,00	80%	Contractor worked more than planned	Project is completed	R 1 000 000.00	Advert, appointment letter and progress report
TAG5.38	Replacement of Kempville combine school 11KV T3 RMU	MKHO 11/2024/25(4)	Project Management	R 1 000 000.00	New	-	20%	100%	5,00	80%	Contractor worked more than planned	Project is completed	R 1 000 000.00	Advert, appointment letter and progress report
TAG5.39	Ward 7: Ajax Line 11kv T4 RMU Switchgear	MKHO 11/2024/25(3)	Project Management	R1 000 000,00	New	-	10%	100%	5,00	90%	Contractor worked more than planned	Project is completed	R 1 000 000.00	Completion Certificate
TAG5.40	Salinga Road (Body builders) 11kv T3 RMU	MKHO 11/2024/25(4)	Project Management	R1 000 000,00	New	-	10%	100%	5,00	90%	Contractor worked more than planned	Project is completed	R 1 000 000.00	Completion Certificate
TAG5.41	Luneburg Street 11kv Switching Station	MKHO 11/2024/25(3)	Project Management	R2 000 000,00	New	-	10%	100%	5,00	90%	Contractor worked more than planned	Project is completed	R2 000 000,00	Completion Certificate
TAG5.42	Ward 7: Engelbrecht Substation	MKHO 11/2024/25(4)	Project Management	R500 000,00	New	-	10%	100%	5,00	90%	Contractor worked more than planned	Project is completed	R500 000,00	Completion Certificate
TAG5.43	Design and Electrification of rural villages ward 9 (92 Connections)	MKHO11/2024/25 (2)	Project Management	R 3 758 757.99	New	-	10%	64%	5,00	54%	Contractor worked more than planned	Completion date remains same	R 3 758 757.99	Advert, appointment letter and progress report

No KPI	Key Performance Indicator	Project Number	Project Management	Budget	Baseline	Prior Year 23/24	Annual Target	Actual	Score	Compare	Reason for deviation	Remedy	Expenditure to date	POE
TAG5.44	Electrical Infrastructure upgrade of 11kv Amsterdam Switching station from 1.9MVA to 10MVA and associated OHM Network.	MKHO11/2024/25 (1)	Project Management	R 14 358 298.95	New	-	10%	24%	5,00	14%	Contractor worked more than planned	Completion date remains same	R 14 358 298.95	Advert, appointment letter and progress report

TAG 6

SDBIP	Key Performance Indicator	Department	BASELINE	Budget	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for Deviation	Remedy	POE
Strategic Objectives				Intensify collaboration with partners.								
TAG6.1	Number of monthly offsite backups conducted	ICT	12	Opex	12	12	12	3,00	0,00	None	None	Back reports
TAG6.2	Number of complains reports compiled and submitted to Council	ICT	2	Opex	0	4	4	3,00	0,00	None	None	Reports
TAG6.3	Number of reports on implemented of Council resolution	CC	2	Opex	2	2	2	3,00	0,00	None	None	Reports
TAG6.4	Number of Council meeting Coordinated	CC	13	Opex	15	9	16	5,00	7,00	There were Special Council Meetings	None	Register, minutes
TAG6.5	Number of Section 80 meeting Coordinated	CC	60	Opex	60	60	55	2,75	-5,00	One Department could not sit in May 2025	None	Register, minutes
TAG6.6	Number of Mayoral meeting Coordinated	CC	12	Opex	11	12	11	2,75	-1,00	In December there was no Mayoral	To be conducted in January	Register, minutes

SDBIP	Key Performance Indicator	Department	BASELINE	Budget	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for Deviation	Remedy	POE
TAG6.7	Number of Section 79A meeting Coordinated(MPAC)	CC	10	Opex	0	10	21	5,00	11,00	There was also Oversight meeting held	None	Register, minutes
TAG6.8	Number of Section 79 meeting Coordinated	CC	20	Opex	21	20	9	1,35	-11,00	One Department sat twice in the quarter		Register, minutes
TAG6.9	Number of Troika meeting Coordinated	Mayoral	12	Opex	15	12	13	3,25	1,00	None	None	Register, minutes
TAG6.10	% of Complains received and Resolved	GM	New	Opex	100%	100%	100%	3,00	0,00	None	None	Reports
TAG6.11	Number of Council Committees Scheduled approved	GM	New	1	1	1	1	3,00	0,00	None	None	Approved Scheduled
Strategic Objectives			Intensify Revenue generation									
TAG6.12	Number of Section 71 reports submitted to National Treasury	Finance Department	12	Opex	12	12	12	3,00	0,00	None	None	Section 72 report
TAG6.13	Number of Section 72 reports submitted to National Treasury	Finance Department	1	Opex	1	1	1	3,00	0,00	None	None	Section 72 report
TAG6.14	Number of SCM quarterly reports completed	Finance Department	4	Opex	4	4	4	3,00	0,00	None	None	Quarterly reports
TAG6.15	GRAP compliance report compiled	Finance Department	4	Opex	1	4	4	3,00	0,00	None	None	Reports
TAG6.16	% of monthly revenue collected	Finance Department	62%	Opex	58%	80%	60%	2,24	-0,20	High no reaction from customers	Continue enforcing debit & credit control policy	Monthly Report
TAG6.17	Development of Asset Management Strategy	Finance Department	New	Opex	0	1	1	3,00	0,00	None	None	Approved Asset Management Strategy

SDBIP	Key Performance Indicator	Department	BASELINE	Budget	Audited Prior Year 23/24	Annual 2024/25	Annual Actual	Rating	Compare	Reason for Deviation	Remedy	POE
TAG6.18	Number of financial viability blue print meeting coordinated	Finance department	New	Opex	0	1	1	3,00	0,00	None	None	Minutes & Attendance Register
TAG6.19	Number of report on council resolution on cellphone reports	Finance department	New	Opex	0	1	1	3,00	0,00	None	None	Reports
TAG6.20	Number of 1% contribution tender report	Finance department	New	Opex	0	1	1	3,00	0,00	None	None	Reports
TAG6.21	Number of monthly cut-off	Finance department	New	Opex	0	1	1	3,00	0,00	None	None	Reports
TAG6.22	Number of revenue steering committee meeting	Finance department	New	Opex	0	1	1	3,00	0,00	None	None	Reports
TAG6.23	% of approved and registered indigent households receiving free basics services.	Finance department	1043	Opex	100%	100%	100%	3,00	0,00	None	None	Reports

3.2 WATER PROVISION AND SANITATION

INTRODUCTION

The Constitution of the Republic of South Africa guarantees every person the right to access safe drinking water and dignified sanitation. In accordance with the Municipal Structures Act (No. 117 of 1998), Mkhondo Local Municipality is designated as the sole Water Services Authority (WSA) within its area of jurisdiction. In this capacity, the Municipality bears the responsibility of providing water and sanitation services to all consumers and potential consumers, while ensuring the progressive realisation of access that is efficient, affordable, economical, and sustainable.

The Municipality's mandate is to supply high-quality potable water to all households within its jurisdiction (MP303). Performance outcomes reflect both progress and existing challenges. Mkhondo Local Municipality achieved 54.46% in the 2023 Blue Drop assessment, 55% in the 2021 Green Drop assessment, and 64% in the 2025 No Drop report. The Municipality's strategic objective is to attain full compliance and secure all three Drop Certifications.

To strengthen operational excellence, Process Controllers undergo continuous training and refresher programmes to remain aligned with regulatory requirements and technological advancements. Currently, 99% of Process Controllers are trained and classified by the Department of Water and Sanitation in accordance with Regulation 3630, with 90% holding Class IV qualifications and 10% holding Class III qualifications. This represents a significant improvement compared to previous years and demonstrates the Municipality's commitment to skills development and compliance.

Despite these advances, ageing infrastructure and increasing population-driven demand remain critical challenges. These pressures necessitate ongoing refurbishment, system upgrades, and capacity expansion. The Piet Retief Water Treatment Works is presently undergoing refurbishment, with completion scheduled for February 2026. At present, water demand in Mkhondo and Saul Mkhizeville exceeds available supply capacity, highlighting the urgency for infrastructure investment and demand management interventions. Mkhondo Local Municipality supplies treated bulk water to Amsterdam, Mkhondo, and Saul Mkhize Ville through four Water Treatment Works. Rural villages are predominantly served through groundwater abstraction via boreholes, supplemented by water tanker services. The Municipality operates five water tankers to support rural water supply, with additional assistance from Gert Sibande District Municipality, which has provided an additional tanker to service Wards 1, 2 and 18.

Bulk sanitation services are provided to Mkhondo and Amsterdam through two Wastewater Treatment Works. Furthermore, the construction of a 1 ML/day Wastewater Treatment Works and associated reticulation system for Saul Mkhizeville is nearing completion, which will significantly improve sanitation service delivery and environmental compliance in the area.

SUCSESSES

A total of 9 992 ML of treated potable water was produced and supplied to communities across the Municipality.

57 new households were successfully connected to the municipal water supply network, expanding access to basic services.

297 ageing and non-functional water meters were replaced to improve metering accuracy and revenue protection.

Approximately 3 400 ML of wastewater was treated at the Mkhondo and Amsterdam Wastewater Treatment Works, supporting environmental compliance.

The refurbishment of the Piet Retief Water Treatment Works is progressing well and remains on track for completion in February 2026.

Sixty (60) boreholes were constructed across rural wards, together with the completion of three natural spring developments, improving rural water security.

Routine operation and maintenance of rural boreholes continued to ensure reliability and sustainability of supply.

The ongoing extension of rural water reticulation networks enhanced access to potable water in previously underserved areas.

Regular water quality sampling and laboratory testing were conducted to ensure compliance with drinking water standards.

Water and wastewater quality performance reports were successfully compiled, published, and continuously improved, strengthening regulatory compliance and transparency.

CHALLENGES

Performance shortfalls in water and sanitation service delivery are influenced by a combination of operational, financial, and infrastructure-related constraints. Key challenges include the following: High water losses, which continue to negatively impact system efficiency, financial sustainability, and overall service reliability.

Rapidly increasing water demand that exceeds existing treatment and distribution capacity, creating an urgent need for upgrades and capacity expansion at water treatment works.

Frequent mechanical breakdowns and an ageing vehicle fleet, resulting in service interruptions and delayed response times.

Deterioration of bulk and reticulation infrastructure, particularly within the water distribution networks, due to ageing assets and historical underinvestment.

Budgetary constraints, which limit the Municipality's ability to implement required refurbishment, upgrades, and preventative maintenance programmes.

Shortages of critical technical staff, affecting operational efficiency, compliance, and oversight. Insufficient operational vehicles, constraining field operations, maintenance response, and rural service delivery.

Outstanding laboratory service debt owed to Gert Sibande District Municipality, impacting timely access to water quality testing services.

Recent severe storm events, which caused damage to both water and wastewater infrastructure, placing additional strain on already constrained systems.

3.3 ELECTRICAL SERVICES

INTRODUCTION

According to Statistics South Africa, the population of Mkhondo Local Municipality increased from 171 982 in 2011 to 255 411 in 2022, representing an average annual growth rate of approximately 4.4%. This rapid and sustained population growth has placed increasing pressure on the provision of basic services, particularly electricity supply.

The Municipality owns and operates two electricity supply points, namely the Mkhondo Main Substation and the Amsterdam Switching Station. Based on projected growth over the next 40-year planning horizon, the Municipality will be required to upgrade its Notified Maximum Demand (NMD) from 18 MVA to 40 MVA at Mkhondo, and from 1.9 MVA to 10 MVA at Amsterdam, in order to meet future demand and ensure network reliability.

The Electricity Services Division is responsible for the operation and maintenance of the municipal electricity grid and also supports the establishment of new household connections within Piet Retief and Amsterdam. Currently, approximately 86% of urban households have access to electricity, while the remaining 14% of households are still without adequate access to electricity services.

SUCSESSES

INEP Funding available for the upgrade Notified Maximum Demand in Piet Retief and Amsterdam, currently await the budget quote from Eskom. Integrated National Electrification Programme (INEP) has funded the following electrical projects:

Project Name	Budget
Electrification of rural villages 102 households Sqintini and Bazane.	R 11 316 587.85
Design and Electrification of rural villages ward 9 (92 Connections)	R 3 758 757.99
Electrical Infrastructure upgrade of 11kv Amsterdam Switching station from 1.9MVA to 10MVA and associated OHM Network.	R 14 358 298.95

The Installation of Energy saving street lights & High mast lights (Implementation of EEDSM) The below projects were implemented at an amount of R 7 000 000.00.

Villages Name	Number of lights
Retrofitting of eThandakukhanya 250W HPS with 100W LED Lights	-Installed 170: 100W LED
Retrofitting of Mkhondo Town 250W HPS and Mercury Viper street lights with 100W LED Streetlights	-Installed 353. 100W LED
Retrofitting of Amsterdam 250W HPS with 100W LED Lights	-Installed 82: 100W LED
Highmast lights: Ward 1 to 19: Retrofit 400w to 200W	-Installed 222: 200W LED

Municipal Disaster Recovery Grant (MDRG) has successfully funded the following electrical projects were completed:

Project Name	Budget
Harmony Park 11kV T3 RMU	R 1 000 000.00
Ajax Line 11kv T4 RMU Switchgear	R 1 000 000.00
Salinga Road (Body builders) 11kv T3 RMU	R 1 000 000.00
Kempville Combined School 11kv T3 RMU	R 1 000 000.00
Luneburg Street 11kv Switching Station	R 2 000 000.00
Ward 7: Engelbrecht Substation	R 500 000.00

CHALLENGES

The effective provision and sustainability of electricity services are constrained by several operational, financial, and institutional challenges, including:

Severe financial constraints, which limit the Municipality's ability to implement adequate preventative, corrective, and planned maintenance on substations, transformers, and electricity distribution networks.

Notified Maximum Demand (NMD) shortfalls at both Mkhondo and Amsterdam, posing a significant risk to supply reliability and future load growth.

Inadequate availability of specialised equipment and operational resources, including critical plant such as cranes and cherry pickers, which hampers timely maintenance and fault response.

High vacancy rates within the Electricity Services Division, coupled with slow recruitment processes, resulting in capacity constraints and increased operational risk.

Total No of HH	HH with access	Percentage with access	HH without access	Percentage without access
58 504	50 313	86%	8 191	14%

3.4 ROADS AND STORMWATER DIVISION

INTRODUCTION

The road network within the jurisdiction of Mkhondo Local Municipality comprises national, provincial, district, and municipal roads. The responsibility for the majority of urban roads and streets, many of which remain unsurfaced, rests with the Municipality through the Roads and Stormwater Division.

A key national transport corridor, the N2, traverses the town of eMkhondo, providing a strategic linkage between KwaZulu-Natal and Mpumalanga Province. In addition, the R33 and R345 serve as important provincial routes within the municipal area. Traffic volumes along these corridors are high, placing sustained pressure on the road network. As a result of ageing infrastructure, historical underinvestment, and increased traffic loading, a significant portion of the road network is in a dilapidated condition, with many roads requiring full rehabilitation rather than routine maintenance. The situation was further exacerbated by severe storm and flood events experienced in November 2024, which caused extensive damage to municipal road and stormwater infrastructure. In some areas, road conditions deteriorated to the extent that communities experienced restricted or unsafe access to their homes, highlighting the vulnerability of the network to extreme weather events.

Despite these challenges, the Municipality has made progress in addressing critical backlogs through the completion and initiation of targeted road construction and rehabilitation projects. Financial support through the Municipal Infrastructure Grant (MIG) and the Municipal Disaster Recovery Grant (MDRG) continues to play a critical role in enabling the Municipality to implement priority road rehabilitation and stormwater management interventions aimed at restoring access, improving safety, and enhancing network resilience.

SUCSESSES

A total of 830 km of roads were maintained and graded.

A total of 100% of graves were prepared, and burials occurred in cemeteries controlled by the Mkhondo Local Municipality.

A total of 354 catch pits were cleaned in the 2024/25FY.

Pothole repair is 35 859 m² of tar road repairs.

A total of 9112 m of stormwater system was maintained and cleaned Municipal Infrastructure Grant (MIG) has funded the following roads projects:

Project Name	Budget
Construction of KwaThandeka Main Access Road	R 15 636 588.72
Construction of 3km Bus and Taxi route at Kempville	R 15 215 342.16

Municipal Disaster Recovery Grant (MDRG) has funded the following roads projects:

Project Name	Budget
Re-gravelling and storm water management for 600m road at ward 17 Wilverdiend	R 4 065 325,70
Re-gravelling and storm water management for 2km road at ward 8 Dr Pols village	R 3 634 084,25
Re-gravelling and storm water management for 1900m x5m road at ward 13 Mangosuthu	R 2 745 074.45
Re-sealing a 1km of Pretorius street in Harmony Park ward1	R 6 522 515,60
Rehabilitation of Bus and Taxi Route in ward 10	R 15 000

Emagadeni eThandakukhanya.	000.00
Rehabilitation of Internal Street in ward 11 eThandakukhanya	R 3 000 000.00
Re-gravelling 3000m bus and taxi route in Driefontein ward 1	R 2 500 000.00
Re-gravelling of 2200m bus and taxi route in Driefontein ward 2.	R 2 100 000.00

CHALLENGES

The Municipality continues to face significant structural and financial constraints in maintaining and rehabilitating its roads and stormwater infrastructure. The key challenges impacting service delivery are as follows: Inadequate financial resources, which significantly limit the Municipality's ability to implement sustainable preventative, routine, and corrective maintenance programmes across the roads and stormwater network.

Advanced deterioration of tarred road infrastructure, with a substantial portion of the network having exceeded its original design life, necessitating urgent rehabilitation, resealing, and, in some cases, full reconstruction. Deterioration of paved road surfaces in identified areas, requiring targeted intervention to restore safety, accessibility, and serviceability.

Degradation of gravel roads within urban and residential areas, where the wearing course has been lost, requiring systematic replacement to maintain functionality and reduce further asset deterioration.

An ageing and unreliable yellow plant fleet, characterized by frequent mechanical failures, which disrupt planned maintenance schedules and adversely affect operational efficiency.

Ineffective and failing stormwater systems, resulting in inadequate drainage, accelerated road damage, erosion, and increased maintenance costs across the road network

3.5 WASTE MANAGEMENT UNIT

INTRODUCTION

The Office of Community Services presents the 2024/2025 Annual Report, providing an overview of the operational performance and key activities undertaken across its core divisions: Waste Management, Forestry, Traffic Services, Social Cohesion, and the Fire & Rescue Unit. The report reflects the Directorate's ongoing commitment to delivering reliable, community-focused services that enhance public safety, environmental management, emergency preparedness, and social development within Mkhondo Local Municipality.

During the reporting period, each division faced varying degrees of resource limitations, infrastructure challenges, and environmental issues. Despite these obstacles, the Directorate stayed committed to enhancing service delivery, building stronger community partnerships, and protecting municipal assets. Notable achievements included the expansion of household waste collection services, improvements in fire protection measures within the plantation, enhanced traffic law enforcement, and the successful delivery of sports, arts, and cultural programs that promote social cohesion. The Fire & Rescue Unit plays a vital role in this service delivery framework, ensuring a swift response to incidents while safeguarding lives, property, and municipal infrastructure.

This report highlights the progress achieved across all units, outlines key challenges encountered, and identifies areas for improvement to guide future planning and decision-making. The Directorate remains focused on promoting accountable governance, enhancing service efficiency, and ensuring that the needs of Mkhondo communities remain at the centre of municipal service delivery.

3.5.1 WASTE MANAGEMENT UNIT

This section presents the performance of the Waste Management Division for the 2024/2025 financial year. It outlines the core services delivered, operational achievements, and the challenges that impacted service delivery. Despite resource limitations and infrastructure constraints, the Division continued to prioritise reliable waste services, environmental cleanliness, and collaborative community engagement.

3.5.2. OPERATIONAL PERFORMANCE

HOUSEHOLD COLLECTION

Household refuse collection was carried out in all scheduled residential areas, ensuring once-weekly collection for each service point. During the reporting period, Mangosuthu Phase 1 and Phase 2 were incorporated into the collection programme. This expansion increased service coverage to 33 261 households, reflecting an additional 363 households compared to the previous financial year. The

continued expansion demonstrates the Division's commitment to improving access to basic waste management services for all communities.

3.5.3 TOWN AND TOWNSHIP REFUSE REMOVAL

Refuse removal in town and township areas was undertaken through the deployment of waste containers transported by tractor-drawn trailers. While this method ensured continuity of service, the current number of containers remains inadequate to meet growing service requirements. Additional containers are necessary to enhance efficiency, reduce turnaround times, and ensure reliable service coverage.

3.5.4 LANDFILL SITE OPERATIONS AND CHALLENGES

The landfill site continued to show gradual improvement in overall management practices. However, operations remain hindered by the shortage of appropriate and compliant equipment, limiting full adherence to operating permit conditions. The availability of an excavator during the period made a noticeable positive impact on daily operations, improving waste compaction, covering, and general site management. Further investment in suitable heavy-duty machinery is essential to ensure long-term compliance and operational stability.

3.5.5 VEHICLE CONSTRAINTS

The Division faced significant vehicle-related challenges throughout the year. Frequent breakdowns, extended repair times, and ageing fleet structures— characterised by severe metal fatigue— contributed to a decline in container removal service performance. Despite these constraints, alternative operational measures were introduced to minimise service interruptions and ensure the continuation of essential waste collection activities.

3.5.6 STREET CLEANING

Street cleaning operations were carried out daily within the Central Business District (CBD) and along all major roadways. To maintain consistent cleanliness across hightraffic areas, two dedicated teams were deployed on both day and night shifts. The bus and taxi route at eThanda was added to the daily cleaning programme to address increased waste generation and improve overall environmental hygiene in the area.

3.5.7 ILLEGAL DUMPING

Illegal dumping remains a persistent and escalating challenge across the municipality. The number of informal dumping points continues to rise, placing additional pressure on already limited resources. While the Division's current capacity is insufficient to address all affected areas, awareness campaigns and targeted clean-up initiatives were conducted to mitigate environmental and health impacts. Ongoing community education and increased law enforcement support will be critical in reducing the prevalence of illegal dumping.

3.5.8 STAKEHOLDER COLLABORATION

Strong partnerships with stakeholders played a vital role in supporting waste management activities during the year. The Division collaborated with the Community Work Programme (CWP), schools, private sector partners, and the Mkhondo Environmental Forum to clear problem areas and promote community-led environmental stewardship.

A notable contribution was the donation of refuse bins to Ward 4 by NTE in Iswepe, significantly improving waste containment and cleanliness within the area. These partnerships remain essential for expanding service impact and enhancing community participation in responsible waste practices

3.5.9 CLIMATE CHANGE RESPONSE

Strategy and Resilience Planning

A comprehensive Climate Change Strategy and Resilience Plan was successfully developed and adopted, providing an integrated framework for mitigating climate related risks and guiding adaptation measures across the municipality.

Alien Invasive Species Control

Alien invasive species were removed in accordance with the approved control plan. This intervention contributed significantly to biodiversity protection, improved ecosystem functioning, and strengthened landscape resilience.

Tree Planting Initiatives

Indigenous tree planting was conducted in selected community and municipal areas to enhance urban greening efforts. Furthermore, spekboom trees were distributed to households to promote

carbon sequestration and encourage community-led climate action. In total, 131 indigenous trees and 718 spekboom trees were planted.

Awareness Campaigns

A series of climate change awareness campaigns were conducted in collaboration with key stakeholders. These initiatives focused on education, advocacy, and community mobilisation to strengthen environmental stewardship and enhance local climate resilience.

3.5.10 IN SUMMARY

The 2024/2025 financial year highlighted both progress and persistent challenges for the Waste Management Division. Service expansion strengthened stakeholder collaboration, and the successful integration of climate change response initiatives demonstrates the Division's commitment to sustainable environmental management. The adoption of the Climate Change Strategy, implementation of greening projects, promotion of community awareness, and biodiversity protection initiatives have enhanced the municipality's long-term resilience.

However, operational limitations, particularly vehicle constraints, insufficient waste containers, limited landfill equipment, and rising illegal dumping, continue to hinder full efficiency. Addressing these constraints will be crucial to enhancing service reliability, meeting compliance standards, and achieving the municipality's environmental sustainability targets.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The purpose of the indigent policy is to implement the national initiative to improve the lives of indigents and to improve access to free basic services. The policy is aimed at providing a social safety net to relieve poverty within communities. The indigent policy has three (3) parts namely:

- Physical access to the municipal services;
- Functional and maintenance of services provided; and Access to services must be properly targeted.

Council does not have a division to specifically cater for social welfare to keep register of and to evaluate all applications for indigent support. However, the finance section provides a control system in the form of a questionnaire contained in the application form for indigents. The following free basic services are provided to qualifying indigents:

- 50 kWh (units) of free basic electricity per month.
- Six (6) kilolitre of free water per month.
- 100% rebate on assessment rates.
- The waste removal rate in respect of indigents will be fully discounted.
- The sewerage rate in respect of indigents will be fully discounted.

The Municipality had 3 227 registered indigent households as at the 30 June 2025. The Municipality is targeting to have 6000 registered indigents households at the end of June 2026. The Municipality is procuring a system that will assist with the verification of the indigent households this includes, ID verification, deceased persons, household income, employment status, contact details amongst other information. The system will assist in ensuring that eligible applications are processed promptly whilst ensuring that only qualifying applications are approved.

3.7 PLANNING

The Planning and Development Department comprises mainly two divisions, namely the IDP, LED, Special Projects & Tourism Division and the Town Planning, Human Settlements and Building Control Division. The core mandate of this Department is to ensure sustainable and integrated human settlements; compliance with town planning and building control regulations; and, to ensure local economic growth and attract investment to the municipality.

The Local Economic Development Unit is a directorate in the Planning and Development Department. LED aims to enable local stakeholders to mutually devise and implement a development strategy that fully exploits local resources and capacities and effectively utilises the area's comparative advantages. It is also mandated to promote economic development; job creation, economic transformation, and economic intelligence within the municipal area. It is guided by policies established by the National and Provincial Governments and articulates the approach to economic development through the Municipality's.

3.8 SPECIAL PROJECTS / LOCAL ECONOMIC DEVELOPMENT

3.8.1. INTRODUCTION

Local economic development is the responsibility of the Office of the Executive Mayor and falls under the Planning and Economic Development Department. The Integrated Development Plan (IDP) outlines the full responsibilities of each department. The Plan seeks to "enhance the economic prosperity of the eMkhondo region to ensure the material welfare of all its residents." The expected outcomes include "sustained job creation, robust economic expansion, and poverty alleviation."

The LED unit promotes economic development by supporting Small, Medium and Micro Enterprises (SMMEs) and cooperatives. It also aids the informal economy through the facilitation and monitoring of informal street traders and tuck shops/spaza shops. The unit supports Business Development by assisting new businesses, promoting investment within the municipality, and facilitating business retention and expansion. Additionally, it handles Business Licensing by processing licensing applications, conducting inspections, and managing business registrations, distinct from Business Development activities.

3.8.2. RED TAPE REDUCTION

Business development in the municipal sector is essential, requiring regulations and processes that foster growth to support employment and income-generating activities. Efforts are ongoing to minimize and eventually eliminate all bottlenecks, commonly known as "Red Tape," that hinder business development (Mkhondo LED strategy 2023). The table below outlines the Red Tape Reduction Plan:

INDICATORS	OBJECTIVE	RED TAPE EXPECTED		ACTION PLAN
		CHALLENGE	OUTCOME	
1. Communication of Information	Enhancing communication with both formal and informal businesses, as well as the	Inadequate or ineffective communication systems, processes, and channels lead to	Enhanced communication to facilitate service delivery and information dissemination.	Establish multiple channels of communication. It is recommended to consider forums and

INDICATORS	OBJECTIVE	CHALLENGE	TAPE EXPECTED OUTCOME	ACTION PLAN
	public, is essential for effective information dissemination and raising awareness.	challenges in accessing municipal information pertinent to residents and businesses.		committees.
2. Percentage expenditure on the procurement of local SMMEs	No percentage specified for municipal procurement is set aside for local SMMEs.	Municipalities lack policies or regulations aimed at promoting SMME development or prioritizing local suppliers.	Services are obtained from SMMEs or cooperatives within the municipality.	SCM Policy reviewed and approved.
3. Enhancing the functionality of the Licensing system optimize service delivery.	Licenses and permits are issued within a 21-day timeframe. Nonetheless, a system for tracking applications is absent.	Many municipalities do not adhere to the 21-day timeframe for approving applications and permits.	Effective administration of business licensing and permit applications.	Development of a register and tracking system for all received applications.
4. Enforcement of Municipal Bylaws	Enforcement of Municipal Bylaws.	Many municipal policies, regulations, and by-laws frequently suffer	The compliance and enforcement of municipal bylaws should be	Council decision to recruit Peace Officers.

INDICATORS	OBJECTIVES	RED TAPE EXPECTED	ACTION PLAN	
		CHALLENGE	OUTCOME	PLAN
		from obsolescence, and/or their associated costs may surpass their benefits due to unintended consequences	both effective and efficient.	
		on businesses or the manner of their implementation and enforcement. This leads to avoidable expenses, delays, and ultimately, the loss of business and jobs.		

3.8.3. ACHIEVEMENTS OF THE SPECIAL PROJECTS / PROGRAMMES

Mpumalanga Regional Training Trust secured the CRDP training project with the Mpumalanga Department of Agriculture to train youth in Mkhondo, Ward 02 and 06. MRTT secured a total of 44 youth (males and females) targeted for the 2024/25 FY.

Program	No F	M
Mix Farming	22	15
		07

Carpentry	22	14	08
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3.8.3.1. SIYATHUTHUKA PROJECT

This is a Gert Sibande District Municipality initiative to support Local Municipalities in poverty alleviation and job creation. It is an EPWP initiative and provides a safety net for participants.

In the 2024/25 FY, we had 30 participants employed on the programme. Contracts are on an annual basis.

3.8.3.2. COMMUNITY WORKS PROGRAMME (CWP)

This programme is implemented in all 19 wards with an allocation of 1420 participants. It is ward-based, and participants are expected to perform general work, including assisting with gardening and cleaning of schools and clinics, supporting pensioners, waste removal, and other tasks as prescribed in the CWP Business Plan.

3.8.3.3. EPWP

The Expanded Public Works Programme (EPWP) is a South African Government initiative aimed at creating and enhancing work opportunities. It is a short-term programme and should not be implemented in isolation but as a support to existing Government strategic job creation initiatives and poverty alleviation projects.

The main purpose of this programme in Mkhondo Local Municipality is to improve job creation opportunities and skills levels through existing infrastructure and other projects identified by the Municipality. The programme targets the unemployed within the Municipal area, with the overall outcome of enhancing skills levels and reducing poverty in Mkhondo. If effectively implemented and reported, Mkhondo Local Municipality benefits from incentives and grants that reward labour-intensive methods. Overall, 258 jobs were created through EPWP projects in 2023/24, including projects in the Project Management Unit and Incentive Grant work opportunities.

3.8.4. LED PROJECTS

The Local Economic Development Unit oversees the delivery of municipal LED Services, which include:

- Business development and investment promotion
- SMME Development

- Creation of an SMME database
- Formulation of poverty alleviation plans
- The advancement of local economic development, including job creation, economic transformation, and targeted economic interventions within the municipal constituency. LED is guided by policies established by the National and Provincial Governments.
- This section delineates the methodology for economic development as outlined in the Municipality's Integrated Development Plan (IDP) and the Economic Development Strategy (EDS), which serve as guiding frameworks for all activities. Additionally, it addresses the wider challenges confronting the municipal constituency by supporting complementary initiatives, including the Provincial Growth Development Strategy.
- The advancement of Small Businesses is increasingly acknowledged as a prevalent approach for Local Economic Development in South Africa. The municipality is actively facilitating government initiatives aimed at supporting SMMEs while also providing the essential infrastructure required for business growth.
- SEDA has assumed a pivotal role in the advancement of SMME development, ensuring that both financial and non-financial support is effectively allocated to the sector, thereby fostering its enduring success and that of the nation at large.
- Seventy-five (75) small, medium, and micro enterprises (SMMEs) participated in development programmes focused on financial business management and access to a variety of products and services that enhance financial access, including loans and incentive grants.

Three expos have been convened to focus on the benefits of SMME growth, including employment creation, economic growth enhancement, and poverty alleviation, thereby underscoring the importance of prioritizing this sector. The development of SMMEs is critically important for overall development. This programme examined the factors influencing the performance and growth of SMMEs, with a specific focus on education and skills. Education and skills significantly influence the financial performance of SMMEs and their capacity to access market opportunities.

Local economic development is the responsibility of the Office of the Executive Mayor and is subject to the Planning and Economic Development Department. The Integrated Development Plan (IDP) provides complete descriptions of each department's obligations. The Plan aims to "enhance the economic prosperity of the eMkhondo region to ensure the material welfare of all its residents." The anticipated results are "sustained job creation, robust economic expansion, and poverty alleviation."

3.9 BUILDING CONTROL

The Building Control Unit is tasked with ensuring compliance with the National Building Regulations and Building Standards Act (No 103 of 1977) as amended and other applicable laws.

Its main task is to protect interest of members of the public against all what may possibly go wrong in the construction and refurbishment of their structures including dwelling houses. The team has been actively engaged in the consideration of building plan applications, inspections of building works, and monitoring of demolition works. Various developments require submission of building plans prior to construction. This municipal service/activity is a major revenue generator, through the application fees collected.

Regrettably, the Mpumalanga Department of Human Settlements has not yet involved the municipal building inspectors in the quality assurance during the processes of constructing the low-income houses commonly known as RDP houses. This is creating a challenge for the municipality as the latter takes all quality questions from the community beyond the construction process.

3.10 TOWN PLANNING

REVIEW OF SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The municipality is currently reviewing its Spatial Development Framework, through the assistance of the Mpumalanga Department of Land Reform & Rural Development (DALRRD).

Mkhondo Local Municipality was part of the Project Steering Committee (PSC) that facilitated the appointment of a suitably qualified and experienced service provider to undertake the review processes. The appointment was finalised and the service provider commenced with the process during the second quarter of the 2024/25 financial year. Currently a Phase 3 report is in place.

3.11. SPLUMA IMPLEMENTATION

The Municipality through the assistance of Gert Sibande District Municipality can comfortably claim to be implementing a SPLUMA compliant (wall-to-wall) Land Use Scheme. The Spatial Planning and Land Use Management Act, No. 16 of 2013 (SPLUMA) is being implemented by the municipality as expected.

The municipality is part of the Gert Sibande District Municipal Planning Tribunal and all applications referred to the tribunal are processed with diligence and efficiently. Applications that are categorised for consideration by the Authorised Official were delayed as a result of staff shortage (town planners)

within the planning department - but with assistance from EPWP Interns applications are being processed. Plans are in place to receive an ISDG Town Planner in January 2026 from Gert Sibande District Municipality whereby the rate and speed of application considered is anticipated to increase.

COMPONENT D: COMMUNITY SERVICES

3.12 LIBRARIES

The Mkhondo Local Municipality has 3 operational libraries under it, the Amsterdam Public Library, Driefontein Public Library and Mkhondo Public library. These 3 libraries are all monitored by the Senior Librarian of Mkhondo Local Municipality under the Community Services Department. Thandukukhanya Library is currently under construction. The library is at 90% completion as at October 2025. It is expected to re-open after completion in November 2025.

The municipality works together with Mpumalanga Library and Information (MPLS) to provide collections of library material to affiliated public libraries under the jurisdiction of both the municipalities and private institutions.

Most of the library books collection is provided by the Mpumalanga Department of Culture, Sports & Recreation and the municipality signs a binding agreement with the Province to monitor and guard the assets. The provincial department provides Wi-Fi and all other information technology services.

LIBRARY MISSION

Provide access to library and information services which assist in meeting the recreational, information and cultural needs of the Mkhondo community.

GOALS AND OBJECTIVES OF THE LIBRARY

- Provide and maintain resource collections which are responsive to the needs of the community
- Provide a set of library outreach services, activities and programs that will empower the community.
- Increase awareness and usage of library services.
- Provide library facilities appropriate to the needs of the people of Mkhondo.

Mkhondo Public Library

- Total number of registered users - 3510
- 11 computers for public use.

- Library work with different schools, stakeholders and community members within the municipality to promote a culture of reading and also create awareness on key issues that affect our community, especially early child development.
- There is always Wi-Fi that is accessible to all our users.
- The library also caters for vision impaired/blind users.

Mkhondo Public Library Activities

- To bridge the gap between the local and remote schools, do library campaigns in remote areas and monthly school visits.
- Visiting at least 4 remote schools per quarter, lending books and encouraging principals to open classroom libraries and assist in set up.

Drifontein Public Library

The library was built by the Mpumalanga Department of Culture, Sport & Recreation at Saul Mkhizeville in 2015/16. The library was handed over to the Mkhondo Local Municipality in March 2021 after lengthy negotiations and delays. It is being operated by the Mkhondo Local Municipality in association with the department.

The Library was also renovated with the help of the Mpumalanga Department of Culture, Sports & Recreation to the value of R12 Million rand. The renovations finished in May 2023.

Challenges

The library is expected to abide to the above-mentioned goals and objectives and as per the SDBIP. Each library is supposed to visit at least 4 remote schools per quarter. There are however challenges within our scope of work including:

- Transport, especially a bakkie to load all the equipment's we take with when visiting remote areas.
- Marketing tools for doing library outreach programs.
- Training programs, they are an important part of organisation growth as it enables staff to learn more about their work.
- Budget to carry out other library services and doing outreach programs.
- Office space to accommodate the studio for the blind. There is no enough room to accommodate all the equipment for the blind.

- An upgrade of the Mkhondo Public Library is essential because the current one is very old, roof is leaking and the electrical wiring is hazardous.
- Transport to visit remote areas, a budget for doing library marketing per quarter, assist the senior librarian to do monitoring and evaluation per month in all the libraries and the above-mentioned activities should be covered by the municipality.

Recommendations/Conclusion

There is a need to work and help fix the challenges highlighted above, the libraries would run effectively through consultation, planning, budgeting and conducting training courses for staff to also assist in service delivery.

Transport is a common factor for all the 3 libraries and with the assistance of the municipality by providing a library vehicle to visit remote schools can also assist to bridge the gap between the surrounding and remote schools.

There is also a need for the municipality to work together with DCSR in implementing library projects that can better the community of Mkhondo. DCSR is willing to assist in any way possible for these 3 libraries to run effectively

3.13 YOUTH DEVELOPMENT

3.13.1 Introduction

Youth development remains the key activity for Mkhondo Local Municipality, it remains a priority the Municipality's contribution to the development of Mother South Africa. Mkhondo Local Municipality has prioritised youth empowerment, development and beneficiation. The office of the executive Mayor houses the target group office, the Target Group office deals directly with youth empowerment, development and beneficiation thereof.

Mkhondo Local Municipality, located in the Gert Sibande District of Mpumalanga, South Africa, has a total population of approximately 189,036 people. The youth, aged 15-34, make up around 43% of the population. In terms of education, about 28% of the youth (aged 15-24) have completed secondary education, while around 12% have completed tertiary education. Approximately 14% of the youth (aged 15-24) are currently attending educational institutions. However, the municipality faces significant challenges in terms of youth unemployment, with an unemployment rate of around 55% among the youth (aged 15-34), and an expanded unemployment rate of approximately 63% when including discouraged work-seekers.

Mkhondo Local Municipality recognizes the contributions young people make to our society and Mkhondo strives to build upon the imagination, energy, vibrancy and talents of all young women and men within the Municipality.

Mkhondo has developed a more economical approach in terms of youth development, it is highly noted that most of the social ills engaged by the youth are caused by lack of economic opportunities. This is done in order to squarely address the factors which threaten the development of young people. Whether these exist as a legacy of apartheid or as a result of our own social practices, young women and men deserve fair treatment, a safe environment and a nurturing community.

3.13.2 Priority Target Groups for Youth in Mkhondo Local Municipality.

Mkhondo Municipality considers strongly the fact that the youth are not a homogeneous group and as such, the Mkhondo programmes, projects and strategies provide specific attention to the following youth groups that are more vulnerable:

- Young women
- Youth with disabilities
- Unemployed young women and men
- in and Out- of school youth
- Rural and urban youth
- Youth at risk
- Youth in conflict with the law
- Young entrepreneurs who are already in the field and those intending to be part of business
- Unemployed graduates.

3.13.3 Streamlines for youth development

As stated above the youth is not a standardized group and as such, the plans for the Youth in Mkhondo, provide specific attention to the following streams for youth groups:

Hard Expertise Training; entails theoretical and practical training in relevant fields to enable the youth to render services in the locality and abroad;

Professional progress: entails creating access to education leading up to a qualification. The purpose is also for youth exposure to opportunities;

Youth as entrepreneurs: involves youth development as entrepreneurs in all sectors of the business economy and can be as contractors, project managers and professional service providers.

Making profitable art: Involves youth in the creative industry ranging from Poetry, Music, Craft artists, Traditional dancers and all relevant artistic work.

Youth development in essence.

The National Youth Development Agency (NYDA) remains a committed agent of change for youth development. The NYDA have collaborated with the municipality in the process of providing various trainings for both youth-owned SMMES and cooperatives. Furthermore, the NYDA have funded Business with a minimum of R400 000 with grants of either R50 000 or R10 000.

The municipality have collaborated with the office of the premier through the Mpumalanga Youth development Fund. Two businesses have been funded up to this far. One business received a funding of above 2,6 million Rand and Currently there are 5 businesses that were interviewed for funding.

Matric Academic Awards

Mkhondo Municipality's partnership with the Department of Education to host academic awards for Mkhondo East Circuit, Mkhondo West Circuit, and Amsterdam Circuit is a great way to recognize and reward outstanding academic achievements. The ceremony aims to celebrate the hard work and dedication of learners, teachers, and schools in the area ¹.

It's impressive that the municipality awarded special awards to learners who excelled nationally and provincially and provided them with practical amenities like travel bags and toiletry bags to support their tertiary education. The event also featured motivational speakers to inspire both teachers and learners.

The municipality's efforts to promote education and recognize academic excellence are commendable. By working together with the Department of Education, they can help create a supportive and motivating environment that encourages learners to strive for excellence.

University applications and funding application (NSFAS Drive)

Mkhondo Local Municipality has taken proactive steps to support the educational pursuits of its youth. By providing a daily platform for both in-school and out-of-school youth to apply for university admission and funding, the municipality is helping to bridge the gap to higher education.

The compulsory NSFAS (National Student Financial Aid Scheme) application drive, which involved visiting all Mkhondo schools, demonstrates the municipality's commitment to ensuring that no deserving student is left behind due to financial constraints. This initiative aims to empower young people to pursue their academic dreams and create a brighter future for themselves and their communities.

Learnership Programs

Mkhondo Local Municipality has collaborated with government agencies and departments to offer various learnership programs, empowering the youth with valuable skills and experience. Notably, the municipality's partnership with WBHO has provided training opportunities in multiple trades, including:

- Carpentry
- Bricklaying
- Painting
- Shutterhand
- Tiling
- Concrete hand
- Re-enforcing

At least 19 young men and women have been trained in each skill, equipping them with marketable skills.

Additionally, the municipality has partnered with the National Youth Service (NYS) program, which aims to engage young South Africans in community service activities. Approximately 20 unskilled

and unemployed youth have benefited from this program, gaining occupational skills and experiencing civic responsibility.

The Community Work Program (CWP) and the Expanded Public Works Program (EPWP) have demonstrated a strong commitment to empowering the youth of Mkhondo Local Municipality. Notably, these programs have prioritized the employment and training of young people, with a significant majority - over 70% - of participants falling within the 18-35 age range. This targeted approach is helping to address youth unemployment and provide valuable work experience and skills development opportunities.

Career Guidance Workshops

Mkhondo Local Municipality, in collaboration with the Department of Social Development, has taken a proactive approach to empowering the youth by hosting career guidance workshops in schools and youth centres across the municipality. The primary objectives of these workshops were:

1. Addressing skills shortages among the youth.
2. Providing knowledge on critical skills in demand in the labour market.

By doing so, the municipality aims to mitigate the issue of unemployed graduates, ensuring that young people are equipped with the necessary skills and knowledge to secure meaningful employment and contribute to the local economy.

Gender Based Violence dialogue

Mkhondo Local Municipality has taken a proactive stance against Gender-Based Violence (GBV) by hosting a series of dialogues aimed at raising awareness and reducing the prevalence of this national crisis. These dialogues brought together:

- Survivors of GBV
- Organizations specializing in GBV support and services
- Key stakeholders in the justice system

By creating a platform for open discussion and collaboration, the municipality aims to combat GBV and promote a safer, more supportive community for all

3.14 TRAFFIC

This section details the operations conducted by the Traffic unit during the 2024/2025 financial year. Moreover, the report aims to outline the goals and objectives of the Traffic Department. Lastly, recommendations will be made to better the operations of the traffic unit and ensure that the unit continues to be committed to executing traffic management within the broader boundaries of Mkhondo Local Municipality.

The unit has a two-shift system that operates as follows; Shift A: 06:00 am to 14:00 pm and Shift B: 14:00 pm to 22:00 pm. On weekends, the shifts alternate and operate from 08:00 am to 13:00 pm. A one-week standby is also made available in order to ensure that traffic officers respond to emergencies promptly.

MISSION

- The unit has a legislative mandate to provide Traffic Services in terms of Section 156 and Schedule 4 and 5 of the Constitution of South Africa.
- To create a safe environment for the general public, commuters and road users.

GOALS & OBJECTIVES

The objective of the unit is to provide safe road usage within Mkhondo Local Municipality and improve road safety by providing effective traffic law enforcement by:

- ensuring roadworthy compliance of motor vehicles,
- increase voluntary compliance of road users,
- reduce Traffic offence rates, crash and fatalities,
- as well as to provide quality backend office services such as proper office administration, payment of fines, ensuring the court roll is done, issue warrant of arrests, etc.

ACHIEVEMENTS

- Reduced accidents on the N2 near truck stop due to the static and zone wide patrols,
- Lowered the general and traffic crime rate,

- Empowered road users with knowledge through successful road safety and awareness campaigns,

IN SUMMARY

The traffic unit has reduced the response time to emergencies, reduced road accidents and fatalities, improved pedestrian safety, reduced congestion and optimised travel time. Should the recommendations be achieved, Mkhondo Local Municipality through its Traffic department, will ensure that proper traffic law enforcement and harmony through the broader boundaries of the municipality.

with their vehicles.

3.15 LAW ENFORCEMENT

The Mkhondo Municipal law enforcement is responsible for maintaining order, enforcing local bylaws, and ensuring public safety within a municipality. It operates under the authority of municipal councils and works in coordination with national and provincial law enforcement agencies. The Mkhondo law enforcement has shown commitment to supporting all departments within the municipality from land encroachment to being on the front line during protests

The unit supports crime prevention initiatives, conducts patrols, and collaborates with other law agencies to promote awareness programs, working with communities, and fostering partnerships with local stakeholders.

The unit has some challenges that hinder the progress to fully operating successfully;

- Bylaws that are not promulgated to ensure compliance with municipal bylaws, such as noise control, illegal dumping, informal trading regulations, and building codes.
- Staff compliment, the unit is severely understaffed
- The lack of resources to carry out the duties of the division.

The law enforcement unit does campaigns and engagements with the community to teach them on the laws of the municipality.

3. 16 FIRE AND RESCUE

The unit operates tirelessly, maintaining a state of constant vigilance for accidents or incidents that may arise. It responds to a wide array of events categorized as significant risks, including devastating house fires, hazardous veld fires, and the potential dangers posed by spills of dangerous goods. The team is also ready to assist during vehicle spillages and accidents

involving motorists on the road, as well as managing situations with stray animals or pedestrians in distress. This dedicated unit plays a crucial role in mitigating risks that could threaten human lives, the safety of animals, and the integrity of municipal properties, ensuring a swift and effective response to safeguard the community.

3.17 SOCIAL COHESION UNIT

This section outlines the operational activities of the Social Cohesion Unit for the 2024/2025 financial year. It summarises the key activities that happened during this period in Sports, Arts & Culture. The KPIs set at the beginning of the financial year were met through engagement and working together with relevant stakeholders. To achieve our targets we sought to work closer with organisers of events who included the members of the Mkhondo

Sports Council and the Mkhondo CCIFSA representing the arts. **Overview**

- The Social Cohesion Unit provide support to sports, arts and culture activities including Library and Information Services.
- The Unit is committed to fostering a vibrant, inclusive community through the strategic promotion of sports, arts, and culture activities.
- The key focus areas include improving access to information, facilities, increasing participation, supporting talent development, and ensuring sustainability of facilities.

Objectives

- Foster social cohesion and community engagement through sports, arts, and cultural activities

2. Key Focus Areas Sports Development

- Supported tournaments (e.g. Mpumalanga August Horse Racing, Mkhondo Promotional Playoffs 2024/25, and PG Bison Knockout 2025).

Arts and Culture

- Supported the Full Moon Festival 2024 held at Kempville Stadium.
- Support given to local artists to perform during government events and paid performance fees.

Libraries

The Mkhondo Local Municipality is home to four libraries; however, only three were operational during the 2024/25 fiscal year. The Mkhondo Town Library, Driefontein Library, and Amsterdam Library were actively serving the community, while the Thandukukhanya Library was currently under construction.

Despite this, library services continued seamlessly at the three open locations. In addition, there were community engagement initiatives and meetings held to prepare for the opening of the Thandukukhanya Library. Library services are available from Monday to Saturday.

Key Performance Indicators

	Key Performance Indicator	Department	Baseline	COMMUNITY SERVICES SDBIP 2024/25					Annual Performance	FCE
				Education	Quarter 1	Quarter 2	Quarter 3	Quarter 4		
	No. of cultural events & exhibitions held	Social Cohesion	16	CPEX	4	5	3	6	18	Reports

3. Achievements and Impact (2024/25 Financial Year)

- The Unit was involved in a number of successful events during the FY by:
- Partnerships with schools, sports clubs, or business to provide different recreational activities.
- Notable projects, like participating in the 16 Days Activism Campaign Games.

No. of Sport, Art, recreational and cultural events/exhibitions held and/or supported

REF	Activity	Quarter	Date	Venue	Code	No. of participants
SAR-01	Arts & Culture Performance Support	Q1	Sunday, 08 September 2024	Maphepheni/Ajax Ward 8	Performing arts	20 artists coming from 5 groups
SAR-02	Supported the Mpumalanga August Horse Racing 2024	Q1	Sunday, 08 September 2024	Maphepheni/Ajax Ward 8	Horse Racing	5 artists
SAR-03	Ingoma Traditional Dance Competition	Q1	Saturday, 21 September 2024	NCT Ground, Ntombe Ward 15	Performing arts	28 traditional dance groups
SAR-04	SAMSRA Wellness Games 2024	Q1	22 - 27 September 2024	City of Mangaung, Free State	Multi sports	80 Municipal Employees
SAR-05	16 Days of Activism Campaign for No Violence vs Women & Children: Sports Tournament	Q2	Sunday, 08 December 2024	Mabola Sports Ground, Dirkiesdorp Ward 3	Netball & Football	160 football & 60 netball players
SAR-06	Supported the Yeshua Sport Tournament: Netball & Football	Q2	21 & 22 December 2024	KwaThandeka Stadium, Amsterdam Ward 5	Netball & Football	160 football & 120 netball players
SAR-07	Supported the Full Moon Festival 2024	Q2	Sunday, 15 December 2024	Kempville Stadium, Mkhondo Ward 10	Performing arts	21 Mkhondo Artists performed
SAR-08	Supported the Mkhondo Festive Cup 2024	Q2	13 to 20 December 2024	Mandla Magudulela Stadium, Ward 13	Football	400 participating players
SAR-09	Supported the Mkhondo Xmas Challenge 2024	Q2	17 to 26 December 2024	Mandla Magudulela Stadium, Ward 13	Football	600 participating players
SAR-10	Supported the PR Combined Athletics Inter Houses	Q3	Friday, 31 January 2025	Kempville Stadium, Mkhondo Ward 10	Athletics	200 participating school kids
SAR-11	Supported Sisonke Golf Tournament	Q3	Sunday, 8 February 2025	Piet Retief Golf Club, Mkhondo	Golf	38 golfers
SAR-12	Supported the Mkhondo Circuit Athletics Meeting	Q3	Monday, 10 February 2025	Hoerskool Piet Retief Stadium, Ward 7	Athletics	800 participating school kids
SAR-13	Supported the Mkhondo Netball League Open Day	Q4	Saturday, 26 April 2025	Thokozani Sports Center, Ward 11	Netball	400 netball players coming from 12 teams
SAR-14	Supported the Mkhondo Football Easter Tournaments.	Q4	18 - 28 April 2025	Nohhemu Sports Ground, kwaNgema, Ward 3	Netball & Football	500 football (20 teams) & 60 netball players (4 teams)
SAR-15	Supported the PG Bison Fam-Fest Netball & Football Tournament	Q4	10 & 11 May 2025	Kempville Stadium, Mkhondo Ward 10	Netball & Football	250 football (10 teams) & 120 netball players (8 teams)
SAR-16	Supported the Schools Sports Wednesday program.	Q4	Wednesday, 21 May 2025	Kempville Stadium, Mkhondo Ward 10	Netball & Football	225 football (9 teams) & 100 netball players (9 teams)



State of Facilities

- The lack of facilities for sport codes like Netball, Basketball, and Volleyball & Tennis continues to delay the development of the sport codes.
- Mkhondo has active playing courts at Driefontein (Ward 2), KwaThandeka Stadium in Amsterdam (Ward 5) and at Thokozani.

Facilities that need urgent attention

NO	Name of the facility	Ward	Facility Use/Users	Type	Status	Urgent attention needed	Daily/Monthly/Quarterly maintenance need
1	Malibongwe Playing Courts	1	Netball & Basketball: Community members	Combi Courts: Basketball, Netball & Futsal	Playable courts for Netball & Basketball including Futsal.	<ul style="list-style-type: none"> • Replacement of basketball & netball goalposts • Ground markings 	Cleaning, grass cutting, weed removal & ground marking.
2	Lindelani Tennis Court	2	Multi codes: Basketball, Netball & Volleyball	Combi Courts: Basketball, Netball & Volleyball	Playable Gravel Ground	<ul style="list-style-type: none"> • Repair playing surface. • Reapair goal posts • Repair abluion facilities Repair fence. 	Cleaning, grass cutting, weed removal & ground marking.
3	KwaThandeka Stadium	5	Multi codes: Basketball, Football, Netball, Tennis & Volleyball teams	Multi Sport Ground missing grass pitch	Playable courts but need surface repairs, goalposts, nets and fencing. Soccer/Rugby pitch need to planting of grass.	<ul style="list-style-type: none"> • Rehabilitation of the Stadium: • Fencing • Grass pitch • Ablution facilities & change rooms. • New grand stand. 	Cleaning, grass cutting, weed removal & ground marking.
4	Retiefville Sport Ground	10	Football: Thandukukhanya Promotion League	Sport Ground missing grass pitch	Playable grass pitch but need fencing behind goalposts.	<ul style="list-style-type: none"> • Repair abluion facilities. • Repair security fence & access gates. • Backstop netting • Replant grass in pitch. 	Cleaning, grass cutting, weed removal & ground marking.
5	Masenkeni Sport Ground	10	Football Thandukukhanya Promotion League	Sport Ground missing grass pitch	Playable Gravel Ground but need fencing, fence, backstop netting and planting of grass in pitch.	<ul style="list-style-type: none"> • Repair security fence & access gates. • Backstop netting • Plant grass in pitch. 	Cleaning, grading, grass cutting & weed removal.
6	Kempville Stadium	10	Multi codes: Basketball, Cricket, Football, Netball, Tennis & Volleyball teams	Multi Sport Ground with grass pitch	Playable courts but need to be painted to accommodate Tennis & Basketball	<ul style="list-style-type: none"> • Connect irrigation pump. • Finish cricket pitch. • Fix damaged goal posts for Basketball & Netball. • Fix damaged fencing and grand stand roof. • Get rid of termites colonies. 	Cleaning, grass cutting, weed removal, ground marking, irrigation & floodlights maintenance.



Sports Facilities that need urgent attention

7	Thokozani Sports Centre	11	Multi codes: Basketball, Netball, Tennis & Volleyball teams	Combi Courts: Basketball, Netball, Tennis & Volleyball	Playable but need resurfacing, fencing for tennis & change room showers	<ul style="list-style-type: none"> Repair ablution facilities & Install showers. Install playing court stop ball fencing. Resurface courts with acrylic paint. 	Cleaning, grass cutting, weed removal & ground marking.
8	Mandla Magudulela Stadium	13	Football Hollywoodbets Regional League & Mkhondo LFA Tournaments	Sport Ground with grass pitch	Playable grass pitch but needs new grandstand	<ul style="list-style-type: none"> Demolish old steel grand stand Build concrete grand stand. Install 3x Combi Courts 	Cleaning, grass cutting, weed removal, borehole & floodlights maintenance.
9	Mabola Sport Ground	3	Football: Ngema-Dirkiesdorp Promotion League	Gravel open ground	Not Playable due to lack of steel goalposts	<ul style="list-style-type: none"> Procure set of white steel goalposts. 	Grading of gravel ground
10	Madanca Sport Ground	3	Football: Hollywoodbets Regional & Promotion League	Gravel open ground	Playable Gravel Ground but need steel goalposts	<ul style="list-style-type: none"> Procure set of white steel goalposts. 	Grading of gravel ground
	Ndawonye/Congo Sport Ground	11	Football: Regional & Promotion League			<ul style="list-style-type: none"> Procure set of white steel goalposts. 	



Challenges and Opportunities Challenges

- Resource limitations (funding, infrastructure).
- Community participation gaps e.g. Basketball, Volleyball, and Tennis tec.
- Financial constraints in respect of performance vouchers for artists.

Opportunities


- Strengthening partnerships for funding and outreach.
- Expanding digital library services.
- Leveraging tourism and cultural heritage potential (e.g. Ntombe Battlefields, heritage trails).
- There are three tennis courts situated in Town (Ward 7) next to the PR Golf Club that are now unused, which can be revamped.
- Three Combi courts behind Ndlela Secondary School (Ward 11) can be revamped to provide more facilities for the sport codes.
- Construction of Combo Courts at mostly rural wards can rapidly help develop the sport codes.

CONCLUSION

The 2024/2025 financial year demonstrated meaningful progress across all divisions under Community Services, despite ongoing resource, infrastructure, and environmental challenges. Each unit contributed significantly to improving service delivery: Waste Management reinforced operational efficiency and expanded climate-response initiatives; Forestry strengthened fire management and asset protection; Traffic Services enhanced road safety; Social Cohesion enriched sports, arts, culture, and library participation; and the Fire & Rescue Unit maintained a high-level emergency response capability, safeguarding lives, property, and municipal assets.

While resource shortages, ageing equipment, infrastructure gaps, and rising service demands continue to pose obstacles, the year's achievements affirm the Directorate's resilience and commitment to fulfilling its mandate.

The Directorate remains fully dedicated to supporting a cleaner, safer, and more socially cohesive municipality, and will continue to build on the foundations laid during this reporting period to advance long-term developmental priorities for the people of Mkhondo.

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CHAPTER

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4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT II)

CONPONET A

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES ORGANISATIONAL DEVELOPMENT PERFORMANCE

The municipal organisation structure provides for 947 permanent positions. At financial year end, 516 positions were filled with a staff turnover of 3.68%. All new appointments are made taking into consideration the implementation of the Employment Equity Act 55, 1998, and according to the demographic profile of the municipality, Black employees constitute 96.71%, Coloured 1.16%, Asian 0.40% and White employees at 1.73 % of the total workforce at the end of the financial year. Male employees constitute 64.15% whilst female employees are 35.85 %.

The Municipal Manager is the head of the organisation, supported by General Managers. The organisational structure provides for five General Managers, each responsible for a service delivery area. One Senior Manager supports the Municipal Manager on internal audit, whilst the General Manager: Financial Services is supported by five Senior Managers to perform the financial functions as per the Municipal Systems Act (MSA) and Municipal Finance Management Act (MFMA). The General Manager: Technical Services is further supported by the Senior Manager: Project Management to implement MIG projects.

Workforce Profile

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	4	0	0	0	2	0	0	0	0	0	6
Senior management	10	1	0	1	4	0	0	1	1	0	18

Occupational Levels	Male				Female				Foreign Nationals		Total
Professionally qualified and experienced specialists and mid management	16	0	0	0	17	0	0	0	0	0	33
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	51	0	0	5	26	0	1	0	0	0	83
Semi-skilled and discretionary decision making	109	1	1	1	63	2	0	0	0	0	177
Unskilled and defined decision making	130	1	0	0	68	1	0	0	0	0	200
TOTAL PERMANENT	319	3	1	7	180	3	1	1	1	0	517

4.1.1 COMMENT ON VACANCIES AND TURNOVER:

All vacancies are being advertised in the press according to policies in this regard. All Senior Management positions are being occupied; acting appointments were made where there were vacancies. Internal staff can apply for promotional positions where they are qualified, skilled and experienced. Internal promotions were done where our internal candidates were found to be more capable. The Employment Equity plan is always taken into consideration with appointments. Depending on the scarcity of skills in the labour market, the filling of positions varies depending on what qualifications and experience are required. The target is to fill a vacancy within a time span of three months after requests to fill such positions are received.

The reason for turnover is mainly because of resignations, retirements, death, and dismissals. Employees mainly resign as a result of career advancement. We have an active Employee

Assistance Programme in place. There is also a long service recognition award system in place, which was implemented in terms of the conditions of service. However, due to other institutions offering more benefits than we can afford, it is not always possible to retain scarce and critically skilled employees through efforts made.

The Organization structure was approved in August 2023. The structure indicates the ideal number of employees required to ensure optimal service delivery to the community of Mkhondo Local Municipality. Due to this being an ideal structure, there are a number of vacancies that are yet to be filled.

All vacancies currently on the structure as well as a report indicating the position in the process of being filled or already filled in the 2024/2025 financial year.

DEPARTMENT	POSITIONS	VACANT	FILLED
Office of the Municipal Managers	31	11	20
Community Services	298	149	149
Corporate Services	125	45	80
Financial services	116	30	86
Planning & Economic Development	38	23	15
Technical Services	342	170	172
Totals	950	428	522
Vacancy Rate %	45,05%		

Disciplinary actions taken during 2024/25

File Number	Financial year	Suspended	Allegation(s)	Current status	No. of employees
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File Number	Financial year	Suspended	Allegation(s)	Current status	No. of employees
2024-25/01	03 July 2024	11 July 2024	Misrepresented themselves in curriculum vitae at the time of their appointment as Meter Reader	Appeal hearing finalised. Employees returned to work on 9 June 2025	1
2024-25/001	03 July 2024	11 July 2024	Misrepresented themselves in curriculum vitae at the time of their appointment as Meter Reader	Matter postponed sine die	1

Municipal Systems Act 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective, and transparent personnel administration in accordance with the Employment Equity Act 1998.

An Employment Equity Plan has been developed and implemented, and annually reviewed. Annual reports are being sent to the Department of Labour annually as required by law.

Regular OHS inspections and safety audits are done during the year to ascertain health and safety risks. Departments were advised in terms of their safety risks. OHS-related training was done on a regular basis (e.g. first aid, safety representative, etc.). Accidents and injuries on duty were investigated in terms of relevant legislation. Sick leave was monitored by Heads of Departments, and proper records were kept of all leave and sick leave taken. Where necessary, officials may be sent to a Council-appointed medical practitioner for clarity in cases of extended sick leave. In order to ensure that the organisation's effectiveness is increased, the Municipality annually conducts a personal needs analysis and makes the necessary provision in the Municipal Budget. Since the existence of human resources is not only sufficient towards effectiveness and efficiency of the organisation, the Municipality annually develops a Workplace Skills Plan after conducting the training needs analysis and provides the necessary training depending on the available financial resources. Training also assists in adapting to environmental changes. The employees are also provided with all the necessary tools, including, but not limited to, ICT tools, furniture, machinery, etc.

The employees are trained as per the Workplace Skills Plan adopted by the employer and labour. The budget allocated is never sufficient to assist with all the training needs, and the

allocation is as far as possible at ± 1% of the personnel budget. All the General Managers are trained to be compliant with the MFMA competency regulations.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

Necessary policies, systems, procedures and mechanisms are put in place to ensure organizational development. These include, but also not limited to, Recruitment, selection, training, discipline, retention of staff, External Bursaries. The development of employees assist them to function as sustainable human beings, to develop to their full potential, assist to create an environment to find exciting and challenging work, increase the effectiveness of the organization in terms of its goals. Changes in business process and changing environment requires the organization to review its organizational structure.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

TERMINATED EMPLOYEES

Occupational Level	Male	Female	
	African	African	TOTAL
Top Management	0	0	0
Senior Management	0	0	0
Professionally Qualified and Experienced Specialists and Mid-Management	0	0	0
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents	3	0	3
Semi-skilled and Discretionary Decision Making	4	1	5
Unskilled and Defined Decision Making	5	6	11
Occupational Level	Male	Female	
	African	African	TOTAL
Total Permanent	12	7	19

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.4 SKILLS DEVELOPMENT AND TRAINING

In order to ensure that the organization's effectiveness is increased, the Municipality annually conducts personal need analysis and makes the necessary provision in the Municipal Budget. Since the existence of the human resources is not only sufficient towards effectiveness and efficiency of the organization, but the Municipality also annually develops Workplace Skills Plan after conducting the training needs analysis and provide the necessary training depending on the available financial resources. Training also assists in adapting to environmental changes. The employees are also provided with all the necessary tools including, but not limited to, ICT tools, furniture, machinery etc. The employees are trained as per Workplace Skills Plan adopted by the employer and labour. The budget allocated is never sufficient to assist with all the training needs and the allocation is as far as possible at $\pm 1\%$ of the personnel budget. All the General Managers are trained to be compliant with the MFMA competency regulations.

TRAINING PROGRAMMES ATTENDED BY MANAGERS

TRAINING PROGRAMME	NUMBER OR ATTENDEES	MALE	FEMALE	NQF LEVEL
SALGA Municipal Legal Practitioners Capacity Building Session	2	-	2	Not Aligned NQF
7th Annual Local Government Governance and Performance Management Seminar	1	-	1	Not Aligned NQF
Project Finance Training	1	1	1	5
Audit Committee Training	1	1	-	5
Executive Development Programme	2	1	1	6
How to prepare GRAP AFS and Manage the Audit Process and Improvement	1	0	1	5
Consumer Debtors	1	-	1	Not Aligned NQF
2024/25 FMS Year End Closure/AFS Workshop	1	-	1	Not Aligned NQF

TRAINING PROGRAMMES ATTENDED BY OFFICIALS

TRAINING PROGRAMME	NUMBER ATTENDEES	MALE	FEMALE	NQF LEVEL
Local Government Women in Leadership Development Programme (LGWLDP)-Facilitated virtual	3	-	03	5
Matric	5	2	03	4
Multi-Stream Municipal Governance	2	2	-	5
Municipal Monitoring Support System	2	-	2	Not NQF Aligned
Gapskill Training (facilitated online)	2	-	2	Not NQF Aligned
2024/2025 Biannual Legislative Seminar	2	1	1	Not NQF Aligned
E@syFile Preparation Seminar	2	1	1	Not NQF Aligned
Records Management (Pink Programme)	1		1	5
Advanced Excel	13	2	11	4
39th Annual IMPSA International Conference	2	1	1	Not NQF Aligned
7th Annual Local Government Governance and Performance Management Seminar	1	-	1	Not NQF Aligned
Records Management	2	-	2	5
Assets Management	2	2	-	5
Sludge Treatment and Disposal: Management Approaches and Experiences	2	2	-	5
Annual Financial Statement	4	1	3	5
Reconciliation of Billing System with General Valuation Roll	3	-	3	5
Project Finance Training	1	1	-	5
Consumer Debtors Module	7	1	6	Not NQF Aligned
Cashier Module	2	2	-	Not NQF Aligned
Remote Pilot Certificate	3	3	-	5
Contract Management, SCM Procurement and Cashbook Payments	5	1	4	Not NQF Aligned

TRAINING PROGRAMME	NUMBER ATTENDEES	MALE	FEMALE	NQF LEVEL
Assets Management	2	2	-	5
7 th Annual Local Government Labour Law Seminar	2	1	1	Not NQF Aligned
2025 PAYE Legislative Seminar	2	1	1	Not NQF Aligned
e@syFile Preparation	2	1	1	Not NQF Aligned
How to prepare GRAP AFS and Manage the Audit Process and Improvement	3	1	2	5
FETC: Welding Application & Practice	7	7	-	4
Maintenance & Repair Bituminous Road Surfaces	11	8	3	2
TRAINING PROGRAMME	NUMBER ATTENDEES	MALE	FEMALE	NQF LEVEL
2024/25 FMS Year End Closure/AFS Workshop	3	-	3	Not NQF Aligned
Payday Payroll 2024/25 FMS Year End Closure/AFS Workshop	2	-	2	Not NQF Aligned
Cable Joint	6	6	-	4

Compliance with the MFMA Regulations

Position	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Consolidated: Competency Assessments completed for A (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials who performance agreements, comply with Regulation 16(regulation14(4)(f))
Accounting Officer	01	Yes	01
Chief Financial Officer	01	Yes	01
General Managers	04	Yes	04
Supply Chain Manager	01	Yes	01

Position	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Consolidated: Competency Assessments completed for A (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials who performance agreements, comply with Regulation 16(regulation14(4)(f))
Senior Managers	04	No	04
Other Financial Officials	57	No	0
Totals	68		11



CHAPTER

5

CHAPTER 5 – FINANCIAL

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: Cash flow management and investment
- Component D: Other Financial Matters

Component A: Statements of Financial Performance

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 of the services. Revenue management, and particularly revenue assurance, should be high up on the list of priorities.

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 indigent households compared to paying customers is likely to increase.

The table below indicates the summary of the financial performance for the 2024/25 financial year

Financial Summary			
R'000			
	2023/24	2024/25	2024/25 %Variance

	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	151 445	179 779	179 802	178 229	-0.87	-0.88
Service charges	405 789	464 234	429 307	431 020	-7.71	0.40
Investment revenue	8 027	4 950	12 325	13 203	62.51	6.65
Transfers recognised - operational	155 983	163 277	175 758	166 044	1.67	-5.85
Other own revenue	118 604	88 815	111 563	120 773	26.46	7.63
Total Revenue (excluding capital transfers and contributions)	839 847	901 055	908 756	909 269	0.90	0.06
Employee costs	248 360			264 123		
Remuneration of councillors	18 676			19 764		
Depreciation & asset impairment	77 285			80 076		
Finance charges	42 943			32 326		
Materials and bulk purchases	182 082			206 582		
Transfers and grants	10 645			677		
Other expenditure (Remaining)	394 299			538 151		
Total Expenditure	974 292	900 274	906 207	1 141 701	-2.99	-3.66
Operating Deficit	(95 437)			(221 525)		
Loss on disposal of assets and liabilities	(6 369)			(7 276)		
Fair value adjustment	2 349			12 952		
Actuarial gains/loss	99			(543)		
Impairment loss				(58 658)		
Inventories losses/write downs	(2 956)			(7 644)		
Reversal of impairment				70 033		
	6 877			8 864		
Deficit for the year	(102 314)			(212 661)		

The Municipality's operating revenue for the 2024/2025 financial year increased with R 41 321 419 (4.7%) to R 920 175 706 when compared to the operating revenue generated for the 2023/2024 financial year which was R 878 854 287.

The increase in the revenue is attributed to the increase in service charges of R 3 694 47, construction R 3 825 726 and property rates R 6 264 302. The grants & subsidies R 54 717 372.

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

- Electricity R 144 million (34%)
- Property Rates R 89 million (21%)
- Water R 19 million (4%)
- Sanitation R 10 million (2%)
- Refuse R 12 million (2%)

The revenue generated from sales of electricity contributes 34% (R 144 million) of the total revenue mix, thus indicating that the electricity business unit should be natured and operated efficiently to ensure growth. This includes ensuring revenue protection by removing illegal connection, replacing bridged and tampered meters, ensuring accuracy of billing by ensuring correct tariffs are billed and meter readings.

The Municipality has numerous strategies that are being implemented in an effort to improve the financial viability, these includes but not limited to Budget Funding Plan, Revenue Enhancement Strategy and Cost Curtailment Strategy.

The Municipality is currently implementing the following activities as part of the Revenue Enhancement Strategy:

- 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 of provision of services
- Introduction of meter reading gadget to improve meter reading accuracy thus improving billing.
- Installation of 2000 electricity split meters
- Performance of monthly billing reconciliation to ensure completeness of revenue generated.

- Increase access to Pay Point & Receipt Management to allow consumer to pay for services in various payment points.
- Intensify indigent management in response to the socio-economic whilst protecting the poor from the severe economic impact.
- Vigorous implementation of credit Control and Debt collection

The Municipality will be developing a Long-Term Financial Plan. The objective of a Long-Term Financial Plan is to recommend strategies and policies that will maximise the probability of the municipality's financial sustainability into the future. This is achieved by forecasting future cash flows and affordable capital expenditure based on the municipality's historic performance and the environment in which it operates.

The Municipality had a total operating expenditure for the reporting period ending 30 June 2025 amounting to R 1 141 700 906. There was an increase in the expenditure amounting R 167 409 291 million when compared to the period ended 30 June 2024 where the expenditure was R 974 291 615. This was due to the increase in employee related cost R 15 762 099, bad debts written off R 211 199 080, electricity bulk purchases amounting to R 25 500 004 and operating expenditure R 33 989 247.

The following expenditures remains the highest cost drivers and have a significant impact on the revenue of the Municipality:

- Bulk Purchases R 206 million (18%)
- Employee related costs R 264 million (23%)
- Bad Debt Written Off R 211 million (18%)
- Depreciation R 80 million (7%)
- Operating Expenditure R 175 million (15%)
- Contracted Services R 146 million (13%)

The Municipality has further implemented cost curtailment strategy as well as consultant reduction strategy in order to reduce expenditures. The Municipality is committed to reducing running overheads such as overtime, standby, telephone costs, printing & stationery including reduction of non-essential procurements/expenditure. Adequate provision is made to expenditures that improves service delivery such as road maintenance, water network maintenance & electricity maintenance amongst other expenditures.

The municipality had reported an operating deficit of R 212 660 681 in the 2024/2025 financial year, the deficit has increased with R 110 346 231 from R 102 314 450 recorded in the 2023/2024 financial year. The increase in the deficit is attributed to the Bad Debts Written

Off amounting to R 211 956 410. The debts written off relates to the property of late estates, which the properties were registered as indigent households.

Grants Performance

	MIG	MDRG	INEP	FMG	EPWP	LGSETA	EESDM	ES	Total
Balance unspent Opening Bal	-	15 009 029,00	-	-	-	-	-	-	15 009 029,00
Current Year Receipts	89 973 000,00	23 467 000,00	23 854 908,00	3 000 000,00	2 004 000,00	306 931,00	7 000 000,00	353 262 029,00	502 867 868,00
Conditions met - Transferred to Revenue	89 973 000,00	38 476 029,00	23 854 908,00	3 000 000,00	2 004 000,00	306 931,00	7 000 000,00	353 262 029,00	517 876 897,00
Unspent Grants	-	-	-	-	-	-	-	-	-

Component B: Spending against Capital Budget

Project Title	Appointed Consultant	Appointed Contractor	Budgeted MIG Funds (2024/25)	Current FY - Total Actual Expenditure on MIG funds in the 2024/25 FY	Balance on Allocation
MIG 1 or PMU			As per IP		
PMU Management	None	None	R3 988 381,85	R 3 753 466,09	R 234 915,76
Construction of KwaThandeka Main Access Road	BWS Metsi	Mzamo Works	R16 366 545,32	R 16 366 545,32	R 0,01
Design, Supervision and Monitoring of the Sewer Reticulation Network in Amsterdam	Kukhanya Projects (Pty) Ltd	Uhuru JV Dumasibonge (DlabaNdlondlo)	R15 396 441,26	R 15 396 441,26	R 0,00
Installation of Pour Flush Toilets in rural areas of Mkhondo LM	None	Izandla Ziyagezana	R6 151 702,36	R 6 151 702,36	R 0,00
Construction of 3km Bus and Taxi route at Kempville	Mangadi Solutions	Bonginkosiyethu Trading	R15 716 441,95	R 15 716 441,95	R 0,00
Planning, Design and construction supervision of Ethandakukhanya bulk sewer outfall upgrade	ZenkCon Engineers	Zeph Group	R13 322 039,64	R 13 322 039,64	R 0,00
Eradication of water backlog drilling,	TMS Consulting	Makwandokuhle Projects / VMT Pty Ltd	R19 031 447,63	R 19 031 447,63	R 0,00

equipping and electrification of boreholes in rural villages of Mkhondo Local Municipality					
			R 89 973 000,01	R 89 738 084,24	

Component C: Cash flow Management and Investment

N/A

Component D: Other Financial Matters

N/A



Chapter 6 Report of the auditor-general

Auditor General Report: 2024/2025 Financial Year

The overall audit outcome of the municipality qualified with findings. This is a regression from the previous year's audit outcome.

Outcome area	Movement	2024-25	2023-24	2022-23
Financial statements				
Annual performance report				
• TAG 3: Spatial rationale (Environmental Observation)				
• TAG 5: Service Delivery and Infrastructure Development				
Compliance with legislation				
• Annual Financial Statements				
• Consequence Management				
• Expenditure Management				
• Human Resources Management				
• Procurement and contract management				
• Strategic planning and performance management				
• Asset Management				
• Utilisation of Conditional grants				
• Revenue Management				
• Governance and oversight	Not audited in prior year			

	Unqualified/No material findings		Qualified		Adverse/Pervasive material findings		Disclaimed/Pervasive material limitation		Material findings		Not audited
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	Improvement		Regression		Unchanged
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The AGSA's basis for Qualification of Opinion was the following:

Cash Flow - Supplier

Cash flow from operating activities – Restatements of comparatives

The municipality did not account for cash flows from suppliers in accordance with GRAP 2, Cash flow statements. This is due to some errors and non-cash items included in the corresponding amounts for cash flows from suppliers. Consequently, I was unable to determine the full extent of the misstatement to the corresponding amounts of suppliers as it was impractical to do so.



AUDITOR-GENERAL
SOUTH AFRICA

The Accounting officer
Mkhondo Local Municipality
P.O Box 23
Piet Relief
2380

Date: 30 November 2025

Reference: 02394REG24/25

Dear Sir/Madam

Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Mkhondo Local Municipality for the year ended 30 June 2025

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa section 126(3) of the Municipal Finance Management Act 56 of 2003 (MFMA).
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and the annual performance report and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements, the annual performance report or our report on compliance with legislation. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section 121(3) (municipality) of the MFMA you are required to include the auditor's report in the [type of auditee]'s annual report to be tabled.
4. Prior to printing or copying the annual report which will include the auditor's report you are required to do the following:
 - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the auditor's report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
 - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.
5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.

Auditing to build public confidence

Auditor-General of South Africa
www.agsa.co.za

6. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the PAA and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (*including International Independence Standards*), members of the staff of the Auditor General (AG), or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party without the permission of the AG or his/her delegate, unless this is to a legislature or internal committee of a legislature or a court in a criminal matter.
7. Until the steps described in paragraphs 2 and 4 of this document are completed and the annual report is tabled as required by section 127(2) of the MFMA (municipality and municipal entity), the audit report is not a final and public document and you are therefore requested to treat it as confidential.
8. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Vusi Gcaba



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Senior Manager: Mpumalanga

Enquiries: Vusi Gcaba
Telephone: (0)13 756 0819
Fax: (0)13 756 0879

Report on the audit of the financial statements

Qualified Opinion

1. I have audited the financial statements of Mkhondo Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets and the cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including summary of significant accounting policies.
2. In my opinion, except for the effects of the matter 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 Mkhondo Local Municipality as at 30 June 2025 and financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2023 (MFMA) and Division of Revenue Act 24 of 2024 (Dora).

Basis for qualified opinion

Cash flow statement

Suppliers

The municipality did not account for cash flows from suppliers in accordance with GRAP 2, *Cash flow statements*. This is due to some errors and non-cash items included in the corresponding amounts for cash flows from suppliers. Consequently, I was unable to determine the full extent of the misstatement to the corresponding amounts of suppliers as it was impractical to do so.

Context for opinion

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

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International Code of ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.
7. We draw attention to note 56 to the financial statements, which deal with the possible effects of the future implications of the deteriorating liquidity situation on the municipality's prospects, performance and cash flows. Management has also described how they plan to deal with these events and circumstances. Our opinion is not modified with respect to this matter.
8. As disclosed in note 5 to the financial statements, material impairment of receivables from nonexchange transactions of R232,38 million (2023-24: R228,29 million), was incurred as a result of an impairment provision for doubtful debts.
9. As disclosed in note 8 to the financial statements, material impairment of consumer debtors of R577,74 million (2023-24: R658,27 million), was incurred as a result of an impairment provision for doubtful debts.
10. As disclosed in note 45 to the financial statements, material losses of R211,96 million was incurred as a result of irrecoverable receivables written off.
11. As disclosed in note 54 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of an error in the financial statements of the municipality at, and for the year ended 30 June 2025.
12. As disclosed in note 62 to the financial statements, material electricity losses amounting to R65,68 million (2023-24: R57,13 million) was incurred, which represents 48% (2023-24: 48%) of total electricity purchased. The losses are as a result of technical losses, which are losses inherent in any network, and non-technical losses, being theft, faults and billing errors.

Other matters

13. I draw attention to the matter below. My opinion is not modified in respect of this matter.
14. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

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

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

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

Report on the audit of the annual performance report

19. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported

performance against predetermined objectives for the selected key performance areas presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

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

Key performance area	Page numbers	Purpose
TAG 3: spatial rationale	XX	TAG 3 is a core function that the auditee is responsible for in terms of its legislative mandate (Constitution s152, schedule 4B & 5B and Municipal Systems Act s23), which includes the provision of basic services such as waste management.
TAG 5: service delivery and infrastructure development	XX	TAG 5 is a core function that the auditee is responsible for in terms of its legislative mandate (Constitution s152 and Municipal Systems Act s23), which is the provision of basic services such as water
Key performance area	Page numbers	Purpose
		and sanitation, electricity and roads and storm water drainage.

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

22. 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.

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

24. I did not identify any material findings on the reported performance information for the TAG 3: spatial rationale.

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

Service delivery and infrastructure development Various indicators

26. Various indicators were not clearly defined during the planning process. Consequently, the indicators are not useful for measuring and reporting on progress against planned objectives.

Indicator	Target	Reported achievement
TAG 5.9. Replacement of conventional meter to prepaid meters	700	30
TAG 5.12. Construction of KwaThandeka Main Access Road	100%	100%
TAG 5.13. Installation of pour flush toilets in rural villages of Mkhondo LM	100%	100%
TAG 5.17. Electrification of rural villages (ward 15 and ward 17) in Mkhondo Local Municipality	1	1
TAG 5.18. Electrification of rural villages (ward 09) in	1	1

Indicator	Target	Reported achievement
Mkhondo Local Municipality Villages of Mkhondo Local Municipality		
TAG 5.19. 88/11KV upgrade 2MVA-10MVA Amsterdam Substation	10%	10%
TAG 5.21. Rehabilitation of Bus and Taxi Route in ward 10 Emagadeni eThandukukhanya	100%	100%
TAG 5.22. Rehabilitation of Internal Street in ward 11 eThandukukhanya	100%	100%
TAG 5.23. Electrification of rural villages 102 households Sqintini and Bazane.	100%	100%
TAG 5.24. Construction of the Driefontein Sanitation Infrastructure	100%	94%
TAG 5.25. Construction of Steel Pedestrian Bridge at Mafred in eThandukukhanya	100%	100%
TAG 5.39. Ward 7: Ajax Line 11kv T4 RMU Switchgear	10%	100%
TAG 5.40. Salinga Road (Body builders) 11kv T3 RMU	10%	100%
TAG 5.41. Lunenburg Street 11kv Switching Station	10%	100%
TAG 5.42. Ward 7: Engelbrecht Substation	10%	100%
TAG 5.43. Design and Electrification of rural villages ward 9 (92 Connections)	10%	64%

Various indicators

27. 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.

Indicator	Target	Reported achievement
TAG 5.1. % of new water connections	100%	100%
TAG 5.14. Construction of 3km bus and taxi route at Kempville	85%	95%
TAG 5.15. Planning, design and construction supervision of Ethandakukhanya bulk sewer outfall upgrade	25%	37%
TAG 5.20. Planning, design and construction of Amsterdam Sewer Reticulation Network	100%	68%
TAG 5.30. Re-gravelling and storm water management for 600m road at ward 17 Welverdiend	100%	100%
TAG 5.31. Re-gravelling and storm water management for 2km road at ward 8 Dr Pols village	100%	100%
TAG 5.32. Re-gravelling and storm water management for 1900m x5m road at ward 13 Mangosuthu	100%	100%
TAG 5.33. Re-sealing a 1km of Pretorius Street in Harmony Park ward14	100%	100%

Indicator	Target	Reported achievement
TAG 5.34. Re-gravelling of 3000m bus and taxi route in Driefontein ward 1	100%	100%
TAG 5.35. Re-gravelling of 2200m bus and taxi route in Driefontein ward 2	100%	100%
TAG 5.37. Replacement of Harmony Park 11KV T3 RMU	20%	100%
TAG 5.38. Replacement of Kempville combine school 11KV T3 RMU	20%	100%
TAG 5.44. Electrical infrastructure upgrade of 11kv Amsterdam Switching station from 1.9MVA to 10MVA and associated OHM network.	10%	24%

TAG 5.5. No of report on drinking water samples reports complying to SANS241

28. The indicator measures number of reports on drinking water samples, which does not relate to the mandate of the municipality. Consequently, the indicator is not relevant for planning and reporting on performance.

Various indicators

29. Based on the audit evidence, the actual achievements for two indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially more. The targets were still achieved.

Indicator	Target	Reported achievement
TAG 5.10 KMs of roads maintained and graded	160	830
TAG 5.11. Square meters (M ²) of tar road potholes repaired	16 800	29 159

Other matters

30. I draw attention to the matters below.

Achievement of planned targets

31. 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.

32. The tables 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 measures taken to improve performance are included in the annual performance report on pages xx to xx.

Service delivery and infrastructure development

<i>Targets achieved: 91%</i>		
<i>Budget spent: 69%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of mega litres of water treated from water treatment works	10 548	9 103,4
<i>Targets achieved: 91%</i>		
<i>Budget spent: 69%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Replacement of conventional meter to prepaid meters	700	30
Planning, design and construction of Amsterdam Sewer Reticulation Network	100%	68%
Construction of the Driefontein Sanitation Infrastructure	100%	94%

Material misstatements

33. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for service delivery and infrastructure development and spatial rationale. Management did not correct all of the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

34. 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.

35. 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.

36. 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.

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

Annual financial statements and performance reports

38. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.
39. Material misstatements of non-current assets, current assets, liabilities, and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and/or the supporting records were provided subsequently, resulting in the financial statements receiving a qualified audit opinion.

Expenditure management

40. Reasonable steps were not taken to ensure that money owed by the municipality was always paid within 30 days, as required by section 65(2)(e) of the MFMA.
41. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R195,26 million, as disclosed in note 59 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.
42. Reasonable steps were not taken to prevent irregular expenditure amounting to R3,14 million as disclosed in note 61 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The irregular expenditure was caused by non-compliance with supply chain management (SCM) regulations.
43. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R29,25 million, as disclosed in note 60 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest and penalties on overdue accounts.

Strategic planning & performance

44. Measurable performance targets were not set for each of the key performance indicators (KPIs) for the financial year, as required by section 41(1)(b) of the Municipal Systems Act (MSA) and municipal planning and performance management regulation 12(1).

Human resources management

45. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA and regulation 31 of Municipal Staff Regulations.

Other information in the annual report

46. The accounting officer is responsible for the other information included in the annual report the audit committee's report. The other information 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 on in this auditor's report.
47. My opinion on the financial statements, and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
48. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected key performance areas presented in the annual performance report or my knowledge obtained in the audit or otherwise appears to be materially misstated.
49. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
50. I have nothing to report in this regard.

Internal control deficiencies

51. 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.
52. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
53. Management did not prepare regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information. Management did not ensure that indicators were well defined and measurable. There were also weaknesses in internal controls and shortcomings in the review processes that had to prevent, detect and correct material misstatements in the annual performance report and annual financial statements.

54. Leadership and management of the entity did not exercise adequate oversight over performance reporting and compliance with legislation.



Audit Action Plan

The Municipality has developed an audit action plan that is Measurable, Achievable, Relevant and Time bound. The progress on the audit action plan will be monitored on a monthly basis in an effort to ensure that we are able to improve from the qualified audit opinion. The progress audit action plan will be reported to Council Committee and progress will also be audited by Internal Audit & Audit Committee for assurance. In addition, the Municipality will be preparing quarterly financial systems. Refer to the attached annexure C for the audit action plan.

FINDING	ROOT CAUSE	NATURE OF FINDING	NO. OF YEARS REPEATED	RESPONSIBLE PERSON	ACTION PLAN STATUS	IMPLEMENTATION PROGRESS %	IMPLEMENTATION STATUS
Cash flow statement: Material differences in cash-flow statement recalculation	Management did not properly review the statement of cash flows to ensure that the statement was accurate and free from material errors.	Internal control deficiency	2	CFO	Developed (Management Approved)		Not Yet Started
Material losses: Electricity losses	Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information.	Internal control deficiency		CFO	Under Development		Not Yet Started
Material losses: water losses	The water distribution losses disclosed in the annual financial statements are inaccurate and incomplete by an unquantifiable amount.	Internal control deficiency		CFO	Developed (Management Approved)		Not Yet Started
Inconsistency between Comparative figures in note 62 and the Face of the Annual Financial Statements	Management did not ensure that the segment report disclosure is aligned with the face of the financial statement, and they only disclose narrations relevant to the municipality.	Internal control deficiency		CFO	Under Development		Not Yet Started
Related parties' disclosure not complete	Management did not appropriately apply the standard of GRAP to ensure that related parties are accounted for in terms of GRAP 20.	Internal control deficiency	3	CFO	Developed (Management Approved)		Not Yet Started
Incorrect inclusion of non-financial instruments in the financial instruments	Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information. Management did not adequately review the annual financial statements to ensure that the	Internal control deficiency		CFO	Developed (Management Approved)		Not Yet Started

FINDING	ROOT CAUSE	NATURE OF FINDING	NO. OF YEARS REPEATED	RESPONSIBLE PERSON	ACTION PLAN STATUS	IMPLEMENTATION PROGRESS %	IMPLEMENTATION STATUS
note disclosure	disclosures are accurate.						
Impairment assessment on WIP project cancelled	Management did not ensure that they perform adequate impairment assessment when preparing the fixed assets register and the financial statements for the current financial year. Management did not ensure that they disclose all projects taking significantly longer period of time than expected to complete in the financial statements.	Internal control deficiency		CFO	Developed (Management Approved)		Not Yet Started
Statement of comparison of budget and actuals disclosure: Inadequate accounting policy and note disclosures	Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information. Management did not adequately review the AFS to ensure that all applicable disclosures are made.	Internal control deficiency		CFO	Under Development		Not Yet Started
Unauthorised expenditure not accurate	Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information. Management did not adequately review their unauthorized expenditure to ensure it is calculated accurately and disclosed correctly on the AFS.	Internal control deficiency		CFO	Under Development		Not Yet Started
	The main root cause is having two separate tables for 2024 and 2025 financial	Internal control deficiency		CFO / LEGAL DEPARTMENT	Under Development		Not Yet Started

FINDING	ROOT CAUSE	NATURE OF FINDING	NO. OF YEARS REPEATED	RESPONSIBLE PERSON	ACTION PLAN STATUS	IMPLEMENTATION PROGRESS %	IMPLEMENTATION STATUS
Contingent liabilities overstatement	years, instead of one table that will enable the information to be presented in a comparative manner. Management failed to ensure that they disclosed only those contingent liabilities where the likelihood of an outflow is more than remote						
Contingent assets overstatement	Management did not ensure that transactions were recognized in accordance with the applicable accounting standards	Internal control deficiency		CFO/ LEGAL DEPARTMENT	Under Development		Not Yet Started
Misstatement in Unconditional Grant note	Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information. Management did not adequately review the AFS to ensure that the notes to the financial statements are presented fairly.	Internal control deficiency		CFO	Developed (Management Approved)		Not Yet Started
Non-Disclosure of Consumer Debtors Past Due but Not Impaired in the AFS	Management did not perform a sufficiently thorough review of the Annual Financial Statements to ensure compliance with the related disclosure requirements.	Internal control deficiency		CFO / GM COMMUNITY SERVICES	Under Development		Not Yet Started
Non-disclosures of non-adjusting events after the reporting date	Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information. Management did not adequately review the annual financial statements to ensure that the disclosures are complete	Internal control deficiency		CFO	Developed (Management Approved)		Not Yet Started

FINDING	ROOT CAUSE	NATURE OF FINDING	NO. OF YEARS REPEATED	RESPONSIBLE PERSON	ACTION PLAN STATUS	IMPLEMENTATION PROGRESS %	IMPLEMENTATION STATUS
Expenditure not paid within 30 days	Management did not review and ensure compliance with applicable laws and regulations, section 65(2)(e) of MFMA, by ensuring that all payments are made within 30 days.	Internal control deficiency	4	CFO	Under Development		Not Yet Started
Expenditure – transactions recorded in the incorrect accounting period	Management did not ensure that adequate review of contracted services expenditure invoices to ensure they are recorded in the correct accounting period.	Internal control deficiency		CFO	Under Development		Not Yet Started
Non-disclosure of depreciation rates, income and expenses relating to investment property	Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information. Management did not adequately review the annual financial statements to ensure that all relevant disclosures are made on the financial statements.	Internal control deficiency		CFO	Developed (Management Approved)		Not Yet Started
Inadequate Disclosure of Entity-Specific Accounting Policies and outdated narrations in the notes to the financial statement: various line items	Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information. Management did not adequately review the annual financial statements to ensure that the disclosures are complete.	Internal control deficiency		CFO	Developed (Management Approved)		Not Yet Started
	Management did not prepare	Internal		CFO	Developed		Not Yet Started

FINDING	ROOT CAUSE	NATURE OF FINDING	NO. OF YEARS REPEATED	RESPONSIBLE PERSON	ACTION PLAN STATUS	IMPLEMENTATION PROGRESS %	IMPLEMENTATION STATUS
Risk management: Incomplete disclosures	regular, accurate and complete financial reports that are supported and evidenced by reliable information. Management did not adequately review the annual financial statements to ensure that the disclosures are accurate.	control deficiency			(Management Approved)		
Failure to prevent UIFW	Review and monitor compliance with applicable laws and regulations. Management did not ensure that the municipality compliance with all the laws and regulations applicable to it.	Internal control deficiency	1	CFO/ ALL GM'S	Under Development		Not Yet Started
Employee cost: Performance appraisals for senior managers not conducted	The Accounting Officer did not exercise oversight responsibility regarding financial, performance reporting, compliance, and related internal controls.	Internal control deficiency		PMS MANAGER / MM	Under Development		Not Yet Started
AoPO: Reported target per the Annual Performance Report (APR) is not consistent with planned target per the Service Delivery and Budget Implementation Plan (SDBIP)	Management did not implement adequate monitoring controls to ensure timely and proper record keeping. As a result, complete, relevant, and accurate information was not consistently available to support performance reporting	Internal control deficiency	1	PMS MANAGER / ALL GM'S	Under Development		Not Yet Started
AoPO: Reported performance indicators are	Management did not exercise adequate oversight responsibility over performance	Internal control deficiency		PMS MANAGER / ALL GM'S	Under Development		Not Yet Started

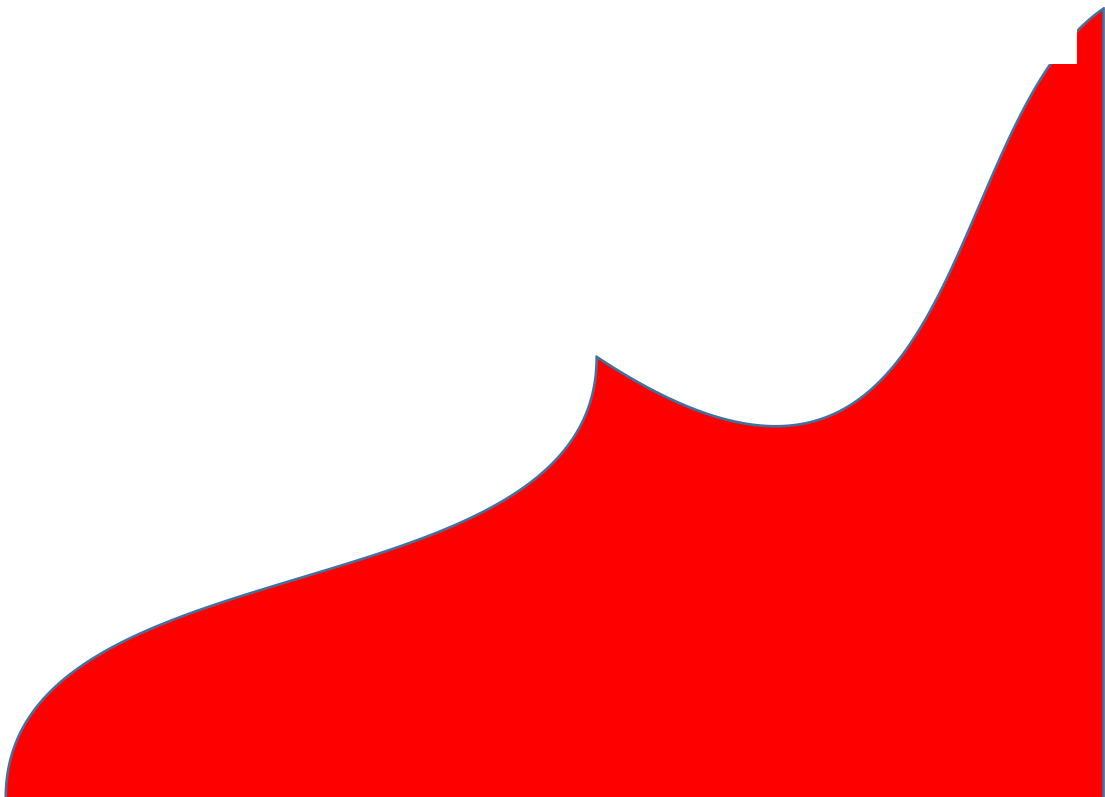
FINDING	ROOT CAUSE	NATURE OF FINDING	NO. OF YEARS REPEATED	RESPONSIBLE PERSON	ACTION PLAN STATUS	IMPLEMENTATION PROGRESS %	IMPLEMENTATION STATUS
not well defined, and their related targets are not measurable	reporting to ensure that performance indicators and their related targets were defined in accordance with SMART principles.						
AoPO: Reported performance indicators not logically and directly related to an aspect of auditees mandate and the achievement of strategic goals relating to the scoped-in subject matter	Management did not exercise adequate oversight over the planning and reporting of performance information. As a result, indicators that do not logically and directly relate to the municipality's mandate and the realisation of strategic goals and objectives were included in the annual performance report.	Internal control deficiency	1	PMS MANAGER / ALL GM'S	Under Development		Not Yet Started
AoPO: Reported performance information is not comparable, understandable, and disclosed in accordance with applicable requirements	Management did not adequately prepare performance reports that are supported by reliable, well-structured, and comparable information.	Internal control deficiency		PMS MANAGER / ALL GM'S	Under Development		Not Yet Started
AoPO: Reported performance indicators are not verifiable	Management did not adequately implement proper record-keeping processes in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support performance reporting.	Internal control deficiency		PMS MANAGER / ALL GM'S	Under Development		Not Yet Started
AoPO: TAG 5	Management did not prepare	Internal		PMS	Under		Not Yet Started

FINDING	ROOT CAUSE	NATURE OF FINDING	NO. OF YEARS REPEATED	RESPONSIBLE PERSON	ACTION PLAN STATUS	IMPLEMENTATION PROGRESS %	IMPLEMENTATION STATUS
Reported achievement not and/or accurate	regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information.	control deficiency		MANAGER / ALL GM'S	Development		
AoPO: TAG 5 – Internal control deficiency on reported achievements	Management did not prepare regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information.	Internal control deficiency		PMS MANAGER / ALL GM'S	Under Development		Not Yet Started
Internal control deficiency in management of community assets	Management did not ensure that they have systems in place to safeguard the assets of the municipality.	Internal control deficiency		CFO	Under Development		Not Yet Started
Water Services Development Plan not in place	Management did not adequately review and monitor compliance with applicable laws and regulations.	Non-compliance with applicable legislation		GM : TECHNICAL SERVICES	Under Development		Not Yet Started
Expenditure: Recording of date received on supplier Invoice	The municipality did not implement adequate controls to ensure that all invoices are date- stamped.	Internal control deficiency		CFO	Under Development		Not Yet Started
Planning: External Quality Assurance assessment not conducted	Management did not exercise oversight responsibility regarding financial, performance reporting, compliance, and related internal controls	Internal control deficiency	1	INTERNAL AUDIT	Under Development		Not Yet Started
Mid-year performance assessment does not include plans to resolve problems identified in the previous year's	Management did not review and monitor compliance with applicable laws and regulations.	Internal control deficiency		PMS: MANAGER	Under Development		Not Yet Started

FINDING	ROOT CAUSE	NATURE OF FINDING	NO. OF YEARS REPEATED	RESPONSIBLE PERSON	ACTION PLAN STATUS	IMPLEMENTATION PROGRESS %	IMPLEMENTATION STATUS
annual report							



APPENDIX



APPENDIX A

Councillors party belong and ward representation

NO.	INITIAL AND SURNAME	WARD No	Political Party
1	Councillor M Z Ngwenya	Speaker of Council/ Ward 8	African National Congress
2	Councillor N C Ndhlovu	Executive Mayor / PR	African National Congress
3	Councillor S D Thwala	Whip for Council / Ward 4	African National Congress
4	Councillor D M Thwala	PR/ MMC Technical	African National Congress
5	Councillor T E Khumalo	PR/MMC Planning	African National Congress
6	Councillor M T Mkhabela	Ward 18/MMC Corporate	African National Congress
7	Councillor W H Vilakazi	Ward 14/MMC Community	Independent Candidate
8	Councillor T W Manana	Ward 9/MMC Finance	African National Congress
9	Councillor B M Khumalo	PR Councillor	African National Congress
10	Councillor D M Ntshakala	PR/MPAC Chair	African National Congress
11	Councillor N D Sangweni	Ward 1	African National Congress
12	Councillor B E Maisela	Ward 2	African National Congress
13	Councillor M N Mbatha	Ward 3	African National Congress
14	Councillor J M Nkosi	Ward 5	African National Congress
15	Councillor M S Ngwenya	Ward 6	African National Congress

NO.	INITIAL AND SURNAME	WARD No	Political Party
16	Councillor J L I Brussow	Ward 7	Democratic Alliance
17	Councillor M Z Thomo	Ward 10	African National Congress
18	Councillor N G Gwebu	Ward 11	African National Congress
19	Councillor M R Q Mhlanga	Ward 12	African National Congress
20	Councillor N S Mthethwa	Ward 13	African National Congress
21	Councillor S M Shoba	Ward 15	Africa National Congress
22	Councillor T M Qwabi	Ward 16	Africa National Congress
23	Councillor M A Simelane	Ward 17	Independent Candidate
24	Councillor M S Lukhele	Ward 19	Africa National Congress
25	Councillor M J Dlamini	PR Councillor	African Transformation Movement
26	Councillor S J Methula	PR Councillor	Democratic Alliance
27	Councillor B A Dlamini	PR Councillor	Democratic Alliance
28	Councillor T Tshandu	PR Councillor	Democratic Alliance
29	Councillor S P Mkhwanazi	PR Councillor	Economic Freedom Fighters
30	Councillor S P Sibiyi	PR Councillor	Economic Freedom Fighters
31	Councillor N N Zulu	PR Councillor	Economic Freedom Fighters
32	Councillor V S Hlophe	PR Councillor	Economic Freedom Fighters

NO.	INITIAL AND SURNAME	WARD No	Political Party
33	Councillor L L Ngubeni	PR Councillor	Economic Freedom Fighters
34	Councillor D W Nkosi	PR Councillor	Economic Freedom Fighters
35	Councillor E F Nkosi	PR Councillor	Economic Freedom Fighters
36	Councillor J R Sibiyi	PR Councillor	Inkatha Freedom Party
37	Councillor T H Mtshali	PR Councillor	National Freedom Party
38	Councillor H W Weber	PR Councillor	Vryheidsfront Plus

**ATTENDANCE OF MEETINGS BY COUNCILLORS FOR THE YEAR
2024/25FY**

Name	Abbreviation	Colour
Present	P	
Leave of absence	LOA	
Absent	AB	

NO.	INITIALS AND SURNAME	6/30/2024	7/8/2024	28/08/24	18/09/24	17/10/24	25/10/24	31/10/24	22/11/24	13/12/24	24/01/25	31/01/25	6/2/2025	25/02/25	27/03/25	30/04/25	29/05/25	TOTAL
	Status of the meeting	Ordinary	Special	Ordinary	Special	Special	Special	Ordinary	Special	Ordinary	Ordinary	Ordinary	Speacial	Ordinary	Ordinary	Ordinary	Ordinary	
1	Council lor M Z Ngwenya	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16 of 16
2	Council lor N C Ndhlovu	P	P	P	P	P	P	P	LOA	P	LOA	P	P	P	P	P	P	14 of 16
3	Council lor S D Thwala	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16 of 16
4	Council lor D M Thwala	P	P	P	P	P	P	P	P	LOA	P	P	P	P	P	P	P	15 of 16
5	Council lor T E Khumalo	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16 of 16
6	Council lor M T Mkhabela	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16 of 16
7	Council lor W H Vilakazi	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16 of 16
8	Council lor T W Manana	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16 of 16
9	Council lor B M Khumalo	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16 of 16
10	Council lor D M Ntshakala	P	P	P	P	P	P	P	LOA	P	P	P	P	P	P	P	P	15 of 16
11	Council lor N D Sangweni	P	P	P	P	P	P	P	P	P	P	P	P	P	LO	P	AB	14 of 16
12	Council lor B E Maisela	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16 of 16
13	Council lor J M Nkosi	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16 of 16
14	Council lor M S Ngwenya	P	P	P	P	P	P	P	P	P	LOA	P	P	P	P	AB	P	14 of 16
15	Councillor JLI Brussow	P	P	P	P	P	LOA	P	LOA	P	P	P	LOA	P	P	P	LOA	12 of 16
16	Council lor M J Dlamini	P	P	P	P	LOA	P	P	P	P	P	P	P	P	P	P	P	15 of 16
17	Council lor M N Mbatha	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16 of 16
18	Council lor M Z Thomo	P	P	P	P	P	P	AB	P	P	P	P	P	P	P	P	P	15 of 16

NO.	INITIALS AND SURNAME	6/30/2024	7/8/2024	28/08/24	18/09/24	17/10/24	25/10/24	31/10/24	22/11/24	13/12/24	24/01/25	31/01/25	6/2/2025	25/02/25	27/03/25	30/04/25	29/05/25	TOTAL
19	Council lor N G Gwebu	LOA	LOA	P	P	P	P	AB	P	P	P	P	P	LOA	LOA	P	P	11 of 16
20	Council lor M R Q Mhlanga	P	P	P	P	P	P	P	P	P	P	P	P	P	P	LOA	P	15 of 16
21	Council lor N S Mthethwa	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16 of 16
22	Council lor S M Shoba	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16 of 16
23	Council lor T M Qwabi	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16 of 16
24	Council lor M A Simelane	P	P	P	P	P	P	P	P	P	P	P	P	LOA	P	P	P	15 of 16
25	Council lor M S Lukhele	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16 of 16
26	Council lor S P Mkhwanazi	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16 of 16
27	Council lor S J Methula	P	P	P	P	LOA	P	P	P	P	P	P	LOA	P	P	LOA	P	13 of 16
28	Council lor B A Dlamini	AB	LOA	P	LOA	P	P	P	AB	P	P	LOA	P	P	P	P	P	11 of 16
29	Council lor T W Tshandu	P	P	P	P	P	P	LO	P	P	P	P	P	P	P	LOA	P	14 of 16
30	Council lor S P Sibiya	P	LOA	P	P	P	AB	LO	P	P	P	P	LOA	P	LOA	P	LOA	10 of 16
31	Council lor N N Zulu	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	AB	15 of 16
32	Council lor V S Hlophe	LOA	LOA	P	AB	P	P	P	P	P	P	AB	P	AB	P	AB	P	10 of 16
33	Council lor L L Ngubeni	P	P	AB	P	P	AB	AB	P	P	P	P	P	P	AB	P	P	12 of 16
34	Council lor D W Nkosi	P	P	P	P	P	P	P	P	LOA	P	P	P	P	P	P	LOA	14 of 16
35	Council lor E F Nkosi	P	AB	P	P	P	P	P	AB	P	P	P	AB	AB	P	P	AB	11 of 16
36	Council lor J R Sibiya	P	P	P	P	LOA	P	P	P	P	P	P	P	P	P	P	P	15 of 16
37	Council lor T H Mtshali	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	LOA	15 of 16
38	Council lor H W Weber	P	AB	P	P	P	P	P	P	P	P	P	P	P	P	P	P	15 of 16
Totals		35 /38	32/38	37/38	36/38	35/38	35/38	33/38	33/38	36/38	36/38	36/38	34/38	34/38	34/38	33/38	31/38	

MAYORAL COMMITTEE ATTENDANCE

INITIALS AND SURNAME	19 July 2024	20 August 2024	26 September 2024	22 October 2024	27 November 2024	16 Jan 2025	17 Feb 2025	19 March 2025	22 April 2025	21 May 2025	19 June 2025	TOTAL
Executive Mayor Cllr N C Ndhlovu	P	LOA	P	LOA	P	P	LOA	P	LOA	LOA	P	06 of 11
MMC Cllr T E Khumalo	P	P	P	LOA	P	P	LOA	P	P	P	P	09 of 11
MMC Cllr D M Thwala	P	P	P	P	P	P	P	P	P	LOA	P	10 of 11
MMC Cllr W H Vilakazi	P	P	P	P	P	P	P	P	P	P	P	11 of 11
MMC Cllr M T Mkhabela	P	P	LOA	P	P	P	P	P	P	P	P	10 of 11
MMC Cllr T W Manana	P	P	P	P	AB	P	P	P	P	P	P	10 of 11
	6/6	5/6	5/6	4/6	5/6	6/6	4/6	6/6	5/6	4/6	6/6	

APPENDIX B: COMMITTEE & COMMITTEE PURPOSE SECTION 80

CORPORATE SECTION 80

Date	Names	Status
11-Jul-24	All members	Fully attended meeting
15-Aug-24	Cllr. SP Mkhwanazi	Leave of absence
16-Sep-24	All members	Fully attended meeting
18-Oct-24	Cllr. MZ Thomo & Cllr JM Nkosi	Absent
18-Nov-24	All members	Fully attended meeting
15-Jan-25	Cllr. BA Dlamini	Absent
12-Feb-25	Cllr. BA Dlamini & Cllr. SP Mkhwanazi	Absent
13-Mar-25	Cllr. SP Mkhwanazi	Absent
15-Apr-25	Cllr.SP Mkhwanazi & Cllr. JM Nkosi	Absent
19-May-25	All members	Fully attended meeting
13-Jun-25	Cllr. BA Dlamini & Cllr. SP Mkhwanazi	Absent

COMM & FORESTRY SECTION 80

Date	Names	Status
18 Sept.2024	Cllr. VS Hlophe	Absent
14 Aug. 2024	All members	Fully attended
30 Sept. 2024	All members	Fully attended
16 Oct. 2024	All members	Fully attended
19 Nov.2024	Cllr. TW Tshandu	Absent
16-Jan-25	All members	Fully attended
14-Feb-25	All members	Fully attended
14-Mar-25	All members	Fully attended
15-Apr-25	Cllr. SM Shoba & Cllr. VS Hlophe	Absent
12-Jun-25	Cllr. VS Hlophe	Absent

PLANNING SECTION 80

Date	Names	Status
12-Jul-24	All members	Fully attended
13-Aug-24	All Members	Fully attended
18-Sep-24	All members	Fully attended
15-Oct-24	All members	Fully attended
19-Nov-24	All members	Fully attended
14-Jan	Cllr. MS Ngwenya	Absent
12-Feb-25	All members	Fully attended
13-Mar-25	Cllr. ND Sangweni & Cllr NN Zulu	Absent
10-Apr-25	All members	Fully attended
19-May-25	All members	Fully attended
19-Jun-25	Cllr. NN Zulu	Absent

TECHNICAL SECTION 80

Date	Names	Status
17-Jul-24	All members	Fully attended
14-Aug-24	All members	Fully attended
16-Sep-24	All members	Fully attended
15-Oct-24	Cll. SJ Methula	Absent
19-Nov-24	All members	Fully attended
14-Jan-25	All members	Fully attended
13-Feb-25	All members	Fully attended
13-Mar-25	All members	Fully attended
14-Apr-25	Cllr.JM Nkosi	Absent
15-May-25	All members	Fully attended
10-Jun 25	Cllr. DM Ntshakala & Cllr. HW Weber	Absent

FINANCE SECTION 80

Date	Names	Status
16-Jul-24	Cllr. TM Qwabi	Absent
14-Aug-24	All Members	Fully attended
19-Sep-24	All Members	Fully attended
16-Oct-24	Cllr. TM Qwabi	Absent
19-Nov-24	Cllr. TM Qwabi	Absent
15-Jan-25	Cllr. JLB Brussow	Absent
12-Feb-25	All Members	Fully attended
14-Mar-25	All Members	Fully attended
15-Apr-25	All Members	Fully attended
16-May-25	All Members	Fully attended
12-Jun-25	All Members	Fully attended

SECTION 79 COMMITTEES

PLANNING SECTION 79

Date	Names	Status
31-Oct-24	Cllr. LL Ngubeni	Absent
11-Jun-25	Cllr. TM Qwabi & Cllr. SM Shoba	Absent

COMMUNITY SECTION 79

Date	Names	Status
27-Aug-24	Attended	Fully attended
27-Nov-24	Attended	Fully attended
27-May-25	Cllr. DW Nkosi	Absent

CORPORATE SECTION 79

Date	Names	Status
28-Aug-24	Cllr. NG Gwebu	Absent
27-May-25	Cllr. DW Nkosi	Absent

TECHNICAL SECTION 79

Date	Names	Status
4-Jul-24	All Members	Fully attended
30-Jun-25	All Members	Fully attended

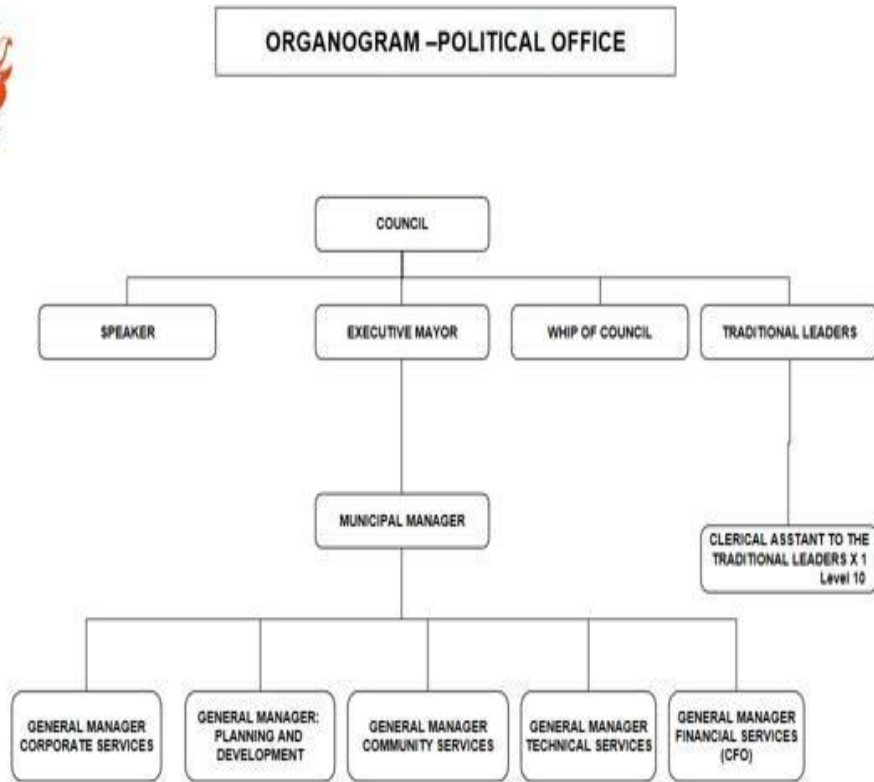
FINANCE SECTION 79

Date	Names	Status
17-Sep-24	All Members	Fully Attended
27-May-25	All Members	Fully Attended
13-May-25	All Members	Fully Attended

MPAC

Date	Names	Status
18-Jul-24	Cllr. NG Gwebu	Absent
19-Aug-24	Cllr. NG Gwebu & Cllr. SJ Methula	Absent
30-Sep-24	Cllr. VS Hlophe	Absent
15-Oct-24	Cllr. MN Mbatha	Absent
18-Oct-24	Cllr. SJ Methula & Cllr. VS Hlophe	Absent
1-Nov-24	Site visit	Fully attended
25-Nov-24	Cllr. NG Gwebu , Cllr. MJ Dlamini & Cllr. VS Hlophe	Absent
22-Dec-24	All Members	Fully attended
22-Jan-25	Cllr. DM Ntshakala, Cllr. JR Sibiya, Cllr. MN Mbatha & Cllr.VS Hlophe	Absent
20-Feb-25	Cllr. NG Gwebu, Cllr. SJ Methula	Absent
10-Mar-25	Cllr. BE Maisela, Cllr. Cllr. NG Gwebu & Cllr. VS Hlophe	Absent
11-Mar-25	Cllr. SJ Methula & Cllr. VS Hlophe, Cllr. NG Gwebu	Absent
12-Mar-25	Cllr. MN Mbatha, Cllr. SJ Methula, Cllr. NG Gwebu & Cllr. VS Hlophe	Absent
18-Mar-25	Cllr. MN Mbatha,Cllr. NG Gwebu & Cllr.VS Hlophe	
23-Apr-25	All Members	Fully attended
12-May-25	Fleet oversight(Cllr.MN Mbatha, Cllr. MS Lukhele, Cllr. VS Hlophe	Absent
15-May-25	Cllr. MN Mbatha & Cllr. BE Maisela, Cllr. NG Gwebu	Absent
26-May-25	Cllr.MS Lukhele	Absent
27-May-25	Cllr. JM Nkosi	Absent
2-Jun-25	Cllr. DM Nshskala,Cllr. SJ Methula	Absent
23-Jun-25	Cllr. NG Gwebu, Cllr.BE Maisela, Cllr.JS Methula& Cllr. VS Hlophe	Absent

APPENDIX C: Third Tier Administrative structure



APPENDIX D: Functions of Municipality/Entity

FORESTRY MANAGEMENT UNIT

This section outlines the operational activities of the Forestry Division for the 2024/2025 financial year. It summarises the key achievements realised during the reporting period, as well as the major challenges that influenced performance outcomes. The Division continued to focus on sustainable forest management, risk mitigation, and protection of municipal forestry assets despite significant environmental and operational constraints.

2. RE-ESTABLISHMENT OF TEMPORARY UNPLANTED AREAS

The Division made considerable progress in reducing temporary unplanted areas; however, the severe storm of November 2024 posed a major setback. The storm caused extensive damage to young pine stands, affecting 175.7 hectares, all of which had to be clear-felled. This event significantly increased the extent of unplanted areas. Additionally, 26.2 hectares were destroyed by fire during the same period. All affected areas have been cleared and scheduled for re-establishment in the 2025/2026 financial year.

During the 2024/2025 reporting cycle, only 4.9 hectares were successfully reestablished through wattle line spacing. Although this represents a reduced planting programme, several external factors contributed to the limited implementation capacity:

The November 2024 storm diverted critical resources and manpower towards urgent recovery operations, including the clearing of wind-thrown trees along internal roads and within compartments.

The absence of an appointed silviculture service provider restricted the Division's ability to undertake large-scale planting activities as planned.

Despite these limitations, the Division prioritised risk reduction, long-term sustainability, and the safeguarding of existing forestry assets. These strategic decisions place the Division in a more favourable position to strengthen reestablishment efforts in the upcoming financial year.

3. HARVESTING AND GENERATED REVENUE

Beyond harvesting storm-affected young pine areas, the Division also undertook harvesting in compartments repeatedly damaged by intentional fires started by community members. To prevent further timber loss and stabilise high-risk areas, these compartments—totalling 118.05 hectares—were clearfelled prior to the storm, with operations commencing in March 2025. The affected areas will undergo a species change during the next planting season to improve resilience and reduce future vulnerability.

For the 2024/2025 financial year, timber sales generated a total revenue of R3 127 541.63.

4. FOREST PROTECTION

The plantation's geographic setting exposes it to elevated fire danger beginning in May, with peak risk occurring between July and September, and occasionally extending into October. During these months, low humidity, dry winds, and accumulated fuel loads—particularly in temporary unplanted areas—create conditions conducive to fast-spreading fires.

Fire risks are further amplified by the plantation's unfenced boundaries, which border nearby communities and allow uncontrolled access. Activities such as honey hunting and illegal timber extraction are known ignition sources that increase the likelihood of wildfires.

To address these threats, the Division continued to implement a proactive and structured fire-management programme. All fire breaks were prepared and burned within the approved window. For the 2024/2025 season, internal and external fire breaks were completed early, first in July 2024 and again in June 2025. Fire break widths and configurations were determined through risk assessments, with heightened focus on perimeter compartments to limit the spread of fires onto neighbouring properties. Newly planted and high-risk compartments received additional attention to ensure adequate protection.

Despite these efforts, the 2024/2025 fire season was particularly severe nationwide, and the municipal plantation experienced similar impacts. Approximately 26.2 hectares were lost to wildfire and were subsequently clearfelled due to the extent of the damage.

5. IN SUMMARY

The 2024/2025 financial year was challenging for the Forestry Division due to severe storm damage, persistent fire risks, and limited operational capacity. Despite these setbacks, the Division successfully safeguarded key forestry assets, cleared affected areas, generated revenue through targeted harvesting, and strengthened fire-protection measures. While re-establishment progress was limited, the groundwork laid during this period positions the Division to accelerate planting and restoration efforts in 2025/2026. The Division remains committed to sustainable plantation management and improving resilience against future environmental risks.

APPENDIX E: WARD REPORTING

COMPONENT: PUBLIC ACCOUNTABILITY AND PARTICIPATION

COMPONENT: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Ward committee and community meeting 2024-2025

Ward number	Community meeting planned	Community meeting conducted	Ward committee meeting planned	Ward committee meeting conducted	No. of Report Submitted	Project Name	Project status
Ward 1	4	5	12	9	9	Re-sealing a 1km of Pretorius street in Harmony Park ward1	Construction 100%
						Re-gravelling 3000m bus and taxi route in Driefontein ward 1	Construction 100%
Ward 2	4	12	12	12	12	Installation of Pour Flush Toilets in rural areas of Mkhondo LM	Construction 100%
						Re-gravelling of 2200m bus and taxi route in Driefontein ward 2.	Construction 100%
Ward 3	4	4	12	11	11		
Ward 4	4	3	12	10	10	Installation of Pour Flush Toilets in rural areas of Mkhondo LM	Construction 100%
Ward 5	4	2	12	11	11	Construction of KwaThandeka Main Access Road	Construction 100%
Ward 6	4	4	12	10	10	Installation of Pour Flush Toilets in rural areas of Mkhondo LM	Construction 100%
						Re-gravelling and storm water management for 2km road at ward 8 Dr	Construction 100%

Ward number	Community meeting planned	Community meeting conducted	Ward committee meeting planned	Ward committee meeting conducted	No. of Report Submitted	Project Name	Project status
						Pols village	
Ward 7	4	1	12	12	12	Ajax Line 11kv T4 RMU Switchgear	Construction 100%
						Salinga Road (Body builders) 11kv T3 RMU	Construction 100%
						Luneburg Street 11kv Switching Station	Construction 100%
						Ward 7: Engelbrecht Substation	Construction 100%
						Retrofitting of 250W HPS and Mercury Viper Street lights with 100W LED Streetlights including High mast lights from 400W to 200W	Installation 100%
Ward 8	4	9	12	12	12	Installation of Pour Flush Toilets in rural areas of Mkhondo LM	Construction 100%
						Retrofitting of 250W HPS and Mercury Viper Street lights with 100W LED Streetlights including High mast lights from 400W to 200W	Installation 100%
Ward 9	4	9	12	12	12	Eradication of water backlog drilling, equipping and electrification of boreholes in rural villages of Mkhondo Local Municipality	Construction 95%

Ward number	Community meeting planned	Community meeting conducted	Ward committee meeting planned	Ward committee meeting conducted	No. of Report Submitted	Project Name	Project status
						Design and Electrification of rural villages ward 9 (92 Connections)	Construction 64%
Ward 10	4	3	12	12	12	Rehabilitation of Bus and Taxi Route in ward 10 Emagadeni eThandakukhanya	Construction 100%
						Kempville Combined School 11kv T3 RMU	Construction: 100%
						Retrofitting of 250W HPS and Mercury Viper Street lights with 100W LED Streetlights including High mast lights from 400W to 200W	Installation 100%
Ward 11	4	3	12	12	12	Planning, Design and construction supervision of Ethandakukhanya bulk sewer outfall upgrade	Construction 41%
						Rehabilitation of Internal Street in ward 11 eThandakukanya	Construction 100%
Ward 12	4	4	12	11	11	Retrofitting of 250W HPS and Mercury Viper Street lights with 100W LED Streetlights including High mast lights from 400W to 200W	Installation 100%
Ward 13	4	7	12	12	12	Re-gravelling and storm water	Construction 100%

Ward number	Community meeting planned	Community meeting conducted	Ward committee meeting planned	Ward committee meeting conducted	No. of Report Submitted	Project Name	Project status
						management for 1900m x5m road at ward 13 Mangosuthu	
Ward 14	4	3	12	8	8	Harmony Park 11kV T3 RMU	Construction: 100%
						Retrofitting of 250W HPS and Mercury Viper Street lights with 100W LED Streetlights including High mast lights from 400W to 200W	Installation 100%
Ward 15	4	5	12	12	12	Eradication of water backlog drilling, equipping and electrification of boreholes in rural villages of Mkhondo Local Municipality	Construction 95%
						Electrification of rural villages 102 households Sqintini and Bazane.	Construction 100%
Ward 16	4	5	12	11	11		
Ward 17	4	3	12	10	10	Refurbishment of Piet Retief Water Treatment Works	Construction 27%
						Eradication of water backlog drilling, equipping and electrification of boreholes in rural villages of Mkhondo Local Municipality	Construction 95%
						Planning, Design and construction	Construction 41%

Ward number	Community meeting planned	Community meeting conducted	Ward committee meeting planned	Ward committee meeting conducted	No. of Report Submitted	Project Name	Project status
						supervision of Ethandakukhanya bulk sewer outfall upgrade	
						Re-gravelling and storm water management for 600m road at ward 17 Welverdiend	Construction 100%
Ward 18	4	7	12	12		Installation of Pour Flush Toilets in rural areas of Mkhondo LM	Construction 100%
						Electrical Infrastructure upgrade of 11kv Amsterdam Switching station from 1.9MVA to 10MVA and associated OHM Network.	Construction 100%
						Retrofitting of 250W HPS and Mercury Viper Street lights with 100W LED Streetlights including High mast lights from 400W to 200W	Installation 100%
Ward 19	4	1	12	10	10	Design, Supervision and Monitoring of the Sewer Reticulation Network in Amsterdam Phase 3	Construction 68%
						Construction of KwaThandeka Main Access Road	Construction 100%

APPENDIX F: WARD INFORMATION

WARD/ PUBLIC MEETINGS

The role of ward committees is to enhance participatory local governance and development within the Municipality. There has been a widely observed commitment in Mkhondo to participatory governance within both government and civil society, which has been given legal standing and encouragement through the Municipality's key performance areas such as *Putting People First* and giving feedback to communities and stakeholders. All nineteen (19) Ward Committees have been the focus of considerable attention by government as well as civil society, with substantial investment already made in an attempt to ensure that these structures have the necessary capacity and resources required for them to fulfil their envisaged roles as the "voice" of communities.

These Ward Committees provided a channel for public participation and communication for the community and served as a link between the community and Council. The Municipality has an intensive community consultation process that is done at a ward level in line with the community-based planning approach. This process stimulates participatory governance by affording community members a fair opportunity to deliberate on issues affecting them in their respective wards. Furthermore, this approach was implemented to inevitably include the local community in decision-making, planning and generally allowing them to play an active part in their own development. To facilitate this community consultation process, 19 Ward Committees consist of 10 members and are chaired by respective Ward Councillors. The Ward Councillor ensures that the interests of all members of community in the ward are presented in Council.

Ward number	Project Name	Project status
Ward 1	Re-sealing a 1km of Pretorius street in Harmony Park ward1	Construction 100%
	Re-gravelling 3000m bus and taxi route in Driefontein ward 1	Construction 100%
Ward 2	Installation of Pour Flush Toilets in rural areas of Mkhondo LM	Construction 100%
	Re-gravelling of 2200m bus and taxi route in Driefontein ward 2.	Construction 100%
Ward 3		

Ward number	Project Name	Project status
Ward 4	Installation of Pour Flush Toilets in rural areas of Mkhondo LM	Construction 100%
Ward 5	Construction of KwaThandeka Main Access Road	Construction 100%
Ward 6	Installation of Pour Flush Toilets in rural areas of Mkhondo LM	Construction 100%
	Re-gravelling and storm water management for 2km road at ward 8 Dr Pols village	Construction 100%
Ward 7	Ajax Line 11kv T4 RMU Switchgear	Construction 100%
	Salinga Road (Body builders) 11kv T3 RMU	Construction 100%
	Luneburg Street 11kv Switching Station	Construction 100%
	Ward 7: Engelbrecht Substation	Construction 100%
	Retrofitting of 250W HPS and Mercury Viper Street lights with 100W LED Streetlights including High mast lights from 400W to 200W	Installation 100%
Ward 8	Installation of Pour Flush Toilets in rural areas of Mkhondo LM	Construction 100%
	Retrofitting of 250W HPS and Mercury Viper Street lights with 100W LED Streetlights including High mast lights from 400W to 200W	Installation 100%
Ward 9	Eradication of water backlog drilling, equipping and electrification of boreholes in rural villages of Mkhondo Local Municipality	Construction 95%
	Design and Electrification of rural villages ward 9 (92 Connections)	Construction 64%
Ward 10	Rehabilitation of Bus and Taxi Route in ward 10 Emagadeni eThandakukhanya	Construction 100%
	Kempville Combined School 11kv T3 RMU	Construction: 100%
	Retrofitting of 250W HPS and Mercury Viper Street lights with 100W LED Streetlights including High mast lights from 400W to 200W	Installation 100%
Ward 11	Planning, Design and construction supervision of Ethandakukhanya bulk sewer outfall upgrade	Construction 41%
	Rehabilitation of Internal Street in ward 11 eThandakukhanya	Construction 100%
Ward 12	Retrofitting of 250W HPS and Mercury Viper Street lights with 100W LED Streetlights including High mast lights from 400W to 200W	Installation 100%
Ward 13	Re-gravelling and storm water management for 1900m x5m road at ward 13	Construction 100%

Ward number	Project Name	Project status
	Mangosuthu	
Ward 14	Harmony Park 11kV T3 RMU	Construction: 100%
	Retrofitting of 250W HPS and Mercury Viper Street lights with 100W LED Streetlights including High mast lights from 400W to 200W	Installation 100%
Ward 15	Eradication of water backlog drilling, equipping and electrification of boreholes in rural villages of Mkhondo Local Municipality	Construction 95%
	Electrification of rural villages 102 households Sqintini and Bazane.	Construction 100%
Ward 16		
Ward 17	Refurbishment of Piet Retief Water Treatment Works	Construction 27%
	Eradication of water backlog drilling, equipping and electrification of boreholes in rural villages of Mkhondo Local Municipality	Construction 95%
	Planning, Design and construction supervision of Ethandakukhanya bulk sewer outfall upgrade	Construction 41%
	Re-gravelling and storm water management for 600m road at ward 17 Welverdiend	Construction 100%
Ward 18	Installation of Pour Flush Toilets in rural areas of Mkhondo LM	Construction 100%
	Electrical Infrastructure upgrade of 11kv Amsterdam Switching station from 1.9MVA to 10MVA and associated OHM Network.	Construction 100%
	Retrofitting of 250W HPS and Mercury Viper Street lights with 100W LED Streetlights including High mast lights from 400W to 200W	Installation 100%
Ward 19	Design, Supervision and Monitoring of the Sewer Reticulation Network in Amsterdam Phase 3	Construction 68%
	Construction of KwaThandeka Main Access Road	Construction 100%

SUMMARIZED COMMUNITY NEEDS

Identified needs	WARDS
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	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Water & Boreholes	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Electricity and upgrading of main sub-station	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
High mast light/Street light	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Sanitation,	√	√	√	√	√	√	√	√	√						√	√	√	√	√
Roads, Pavement & graveling	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Storm water drainage	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Bridges		√	√									√		√			√		
Speed humps	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Waste Removal	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Job Opportunities	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
RDP Houses	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Business & Residential Sites/ Land & Township establishment	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Sports or recreation Facilities	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Youth center															√			√	
Cemetery			√		√	√													
Schools				√	√														
ECD and crèche															√				
TVET College											√								
Community halls	√	√				√	√	√	√	√					√		√	√	√
Clinic		√				√	√	√											
Ambulance	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
MPCC			√	√						√				√					
Police station	√	√		√		√		√	√						√				√
Library							√	√			√	√			√				
Shopping complex	√	√	√															√	

APPENDIX G: Internal Audit Committee Report 24/25 and Recommendations
PURPOSE

It is an honour for us to present the third quarter report of the Audit, Risk and Performance Committee for the period ending 30 June 2025 to the Council of Mkhondo Local Municipality. It is our objective and plan to work with the Council, Management and other Stakeholders in service of our people of Mkhondo Local Municipality. The purpose of this report is to provide the Council with an update regarding the activities carried out by the Audit, Risk and Performance Committee for the third quarter of the financial year ending 30 June 2025. The report should serve as a tool to enable Council to take resolutions and corrective actions on areas where the Audit and Performance Committee has made recommendations at the meeting held on 30th September 2025, as this report articulate clearly the findings in terms of all the factual observations, weaknesses and discrepancies identified as well as practical recommendations to improve performance and add value.

1. BACKGROUND

Section 166 of the Municipal Finance Management Act (MFMA) clearly states that each Municipality to have an Audit, Risk and Performance Committee. The Audit Committee is an independent advisory body that advises Council, Political Office Bearers, Accounting Officer, and staff of the Municipality on the following:

Internal financial control and internal audits;

Risk Management;

Accounting Policies;

The adequacy, reliability, and accuracy of financial reporting and information;

Performance Management

Effective Governance;

Compliance with the MFMA, the annual Division of Revenue Act (DORA) and any other applicable legislation;

Performance Evaluation;

Any other issues referred to by the municipality.

Review Annual Financial statements so as to provide authoritative and credible view of the financial position, on overall compliance with MFMA, DORA, etc.

Respond to Council on any matter raised by the Auditor-General (AGSA);

Carry out such investigations into financial affairs of the municipality as may be prescribed from time to time

3. ATTENDANCE OF MEETINGS

The Audit Committee would like to extend their appreciation to the Municipal Manager, Mr. MJ Mkhonza and his management team for their commitment to the serve the community of Mkhondo Local Municipality.

The attendance of Audit Committee meetings is indicated below:

Legends

✓ - Member present: X - Apology from member:

Type of meeting	Date	Mr. T Gafane- Chairperson	Adv J C Weapond- AC Member	Mr N Baloyi- AC Member	Ms. Nchabeleng MF – AC Member
Ordinary Audit & Performance Audit Committee Meeting	30th September 2025	✓	✓	✓	✓

Other Committees

Type of meeting	Date	Adv J C Weapond Chairperson
Risk Management and Unti-Fraud and Unti-Corruption Committee Meeting	03th September 2025	✓

For Management the AC received apologies from Ms. W. Mahlangu (GM Corporate Services) and Ms. Z. Mthethwa (GM Community Services).

The Audit Committee extended their condolences for the sad loss of the MMC for Community Service and an Electrician from Technical Services.

4. IMPLEMENTATION OF AUDIT COMMITTEE RESOLUTIONS

We are satisfied with the implementation of Audit Committee resolutions by Management for the 4th quarter, which is currently at 68% implementation which is an improvement as compared with the previous quarter performance.

5. INTERNAL AUDIT

The Chief Audit Executive (CAE) presented several documents for noting and approval, including:

2024/25 Internal Audit Quality Assurance Action Plan: Approximately 50% of the issues have been addressed, with pending items requiring "financial muscle". The AC was informed that quality assurance is funded by National Treasury, cascaded to Provincial Treasury. The municipality will write to them to initiate an external review, but first, verification that all items in the action plan are addressed is needed.

The following report was presented for the quarter:

Key observations by Internal Audit for the quarter under review:

Audit Areas	Key Findings	Impact Rating (H,M,L)	Overall Audit Committee Recommendation.
2024/25 Internal Audit Employee Physical Verification Report:	1. Employees were given ample time to verify themselves to ensure no "Gulf employee" was on the payroll	H	Employees who did not come for physical verification will have their salaries frozen. The process of employee physical verification will be finalised by the end of November 2025.

The Audit Committee encouraged the management to prioritise implementation of internal audit findings. Audit Committee resolution register progress:

Members raised concerns regarding two main issues:

Overtime Management: This is still an issue, and management must find a strategy to manage the process. Management indicated overtime is limited to 20 hours per month unless there are exceptional circumstances requiring a specific report.

o Resolution: Overtime needs to be monitored to ensure accountability and management, with the intent to reduce overtime. Debt Write-Off and Impairment: Members were concerned about the status of the reconciliation. Management explained that only bad debt for late estates has been written off as unrecoverable, and the municipality is in the process of opening new accounts for new occupants. The next phase will target indigent households in line with policy.

- The Audit Committee was satisfied with the performance of the unit for the quarter under review.

6 RISK MANAGEMENT

The Audit Committee has noted and accepted the report by the Risk Management Anti-fraud and Anti-corruption Committee for the quarter (See Attached Annexure A)

The following critical dominant risks were observed by the RMFPC: Inability to pay Eskom.

Insufficient revenue collection at the municipality.

Un-insured municipal forest (assets).

Unable to pay creditors on time.

Operational cost that exceeds revenue collection.

Unfunded retain risk.

Escalating overtime and standby allowance payment.

7 TECHNICAL SERVICES & INFRASTRUCTURE

The General Manager for Technical Services presented the Quarter 4 report. The committee expressed concern that the Soul Mkhize village area is not being metered, which prevents the municipality from receiving revenue.

- Management Response: Metering all areas in Soul Mkhize village is part of the municipality's water conservation strategy which will be implemented in the current financial year.

8. PERFORMANCE MANAGEMENT OVERVIEW

Performance Management System (PMS) Reports the Committee reviewed the PMS reports presented by the Chief Audit Executive (CAE) and the PMS Manager. Management, with the support of the Performance Committee Chairperson, were able to conduct performance assessments.

Community Services – Timber Theft Incident the General Manager provided a feedback report on the timber theft incident. A case has been opened with the South African Police Service (SAPS), and suspects have been apprehended. However, they have since been released on bail.

The Committee expressed concern over the slow progress of the investigation by SAPS and recommends continued follow-up to ensure accountability and resolution.

Recommendations

Performance Management System (PMS)

Management, in collaboration with the PMS Chairperson, should urgently fast-track the completion of General Managers' performance assessments for the current financial year. A revised timeline should be developed and monitored to ensure timely completion and submission of outstanding assessments. The PMS team should provide monthly progress updates to the Audit

Committee until the process is fully up to date.

Community Services – Timber Theft

The General Manager should continue to engage with SAPS and escalate the matter through appropriate channels to ensure progress in the investigation. A follow-up report should be submitted to the Committee detailing: The current status of the case, any actions taken by SAPS, Measures implemented to prevent future incidents. Consideration should be given to strengthening internal controls and security measures around timber resources to mitigate the risk of theft.

9. FINANCIAL MANAGEMENT OVERVIEW

The Chief Financial Officer presented the Finance reports. The committee expressed serious concerns regarding several matters, and management provided the following responses:

Debt Collection: The municipality uses service providers for debt collection but is unhappy with their performance. Their invoices will be subject to internal audit. The municipality is not collecting enough and has not implemented the funding plan.

Senior Management Salaries: These are part of the total salary bill, but a system correction is needed to reflect them separately.

Irregular Expenditure: The expenditure related to Foloji is irregular for the current financial year because the tender was not advertised for the minimum required period. The matter should be dealt with as per the requirement of section 32 of the MFMA.

Disconnection Report:

Resolution: Management agreed that a comprehensive report regarding the disconnection will be presented in the next meeting.

Resolution Register and Overtime Management

Members raised concerns regarding two main issues:

Overtime Management: This is still an issue, and management must find a strategy to manage the process. Management indicated overtime is limited to 20 hours per month unless there are exceptional circumstances requiring a specific report.

Resolution: Overtime needs to be monitored to ensure accountability and management, with the intent to reduce overtime.

Debt Write-Off and Impairment: Members were concerned about the status of the reconciliation. Management explained that only bad debt for late estates has been written off as unrecoverable, and the municipality is in the process of opening new accounts for new occupants. The next phase will target indigent households in line with policy.

RECOMMENDATIONS FOR IMPROVEMENT

Cash Flow Variances

Recommendation: Conduct a thorough variance analysis to identify the root causes of the 91% discrepancy in transfers and subsidies. Implement tighter budget monitoring and reporting controls to prevent future anomalies.

Remuneration of Councillors

Recommendation: Expedite the finalization of councillor remuneration processes and provide a clear timeline and progress report to the committee.

Debtors Age Analysis

Management should develop and present to Finance portfolio and Audit Committee a detailed and upto-date age analysis of debtors at each committee meeting. Include trends and recovery strategies.

Eskom and DWS Credit Analysis

Prepare a comprehensive credit risk report on Eskom and DWS accounts, including payment history, current balances, and proposed repayment plans.

Debtors Reconciliation

Reconcile all handed-over and deceased debtor accounts. Provide a summary of actions taken and outstanding issues.

Fuel Management

Implement stricter fuel usage controls and monitoring systems. Submit monthly fuel usage reports with variance explanations.

Unnamed Prepaid Meters

Conduct an audit of all prepaid meters and ensure proper registration and linkage to customer accounts.

Provide a report on progress and unresolved cases.

Creditors and 30-Day Payment Policy

Review and align creditor payment practices with the 30-day policy. Provide explanations for exceptions, especially for Eskom and the Auditor-General.

Deviation Report

Ensure all required reports, including the deviation report, are attached to future submissions. Establish a checklist to prevent omissions.

Debt Collector Progress

Request the debt collector to present a detailed performance report, including collections made, challenges faced, and future plans.

Overtime Expenditure

Review and justify overtime payments. Consider implementing a cap or approval process to manage and reduce excessive overtime costs.

10. CORPORATE SERVICES REPORT

Labour Relations

The General Manager presented the fourth quarter report on labour relations cases for the municipality.

Audit Committee Comments:

A concern was raised regarding inconsistency in case outcomes: two similar cases resulted in different decisions—one dismissal and one appeal.

The committee emphasized that management must apply consistent disciplinary measures across all cases to ensure fairness and credibility.

Legal Services

The Senior Manager: Legal Services presented the third quarter report on the litigation register.

Key Points: Two cases were removed from the register due to changes in municipal management.

These matters will now be reinstated on the litigation register under the new municipal manager.

RECOMMENDATIONS FOR IMPROVEMENTS

Labour Relations

Ensure Consistency in Disciplinary Actions

Management should develop and adhere to clear guidelines for handling labour relation cases to ensure consistent outcomes, especially in cases with similar circumstances.

Review and Update Disciplinary Policies

Conduct a policy review to identify gaps or ambiguities that may lead to inconsistent decisions. Update policies to reflect best practices and legal standards.

Training for HR and Line Managers

Provide regular training on labour law, internal policies, and fair disciplinary procedures to ensure uniform application across departments.

Establish a Case Review Panel

Consider forming a panel to review complex or borderline cases before final decisions are made, to promote fairness and consistency.

Legal Services

Maintain an Accurate Litigation Register

Ensure that all active and relevant cases are properly recorded and updated on the Litigation Register, including those affected by changes in municipal leadership.

Clarify Case Ownership During Leadership Transitions

Develop a protocol for handling legal matters during transitions in municipal management to avoid delays or omissions in the

register.

Regular Audits of Legal Records

Conduct quarterly audits of the Litigation Register to verify accuracy and completeness, and to ensure timely updates.

11. AUDIT ACTION PLAN 2024/25

The Audit Committee advised management to prioritise issues that could impact the audit report for the 2024/25 financial year.

11. IT GOVERNANCE

The Audit Committee did not consider the ICT report for the quarter. The committee advised that the following IT risk be assessed:

Ensure that all calls that were logged with system vendors were successfully resolved within the agreed Service Level Agreement times.

Testing of data and systems to ensure that they are secured against anti-virus, firewalls, email security. Ensure regular testing of backups and security systems.

10. HUMAN RESOURCE MANAGEMENT

No report was considered for the quarter.

12. OVERALL OBSERVATION AND CONCLUSION

The Audit Committee is satisfied with the overall state of governance, financial management, and operational functioning of the municipality. No material or significant concerns have been brought to the

Committee's attention through Internal Audit reports or engagements with the Internal Audit unit, the Accounting Officer, Management, or other oversight structures that could negatively impact the municipality or hinder its progress in implementing recommended actions.

The Committee commends the Mkhondo Municipality for successfully concluding the previous financial year in full compliance with all applicable processes and procedures. The timely submission of both the Annual Financial Statements (AFS) and the Annual Report demonstrate a strong commitment to sound governance and accountability. Notably, Mkhondo was among the municipalities that submitted their financial statements and supporting documentation to the Auditor-General within the required deadlines.

A significant milestone was achieved this quarter with the municipality now having a complete team of Section 54A and 56 managers for the first time in a considerable period. This strengthened leadership structure is expected to improve operational efficiency and enhance strategic implementation. Currently, the Municipal Manager (MM) and one General Manager are serving on contract, while the remaining senior managers hold permanent appointments.

During the reporting period, the municipality experienced a minor public disturbance in the Themba Labasha area, stemming from the

enforcement of credit control measures—specifically, the disconnection of services due to non-payment. The matter was resolved amicably through constructive engagement with the affected community, resulting in a consensus that upheld fairness and transparency.

On the financial front, the municipality recorded a modest improvement in revenue collection, with June 2025 figures reaching 84%. This upward trend is attributed to ongoing revenue enhancement initiatives, which continue to be a strategic priority for the administration.

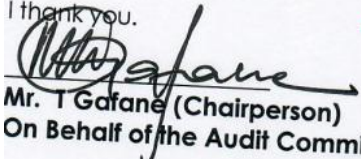
We extend our sincere appreciation to the Municipal Manager, Mr. MJ Mkhonza, for his unwavering support and decisive leadership. His commitment and accountability continue to set a high standard for municipal governance.

We also wish to acknowledge the exceptional administrative and secretariat support provided by the

Internal Audit team, under the leadership of Mr. AB Ngcobo. Their dedication to coordinating Audit Committee activities and producing high-quality minutes and reports is commendable and deeply appreciated.

Furthermore, the Committee recognizes the collaborative efforts of the entire management team. Their collective support has been instrumental in enabling the Committee to effectively discharge its responsibilities as mandated by Council.

In conclusion, the Audit Committee is confident that the municipality is, in all material respects, well positioned to partially achieve its set objectives as outlined in the Service Delivery and Budget Implementation Plan. We are optimistic about the municipality's potential to maintain its audit outcomes in the 2024/25 financial year.

I thank you.

Mr. T Gafane (Chairperson)
On Behalf of the Audit Committee

Appendix H: Long term Contracts and Public Private Partnership

NO	TENDER NUMBER	TENDER NAME	DURATION	DATE AWARDED	AWARDED TENDER	TENDER AMOUNT
1	MKHO19/2023/24	Appointment of a Reputable Professional Service Provider for Reviews of Annual Financial Statements for Three Years (2023/24-2025/26)	Three Years	11-Jul-24	Shumba Inc.	Rates
2	MKHO20/2023/24	Appointment of a Reputable Professional Service Providers for the Compilation and Maintenance of a GRAP and MSCOA Compliant Fixed Asset Register for a period of Thirty-Six (36) Months	Thirty-Six (36) Months	4-Jul-24	Sempro Consulting	Rates
3	MKHO21/2023/24	Provision of Hygiene Services and Consumables for a period of Twenty-Four (24) Months	Twenty-Four (24) Months	31-Jul-24	EWT Hygiene	Rates
4	MKHO23/2023/24	Appointment of a Reputable Service Provider for Supply and Delivery of Water Reticulation Materials and Equipment for a period of Thirty-Six (36) months on an Ad-Hoc Basis	Thirty-Six (36) Months	28-Aug-24	Sakhumzy Construction	Rates
5	MKHO22/2023/24	Appointment of a Reputable Service Provider for Supply and Delivery of Electrical Materials for a period of Thirty-Six (36) Months on an Ad-Hoc basis	Thirty-Six (36) Months	28-Aug-24	Zeph Group	Rates
6	MKHO18/2023/24(1)	Provision of Electrical Engineering Consultation Services for Electrification of Ward 9 in Mkhondo Local Municipality	Twenty-Four (24) Months	3-Jul-24	IGODA Projects (Pty) Ltd	R379 077,65
7	MKHO18/2023/24(3)	Provision of Electrical Engineering Consultation Services for Upgrading of Amsterdam Substation from 1.9MVA to 10MVA	Twenty-Four (24) Months	3-Jul-24	Kuhlemcebo Engineers (Pty) Ltd	R3 872 062,50
8	MKHO17/2023/24(4)	Provision of Civil Engineering Consultation Services for Eradication of Water Backlog Drilling, Equipping and Electrification of Boreholes in Rural Villages of Mkhondo Local Municipality	Twenty-Four (24) Months	3-Jul-24	TMS Consulting Engineers and Project Management	R7 125 035,61
9	MKHO17/2023/24(6)	Provision of Civil Engineering Consultation Services for the Construction of Steel Pedestrian Bridge at Mafred	Twenty-Four (24) Months	3-Jul-24	ZenkCon Engineers	Not Applicable
10	MKHO26/2023/24	Supply, Delivery, Installation and Maintenance of Emergency Lights and Sirens for Public Safety Department on an Ad-Hoc Basis for a period of Twenty-Four (24)	Twenty-Four (24) Months	29-Aug-24	Yaya Lighting and Accessories (pty)ltd	Rates

NO	TENDER NUMBER	TENDER NAME	DURATION	DATE AWARDED	AWARDED TENDER	TENDER AMOUNT
		Months				
11	MKHO27/2023/24	Appointment for Inclusion in the Panel of Service Providers for Plant and Equipment Hire Services on a wet rate for a period of Twenty-Four (24) Months on an Ad-Hoc Basis	Twenty-Four (24) Months	02-Oct-24	Pelepele Investments (Pty) Ltd, Duu Bee Enterprises (Pty) Ltd, MlungisiMthobisi Building and Renovation, Xolanidile Projects (Pty) Ltd, Rolfs Towing (Pty) Ltd, Huddy and Sons Civil Contractors, XB Construction CC, Ekene Investments CC, Andilamangema Construction and Projects, Spinks Trading CC, Zembeleni Transport and Projects CC, Aqua Transport and Plant Hire (Pty) Ltd	Rates
12	MKHO17/2023/24(7)	Provision of Civil Engineering Services for Refurbishment of Piet Retief Water Treatment Plant	Twenty-Four (24) Months	29-Jul-24	Kukhanya Project	R4 697 750,00
13	MKHO18/2023/24(4)	Provision of Electrical Engineering Services for the Design and Implementation of Energy Efficiency (EEDSM) Programme	Twelve (12) Months	29-Jul-24	Rock of Africa Engineering and Consulting	R3 900 000.00
14	MKHO01/2024/25	Appointment of a Panel of Attorneys for Provision of Professional Legal Services on an ad-hoc basis for a period of Thirty-Six (36) Months	Thirty-six (36) Months	21-Nov-24	Kgomo and Nsibande Incorporated, Madonsela Mthunzi Inc, QQ Mkhatsywa Incorporated, Dolamo Attorneys Inc, Phiri-Combrink Incorporated, Nkosi Sabelo Incorporated, NG Dlamini Attorneys	Rates
15	MKHO17/2023/24(11)	Provision of Civil Engineering Services for Sewer Reticulation Network in Amsterdam	Twenty-Four (24) Months	2-Oct-24	Khukhanya Projects (pty)ltd	R2 052 750.00
16	MKHO03/2024/25	Appointment of a Reputable Service Provider for the Provision of V.I.P Security Services for a period of Twelve (12) Months (Re-Advert)	Twelve (12) Months	20-Dec-24	Izinjomane Security	Rates
17	MKHO05/2024/25	Appointment of a Reputable and Professional Service Provider for VAT Review and Collection of other Taxes Service for a period of Twelve Months	Twelve (12) Months	09-Oct-24	Maximum Profit Recovery (Pty) Ltd	Rates
18	MKHO04/2024/25	Construction of Bus and Taxi Route at Kempville	Twelve (12) Months	21-Nov-24	Bonginkosi Yethu Trading Enterprise	R27 240 685,74
19	MKHO06/2024/25	Eradication of Water Backlog, Drilling, Equipping and Electrification of Boreholes in Rural Villages of Mkhondo Local Municipality Cluster 3 (Ward 9 and 15)	Twelve (12) Months	08-Nov-24	VMT Civils	R24 123 107,25
20	MKHO08/2024/25	Supply, Delivery and Construction of Pour Flush Toilets in Rural Villages of Mkhondo Local Municipality	Six (06) Months	08-Nov-24	Izandla Ziyagezana Trading	R6 151 702,36
21	MKHO17/2023/24(12)	Provision of Professional Engineering (Civil) Services Including Supervision, And	Twelve (12) Months	2-Oct-24	Adept Pro (Pty)Ltd	R2 201 000.00

NO	TENDER NUMBER	TENDER NAME	DURATION	DATE AWARDED	AWARDED TENDER	TENDER AMOUNT
		Monitoring Of MDRG (Municipal Disaster Recovery Grant) Projects				
22	MKHO07/2024/25	Construction of eThandukukhanya Bulk Sewer Outfall Upgrade	Thirty-six (36) Months	30-Nov-24	Zeph Group	R83 388 852,67
23	MKHO03/2023/24(11)	Re-Gravelling and Stormwater Management for 600m at Ward 17 Ezinkonjaneni (Wolverdian)	Three (3) Months	08-Nov-24	Nontabela Group	R2 817 320,72
24	MKHO03/2023/24(12)	Re-Gravelling and Stormwater Management for 1900M X 5M Road at Ward 13 Mangosuthu	Three (3) Months	08-Nov-24	Mavakali Tranding	R2 194 824,45
25	MKHO03/2023/24(13)	Re-Gravelling and Stormwater Management for 2KM at Ward 8 Maphepheni (Dr.Pols Village)	Three (3) Months	08-Nov-24	Huddy and Sons Civil Contractor	R3 083 834,25
26	MKHO07/2023/24(4)	Rehabilitation & Asphalt Resealing of 1KM Road in Harmony Park Ward 14 (Pretorius Street)	Six (06) Months	08-Nov-24	Bonginkosi Yethu Trading Enterprise JV Stanfamily	R5 972 265,60
27	MKHO09/2024/25	Appointment of a Suitable Service Provider for Harvesting of Various Plantations	Three (3) Months	04-Feb-25	Xolanidile Project (Pty) Ltd	Rates
28	MKHO17/2023/24(13)	Provision of Professional Engineering Services (Civil Engineering Consultants) for compilig of the Water & Sanitation Master Plan and Water Services Development Plan (WSDP)	Twelve (12) Months	07-Jan-25	TMS Consulting Engineers and Project Management	R3 817 250,00
29	MKHO09/2024/25(1)	Refurbishment of Piet Retief Water Treatment Works: Phase 1	Twenty-Four (24) Months	22-Jan-25	Dlaba Ndlondlo	R41 636 396,00
30	MKHO10/2024/25	Supply and Delivery of Water and Wastewater Treatment Chemicals as and when required for a period of Twelve (12) Months	Twelve (12) Months	30-Jan-25	Zamangwane Consultants (Pty) Ltd	Rates
31	MKHO11/2024/25	Appointment of a Panel of Contractors for Electrical (Infrastructure) works for a period of Three Years	Three Years	20-Mar-25	MADZ Electrical, Aqua Tech Solutions, Golden SJ Trading, IGODA Projects, Izinyosi Engineering, NSK Electrical and Construction, Izinjomane Security, Reliant Consulting, VMT Civils, Crystal Engineering (Pty) Ltd, Ravha Trading Enterprise, Mngulwa Consulting Engineers, Ntongande Projects JV Stan Family, KVA EngineeringProjects, Kuhlemcebo Engineers, Zeph Group, MNP Engineering Projects, Business Competitive & Projects, Sthandiwe Ngendalo, Lomakhosi Trading, Makaluya Consulting, Thokomela Trading, Omphile	Rates

NO	TENDER NUMBER	TENDER NAME	DURATION	DATE AWARDED	AWARDED TENDER	TENDER AMOUNT
					Electrical and Construction	
32	MKHO13/2024/25	Appointment of a Panel (Maximum of Four) for Supply and Delivery of Cleaning Materials as and when Required for a period of Twenty-Four (24) Months	Twenty-Four (24) Months	23-May-25	The 619 Empire (Pty) Ltd, Sesiyakhona Business Enterprise cc , Amandla Okhozi (Pty) Ltd, Vuphi Construction and Transport	Rates
33	MKHO14/2024/25	Appointment of a Panel of SETA (Sector Education and Training Authorities) Accredited Training Service Providers on an ad-hoc basis for a period of Thirty-Six (36) Months	Thirty-six (36) Months	28-May-25	Kgolo Institute (Pty) Ltd, Bantubanye Skills, NTG Solutions CC, Mcebo Technologies, Fachs Business Consulting and Training, Siyahluma Education Institute	Rates
34	MKHO18/2023/24(5)	Provision of Electrical Engineering Services for the Design and Implementation of Energy Efficiency (EEDSM) Programme	Six (06) Months	25-Apr-25	Rock of Africa Engineering and Consulting	R3 100 000,00
35	MKHO16/2024/25	Supply and Delivery of Materials for Construction of Dignified Sanitation as and when required for a period of Thirty-Six (36) Months in Rural Areas of Mkhondo Local Municipality	Thirty-six (36) Months	20-May-25	Izandla Ziyagezana Trading	Rates
36	MKHO17/2023/24(14)	Provision of Professional Engineering Services (Civil Engineering Consultants) of Amsterdam Bulk Sewer Reticulation and Waste Water Treatment Works Upgrade	Twenty-Four (24) Months	28-May-25	TMS Consulting Engineers and Project Management	R18 549 500,00
37	MKHO11/2024/25(1)	Electrical Infrastructure Upgrade of 11kv Amsterdam Switching Station from 1.9MVA to 10MVA and Associated OHM Network	Twenty-Four (24) Months	30-Apr-25	MADZ Electrical	R33 759 452,84
38	MKHO11/2024/25(2)	Electrification of Ward 9 (92 Connections) in Mkhondo Local Municipality	Twelve (12) Months	30-Apr-25	MNP Engineering Projects	R6 873 365,36
39	MKHO11/2024/25(3)	Request for Replacement of Harmony Park 11KV T3 RMU, Ajax Line 11KV T4 RMU Switchgear, and Salinga Road (Body Builders) 11KV T3 RMU	Three (3) Months	30-Apr-25	Reliant Consulting	R3 000 000,00
40	MKHO11/2024/25(4)	Request for Replacement of Kempville Combined School 11KV T3 RMU, Luneburg Street 11KV Switching Station and Engelbrecht Substation	Three (3) Months	30-Apr-25	Reliant Consulting	R3 500 000,00
41	MKHO18/2024/25	Appointment of Suitable Service Provider(s) for Harvesting of Damaged Pine & Wattle Compartments - Re-Advertisement	Three (3) Months	19-May-25	Dipuworx (Pty) Ltd	Rates
42	MKHO20/2024/25	Supply, Delivery and Commissioning of Microsoft 365 Business Standard Licences to Mkhondo Local Municipality	Once-Off	19-May-25	Munsoft (Pty) Ltd	R962 331,50

Appendix I: Municipal Entity/Service Provider Performance Schedule

This statement should include no more than the top four priorities indicators as articulated in the IDP. Note that all must be funded within approved budget provision.

Rubric	
	Good
	Fair
	Poor

NO.	TENDER NAME	DURATION	DATE AWARDED	AWARDED TENDER	Rating
1	Appointment of a Reputable Professional Service Provider for Reviews of Annual Financial Statements for Three Years (2023/24-2025/26)	Three Years	11-Jul-24	Shumba Inc.	Good
2	Appointment of a Reputable Professional Service Providers for the Compilation and Maintenance of a GRAP and MSCOA Compliant Fixed Asset Register for a period of Thirty-Six (36) Months	Thirty-Six (36) Months	4-Jul-24	Sempro Consulting	Good
3	Provision of Hygiene Services and Consumables for a period of Twenty-Four (24) Months	Twenty-Four (24) Months	31-Jul-24	EWT Hygiene	Good
4	Appointment of a Reputable Service Provider for Supply and Delivery of Water Reticulation Materials and Equipment for a period of Thirty-Six (36) months on an Ad-Hoc Basis	Thirty-Six (36) Months	28-Aug-24	Sakhumzy Construction	Fair
5	Appointment of a Reputable Service Provider for Supply and Delivery of Electrical Materials for a period of Thirty-Six (36) Months on an Ad-Hoc basis	Thirty-Six (36) Months	28-Aug-24	Zeph Group	Good
6	...Provision of Electrical Engineering Consultation Services for Electrification of Ward 9 in Mkhondo Local Municipality	Twenty-Four (24) Months	3-Jul-24	IGODA Projects (Pty) Ltd	Good
7	Provision of Electrical Engineering Consultation Services for Upgrading of Amsterdam Substation from 1.9MVA to 10MVA	Twenty-Four (24) Months	3-Jul-24	Kuhlemcebo Engineers (Pty) Ltd	Good

NO.	TENDER NAME	DURATION	DATE AWARDED	AWARDED TENDER	Rating
	Provision of Civil Engineering Consultation Services for Eradication of Water Backlog Drilling, Equipping and Electrification of Boreholes in Rural Villages of Mkhondo Local Municipality	Twenty-Four (24) Months	3-Jul-24	TMS Consulting Engineers and Project Management	Good
8	Supply, Delivery, Installation and Maintenance of Emergency Lights and Sirens for Public Safety Department on an Ad-Hoc Basis for a period of Twenty-Four (24) Months	Twenty-Four (24) Months	29-Aug-24	Yaya Lighting and Accessories (pty)ltd	Good
9	Provision of Civil Engineering Services for Refurbishment of Piet Retief Water Treatment Plant	Twenty-Four (24) Months	29-Jul-24	Kukhanya Project	Fair
10	Provision of Electrical Engineering Services for the Design and Implementation of Energy Efficiency (EEDSM) Programme	Twelve (12) Months	29-Jul-24	Rock of Africa Engineering and Consulting	Good
11	Provision of Civil Engineering Services for Sewer Reticulation Network in Amsterdam	Twenty-Four (24) Months	2-Oct-24	Khukhanya Projects (pty)ltd	Fair
12	Appointment of a Reputable Service Provider for the Provision of V.I.P Security Services for a period of Twelve (12) Months (Re-Advert)	Twelve (12) Months	20-Dec-24	Izinjomane Security	Fair
13	Appointment of a Reputable and Professional Service Provider for VAT Review and Collection of other Taxes Service for a period of Twelve Months	Twelve (12) Months	9-Oct-24	Maximum Profit Recovery (Pty) Ltd	Good
14	Construction of Bus and Taxi Route at Kempville	Twelve (12) Months	21-Nov-24	Bonginkosi Yethu Trading Enterprise	
15	Eradication of Water Backlog, Drilling, Equipping and Electrification of Boreholes in Rural Villages of Mkhondo Local Municipality Cluster 3 (Ward 9 and 15)	Twelve (12) Months	8-Nov-24	VMT Civils	
16	Supply, Delivery and Construction of Pour Flush Toilets in Rural Villages of Mkhondo Local Municipality	Six (06) Months	8-Nov-24	Izandla Ziyagezana Trading	
17	Provision of Professional Engineering (Civil) Services Including Supervision, And Monitoring Of MDRG (Municipal Disaster Recovery Grant) Projects	Twelve (12) Months	2-Oct-24	Adept Pro (Pty)Ltd	

NO.	TENDER NAME	DURATION	DATE AWARDED	AWARDED TENDER	Rating
18	Construction of eThandukukhanya Bulk Sewer Outfall Upgrade	Thirty-six (36) Months	30-Nov-24	Zeph Group	
19	Re-Gravelling and Stormwater Management for 600m at Ward 17 Ezinkonjaneni (Welverdien)	Three (3) Months	8-Nov-24	Nontabela Group	
20	Re-Gravelling and Stormwater Management for 1900M X 5M Road at Ward 13 Mangosuthu	Three (3) Months	8-Nov-24	Mavakali Tranding	
21	Re-Gravelling and Stormwater Management for 2KM at Ward 8 Maphepheni (Dr.Pols Village)	Three (3) Months	8-Nov-24	Huddy and Sons Civil Contractor	
22	Rehabilitation & Asphalt Resealing of 1KM Road in Harmony Park Ward 14 (Pretorius Street)	Six (06) Months	8-Nov-24	Bonginkosi Yethu Trading Enterprise JV Stanfamily	
23	Appointment of a Suitable Service Provider for Harvesting of Various Plantations	Three (3) Months	4-Feb-25	Xolanidile Project (Pty) Ltd	Good
24	Provision of Professional Engineering Services (Civil Engineering Consultants) for compilig of the Water & Sanitation Master Plan and Water Services Development Plan (WSDP)	Twelve (12) Months	7-Jan-25	TMS Consulting Engineers and Project Management	Fair
25	Refurbishment of Piet Retief Water Treatment Works: Phase 1	Twenty-Four (24) Months	22-Jan-25	Dlaba Ndlondlo	Good
26	Supply and Delivery of Water and Wastewater Treatment Chemicals as and when required for a period of Twelve (12) Months	Twelve (12) Months	30-Jan-25	Zamangwane Consultants (Pty) Ltd	Good
27	Provision of Electrical Engineering Services for the Design and Implementation of Energy Efficiency (EEDSM) Programme	Six (06) Months	25-Apr-25	Rock of Africa Engineering and Consulting	Good
28	Supply and Delivery of Materials for Construction of Dignified Sanitation as and when required for a period of Thirty-Six (36) Months in Rural Areas of Mkhondo Local Municipality	Thirty-six (36) Months	20-May-25	Izandla Ziyagezana Trading	Good
29	Provision of Professional Engineering Services (Civil Engineering Consultants) of Amsterdam Bulk Sewer Reticulation and Waste Water Treatment Works Upgrade	Twenty-Four (24) Months	28-May-25	TMS Consulting Engineers and Project Management	Good
30	Electrical Infrastructure Upgrade of 11kv Amsterdam Switching Station from 1.9MVA to 10MVA and Associated OHM Network	Twenty-Four (24) Months	30-Apr-25	MADZ Electrical	Fair

NO.	TENDER NAME	DURATION	DATE AWARDED	AWARDED TENDER	Rating
31	Electrification of Ward 9 (92 Connections) in Mkhondo Local Municipality	Twelve (12) Months	30-Apr-25	MNP Engineering Projects	Fair
32	Request for Replacement of Harmony Park 11KV T3 RMU, Ajax Line 11KV T4 RMU Switchgear, and Salinga Road (Body Builders) 11KV T3 RMU	Three (3) Months	30-Apr-25	Reliant Consulting	Good
33	Request for Replacement of Kempville Combined School 11KV T3 RMU, Luneburg Street 11KV Switching Station and Engelbrecht Substation	Three (3) Months	30-Apr-25	Reliant Consulting	Good
34	Appointment of Suitable Service Provider(s) for Harvesting of Damaged Pine & Wattle Compartments - Re-Advertisement	Three (3) Months	19-May-25	Dipuworx (Pty) Ltd	Good
35	Supply, Delivery and Commissioning of Microsoft 365 Business Standard Licences to Mkhondo Local Municipality	Once-Off	19-May-25	Munsoft (Pty) Ltd	Good

APPENDIX J-DISCLOSURE OF FINANCIAL INTEREST

DECLARATION 2024-25 FINANCIAL YEAR

No.	Surname	Name	Designation	FORM A financial Disclosure	FORM B	FORM C	FORM D	Date of
1	Mthethwa	Abigal Zamanyambose	General manager: Community services	YES	YES	YES	YES	01-Jul-24
2	Nkosi	Siphesihle Wiseman	General Manager: Technical Services	YES	YES	YES	YES	01-Jul-24
3	Mahlangu	Wendy Docus	General manager: Corporate services	YES	YES	YES	YES	01-Jul-24
4	Ndhlovu	Ngelosi Christinah	Executive Mayor	YES	YES	YES	YES	01-Jul-24
5	Mkhabela	Mthandeni	MMC Corporate Services	YES	YES	YES	YES	01-Jul-24
6	Khumalo	Thembi E	MMC Planning and Development	YES	YES	YES	YES	01-Jul-24
7	Manana	Thokozani W	MMC Financial Services	YES	YES	YES	YES	01-Jul-24
8	Thwala	M D	MMC Technical Services	YES	YES	YES	YES	01-Jul-24
9	Vilakazi	Walter H	MMC Community Services	YES	YES	YES	YES	01-Jul-24
10	Mkhonza	Mthandeni Joseph	Municipal Manager	YES	YES	YES	YES	03-Feb-25

Appendix K (i): Revenue Collection Performance by Vote

Vote Description		2023/24		Budget Year 2024/25						
	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue by Vote	1									
Vote 1 - Executive and Council		325,789	345,876	345,876	–	331,488	345,876	-14,388	-4.20%	345,876
Vote 2 - Budget and Treasury Office		106,426	133,152	133,362	11,296	108,935	133,362	-24,428	-18.30%	133,362
Vote 3 - Corporate Services		1,648	1,685	1,885	182	1,466	1,885	-419	-22.20%	1,885
Vote 4 - Planning and Development		1,026	1,521	1,551	191	1,095	1,551	-457	-29.40%	1,551
Vote 5 - Community Services		31,414	35,765	37,016	1,571	19,641	37,016	-17,375	-46.90%	37,016
Vote 6 - Technical Services		320,69	412,944	434,214	59,859	319,86	434,214	-114,354	-26.30%	434,214
Vote 7 - Afforestation and Tourism		2,317	11	141	2,06	2,288	141	2,147	1528.40%	141
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	789,311	930,953	954,045	75,16	784,772	954,045	-169,272	-17.70%	954,045

Appendix K (ii): Revenue Collection Performance by Source

Description	Ref	2023/24 Audited Outcome	Budget Year 2024/25							
			Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue										
Exchange Revenue										
Service charges - Electricity		171,966	267,654	229,379	25,718	145,212	229,379	-84,167	-37%	229,379
Service charges - Water		24,58	28,612	28,612	5,635	19,678	28,612	-8,933	-31%	28,612
Service charges - Waste Water Management		12,921	16,109	16,109	882	10,483	16,109	-5,626	-35%	16,109
Service charges - Waste management		15,002	16,002	16,002	1,094	12,596	16,002	-3,406	-21%	16,002
Sale of Goods and Rendering of Services		10,735	2,689	3,029	2,346	4,318	3,029	1,288	43%	3,029
Agency services		-	-	-	-	-	-	-		-
Interest		-	-	-	-	-	-	-		-
Interest earned from Receivables		45,695	52,124	52,124	2,803	43,289	52,124	-8,835	-17%	52,124
Interest from Current and Non Current Assets		2,758	3,298	3,298	50	1,723	3,298	-1,575	-48%	3,298
Dividends		-	-	-	-	-	-	-		-
Rent on Land		-	-	-	-	-	-	-		-
Rental from Fixed Assets		1,237	1,516	1,516	96	1,16	1,516	-356	-23%	1,516
Licence and permits		-	61	61	-	1	61	-60	-98%	61
Operational Revenue		329	1,813	1,843	849	917	1,843	-925	-50%	1,843
Non-Exchange Revenue								-		
Property rates		82,804	96,472	96,472	7,433	89,066	96,472	-7,406	-8%	96,472
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		6,869	6,08	6,094	115	1,975	6,094	-4,119	-68%	6,094
Licence and permits		135	177	1,005	21	567	1,005	-438	-44%	1,005
Transfers and subsidies - Operational		391,446	366,79	369,99	9,211	369,468	369,99	-521	0%	369,99
Interest		14,56	28,769	28,769	1,094	13,599	28,769	-15,17	-53%	28,769

Description	Ref	2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2024/25				Full Year Forecast
						YearTD actual	YearTD budget	YTD variance	YTD variance	
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	53,219	4,675	51,942	53,219	-1,278	-2%	53,219
Gains on disposal of Assets		-368	-	-	-	-	-	-		-
Other Gains		2,561	-	-	52	52	-	52	#DIV/0!	-
Discontinued Operations		-	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		783,231	888,166	907,521	62,075	766,047	907,521	-141,475	-16%	907,521

Appendix L: Conditional Grants Received: Excluding MIG

GRANT	TOTAL ALLOCATION
MDRG	R 16 967 000.00
MDRG (R&R)	R 22 600 000.00
MDRG (R&R) 2	R 6 500 000.00
INEP	R 28 508 000.00
WSIG	R 9 364 164.21
EEDSM	R 7 000 000.00

Appendix M: Capital Expenditure – New & Upgrade/ Renewal Programmes: Including MIG

Project Title	Appointed Consultant	Appointed Contractor	Budgeted MIG Funds (2024/25)	Current FY - Total Actual Expenditure on MIG funds in the 2024/25 FY	Balance on Allocation
			As per IP		
MIG 1 or PMU					
PMU Management	None	None	R3 988 381,85	R 3 753 466,09	R 234 915,76
Construction of KwaThandeka Main Access Road	BWS Metsi	Mzamo Works	R16 366 545,32	R 16 366 545,32	R 0,01
Design, Supervision and Monitoring of the Sewer Reticulation Network in Amsterdam	Kukhanya Projects (Pty) Ltd	Uhuru JV Dumasibonge (DlabaNdlondlo)	R15 396 441,26	R 15 396 441,26	R 0,00

Installation of Pour Flush Toilets in rural areas of Mkhondo LM	None	Izandla Ziyagezana	R6 151 702,36	R 6 151 702,36	R 0,00
Construction of 3km Bus and Taxi route at Kempville	Mangadi Solutions	Bonginkosiyethu Trading	R15 716 441,95	R 15 716 441,95	R 0,00
Planning, Design and construction supervision of Ethandakuhanya bulk sewer outfall upgrade	ZenkCon Engineers	Zeph Group	R13 322 039,64	R 13 322 039,64	R 0,00
Eradication of water backlog drilling, equipping and electrification of boreholes in rural villages of Mkhondo Local Municipality	TMS Consulting	Makwandokuhle Projects / VMT Pty Ltd	R19 031 447,63	R 19 031 447,63	R 0,00
			R 89 973 000,01	R 89 738 084,24	

Appendix M: Capital Expenditure – New & Upgrade/ Renewal Programmes: Including MIG

Appendix M: Capital Expenditure New Assets Programme

ASSETS CLASSIFICATION TYPES	ADDITIONS
Computer Equipment	342,365.70
Electrical Infrastructure	6,325,601.69
Furniture and Office Equipment	911,212.99
Land	974,060.50
Machinery and Equipment	471,113.93
Sanitation Infrastructure	1,834,323.00
Transport Assets	884,505.75
Water Supply Infrastructure	2,291,919.20
Grand Total	14,035,102.76

APPENDIX N – Capital Programme by Project current year

<i>Project Name</i>	<i>Ward No.</i>	<i>2024/2025 FY Budget</i>	<i>Expenditure</i>	<i>Project Status</i>
Refurbishment of Piet Retief Water Treatment Works	17	R 9 364 164.21	R 9 364 164.21	Construction 27%
Eradication of water backlog drilling, equipping and electrification of boreholes in rural villages of Mkhondo Local Municipality	09,15, & 17	R 18 976 077.00	R 18 976 077.00	Construction 95%
Design, Supervision and Monitoring of the Sewer Reticulation Network in Amsterdam Phase 3	19	R 15 396 440.84	R 15 396 440.84	Construction 68%
Installation of Pour Flush Toilets in rural areas of Mkhondo LM	2,4,6,8, &18	R 6 151 703.00	R 6 151 703.00	Construction 100%
Planning, Design and construction supervision of Ethandakukhanya bulk sewer outfall upgrade	11 &17	R 13 322 039.85	R 13 322 039.85	Construction 41%
Construction of KwaThandeka Main Access Road	5 & 19	R 15 636 588.72	R 15 636 588.72	Construction 100%
Construction of 3km Bus and Taxi route at Kempville	10	R 15 215 342.16	R 15 215 342.16	Construction 90%
Re-gravelling and storm water management for 600m road at ward 17 Welverdiend	17	R4 065 325,70	R4 065 325,70	Construction 100%
Re-gravelling and storm water management for 2km road at ward 8 Dr Pols village	6	R3 634 084,25	R3 634 084,25	Construction 100%
Re-gravelling and storm water management for 1900m x5m road at ward 13 Mangosuthu	13	R 2 745 074.45	R 2 745 074.45	Construction 100%
Re-sealing a 1km of Pretorius street in Harmony Park ward1	1	R6 522 515,60	R6 522 515,60	Construction 100%
Rehabilitation of Bus and Taxi Route in ward 10 Emagadeni eThandakukhanya.	10	R 15 000 000.00	R 15 000 000.00	Construction 100%
Rehabilitation of Internal Street in ward 11 eThandakukanya	11	R 3 000 000.00	R 3 000 000.00	Construction 100%
Re-gravelling 3000m bus and taxi route in Driefontein ward 1	1	R 2 500 000.00	R 2 500 000.00	Construction 100%
Re-gravelling of 2200m bus and taxi route in Driefontein ward 2.	2	R 2 100 000.00	R 2 100 000.00	Construction 100%
Electrification of rural villages 102 households Sqintini and Bazane.	15	R 11 316 587.85	R 11 316 587.85	Construction 100%
Design and Electrification of	9	R 3 758 757.99	R 3 758	Construction

rural villages ward 9 (92 Connections)			757.99	64%
Electrical Infrastructure upgrade of 11kv Amsterdam Switching station from 1.9MVA to 10MVA and associated OHM Network.	18	R 14 358 298.95	R 14 358 298.95	Construction 24%
Harmony Park 11kv T3 RMU	14	R 1 000 000.00	R 1 000 000.00	Construction: 100%
Ajax Line 11kv T4 RMU Switchgear	7	R 1 000 000.00	R 1 000 000.00	Construction: 100%
Salinga Road (Body builders) 11kv T3 RMU	7	R 1 000 000.00	R 1 000 000.00	Construction: 100%
Kempville Combined School 11kv T3 RMU	10	R 1 000 000.00	R 1 000 000.00	Construction: 100%
Luneburg Street 11kv Switching Station	7	R 2 000 000.00	R 2 000 000.00	Construction: 100%
Ward 7: Engelbrecht Substation	7	R 500 000.00	R 500 000.00	Construction: 100%
Retrofitting of 250W HPS and Mercury Viper Street lights with 100W LED Streetlights including High mast lights from 400W to 200W	07,08,14,10,12, &18	R 7 000 000.00	R 7 000 000.00	Installation 100%

Appendix O: Capital Programme by project by Ward current year

<i>Project Name</i>	<i>Ward No.</i>	<i>Project Status</i>
Refurbishment of Piet Retief Water Treatment Works	17	Construction 27%
Eradication of water backlog drilling, equipping and electrification of boreholes in rural villages of Mkhondo Local Municipality	09,15, & 17	Construction 95%
Design, Supervision and Monitoring of the Sewer Reticulation Network in Amsterdam Phase 3	19	Construction 68%
Installation of Pour Flush Toilets in rural areas of Mkhondo LM	2,4,6,8, &18	Construction 100%
Planning, Design and construction supervision of Ethandakukhanya bulk sewer outfall upgrade	11 &17	Construction 41%
Construction of KwaThandeka Main Access Road	5 & 19	Construction 100%
Construction of 3km Bus and Taxi route at Kempville	10	Construction 90%
Re-gravelling and storm water management for 600m road at ward 17 Welverdiend	17	Construction 100%
Re-gravelling and storm water management for 2km road at ward 8 Dr Pols village	6	Construction 100%
Re-gravelling and storm water management for 1900m x5m road at ward 13 Mangosuthu	13	Construction 100%
Re-sealing a 1km of Pretorius street in Harmony Park ward1	1	Construction 100%
Rehabilitation of Bus and Taxi Route in ward 10 Emagadeni eThandakukhanya.	10	Construction 100%
Rehabilitation of Internal Street in ward 11 eThandakukanya	11	Construction 100%
Re-gravelling 3000m bus and taxi route in Driefontein ward 1	1	Construction 100%
Re-gravelling of 2200m bus and taxi route in Driefontein ward 2.	2	Construction 100%
Electrification of rural villages 102 households Sqintini and Bazane.	15	Construction 100%
Design and Electrification of rural villages ward 9 (92 Connections)	9	Construction 64%
Electrical Infrastructure upgrade of 11kv Amsterdam Switching station from 1.9MVA to 10MVA and associated OHM Network.	18	Construction 24%
Harmony Park 11kv T3 RMU	14	Construction: 100%
Ajax Line 11kv T4 RMU Switchgear	7	Construction: 100%
Salinga Road (Body builders) 11kv T3 RMU	7	Construction: 100%

Kempville Combined School 11kv T3 RMU	10	Construction: 100%
Lunenburg Street 11kv Switching Station	7	Construction: 100%
Ward 7: Engelbrecht Substation	7	Construction: 100%
Retrofitting of 250W HPS and Mercury Viper Street lights with 100W LED Streetlights including High mast lights from 400W to 200W	07,08,14,10,12, &18	Installation 100%

Appendix P: Service Connection Backlogs at Schools and Clinics

Appendix Q: Service Backlogs Experienced by the Community where another Sphere of Government is Responsible for Service Provision

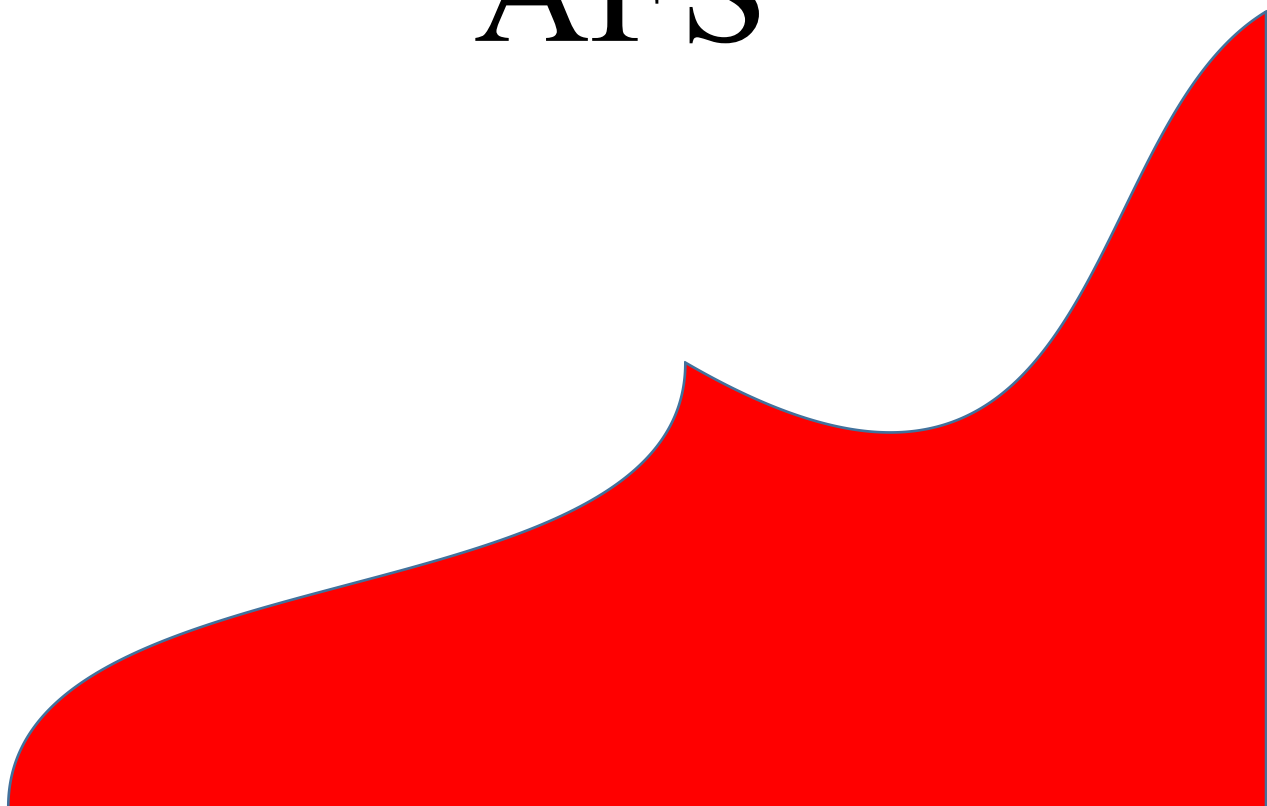
Appendix R: Declaration of Loans and Grants Made by the Municipality

Appendix S: Declaration of Returns not Made in due Time under MFMA s71

Appendix T: National and Provincial Outcome for local government



AFS



APPENDIX B: COMMITTEE & COMMITTEE PURPOSE SECTION 80

CORPORATE SECTION 80

DATE	MONTH	YEAR	STATUS
11	JULY	2024	FULLY ATTENDED MEETING
15	AUGUST	2024	LEAVE OF ABSENCE Councillor S P Mkhwanazi
16	SEPTEMBER	2024	FULLY ATTENDED MEETING
18	OCTOBER	2024	ABSENT Councillor M Z Thomo Councillor J M Nkosi
18	NOVEMBER	2024	FULLY ATTENDED MEETING
15	JANUARY	2025	ABSENT Councillor B A Dlamini
12	FEBRUARY	2025	LEAVE OF ABSENCE Councillor B A Dlamini ABSENT Councillor S P Mkhwanazi
13	MARCH	2025	ABSENT Councillor S P Mkhwanazi
15	APRIL	2025	ABSENT Councillor S P Mkhwanazi Councillor J M Nkosi
19	MAY	2025	FULLY ATTENDED MEETING
13	JUNE	2025	ABSENT Councillor B A Dlamini Councillor S P Mkhwanazi

COMM & FORESTRY SECTION 80

DATE	MONTH	YEAR	STATUS
18	JULY	2024	ABSENT Councillor V S Hlophe
14	AUGUST	2024	FULLY ATTENDED MEETING
30	SEPTEMBER	2024	FULLY ATTENDED MEETING
16	OCTOBER	2024	FULLY ATTENDED MEETING

19	NOVEMBER	2024	LEAVE OF ABSENCE Councillor T W Tshandu
16	JANUARY	2025	FULLY ATTENDED MEETING
14	FEBRUARY	2025	FULLY ATTENDED MEETING
14	MARCH	2025	FULLY ATTENDED MEETING
15	APRIL	2025	LEAVE OF ABSENCE Councillor S M Shoba ABSENT Councillor V S Hlophe
12	JUNE	2025	LEAVE OF ABSENCE Councillor V S Hlophe

PLANNING SECTION 80

DATE	MONTH	YEAR	STATUS
12	JULY	2024	FULLY ATTENDED MEETING
13	AUGUST	2024	FULLY ATTENDED MEETING
18	SEPTEMBER	2024	FULLY ATTENDED MEETING
15	OCTOBER	2024	FULLY ATTENDED MEETING
19	NOVEMBER	2024	FULLY ATTENDED MEETING
14	JANUARY	2025	LEAVE OF ABSENCE Councillor M S Ngwenya
12	FEBRUARY	2025	FULLY ATTENDED MEETING
13	MARCH	2025	LEAVE OF ABSENCE Councillor N D Sangweni Councillor N N Zulu
10	APRIL	2025	FULLY ATTENDED MEETING
19	MAY	2025	FULLY ATTENDED MEETING
19	JUNE	2025	LEAVE OF ABSENCE Councillor N N Zulu

TECHNICAL SECTION 80

DATE	MONTH	YEAR	STATUS
17	JULY	2024	FULLY ATTENDED MEETING
14	AUGUST	2024	FULLY ATTENDED MEETING
16	SEPTEMBER	2024	FULLY ATTENDED MEETING
15	OCTOBER	2024	LEAVE OF ABSENCE Councillor S J Methula
19	NOVEMBER	2024	FULLY ATTENDED MEETING
14	JANUARY	2025	FULLY ATTENDED MEETING
13	FEBRUARY	2025	FULLY ATTENDED MEETING
13	MARCH	2025	FULLY ATTENDED MEETING
14	APRIL	2025	LEAVE OF ABSENCE Councillor J M Nkosi
15	MAY	2025	FULLY ATTENDED MEETING
10	JUNE	2025	LEAVE OF ABSENCE Councillor D M Ntshakala Councillor H W Weber

FINANCE SECTION 80

DATE	MONTH	YEAR	STATUS
16	JULY	2024	LEAVE OF ABSENCE Councillor T M Qwabi
14	AUGUST	2024	FULLY ATTENDED MEETING
19	SEPTEMBER	2024	FULLY ATTENDED MEETING
16	OCTOBER	2024	LEAVE OF ABSENCE Councillor T M Qwabi

19	NOVEMBER	2024	LEAVE OF ABSENCE Councillor T M Qwabi
15	JANUARY	2025	LEAVE OF ABSENCE Councillor J L I Brussow
12	FEBRUARY	2025	FULLY ATTENDED MEETING
14	MARCH	2025	FULLY ATTENDED MEETING
15	APRIL	2025	FULLY ATTENDED MEETING
16	MAY	2025	FULLY ATTENDED MEETING
12	JUNE	2025	FULLY ATTENDED MEETING

SECTION 79 COMMITTEES

PLANNING SECTION 79

DATE	MONTH	YEAR	STATUS
31	OCTOBER	2024	ABSENT Councillor L L Ngubeni
11	JUNE	2025	LEAVE OF ABSENCE Councillor T M Qwabi Councillor S M Shoba

COMMUNITY SECTION 79

DATE	MONTH	YEAR	STATUS
27	AUGUST	2024	FULLY ATTENDED MEETING
27	NOVEMBER	2024	FULLY ATTENDED MEETING
27	MAY	2025	ABSENT Councillor D W Nkosi

CORPORATE SECTION 79

DATE	MONTH	YEAR	STATUS
28	AUGUST	2024	LEAVE OF ABSENCE Councillor N G Gwebu
27	MAY	2025	LEAVE OF ABSENCE Councillor D W Nkosi

TECHNICAL SECTION 79

DATE	MONTH	YEAR	STATUS
04	JULY	2024	FULLY ATTENDED MEETING
30	JUNE	2025	FULLY ATTENDED MEETING

FINANCE SECTION 79

DATE	MONTH	YEAR	STATUS
17	SEPTEMBER	2024	FULLY ATTENDED MEETING
27	MAY	2025	FULLY ATTENDED MEETING
13	JUNE	2025	FULLY ATTENDED MEETING

MPAC

DATE	MONTH	YEAR	STATUS
18	JULY	2024	ABSENT Councillor N G Gwebu
19	AUGUST	2024	LEAVE OF ABSENCE Councillor N G Gwebu Councillor S J Methula
30	SEPTEMBER	2024	ABSENT Councillor V S Hlophe
15	OCTOBER	2024	LEAVE OF ABSENCE Councillor M N Mbatha

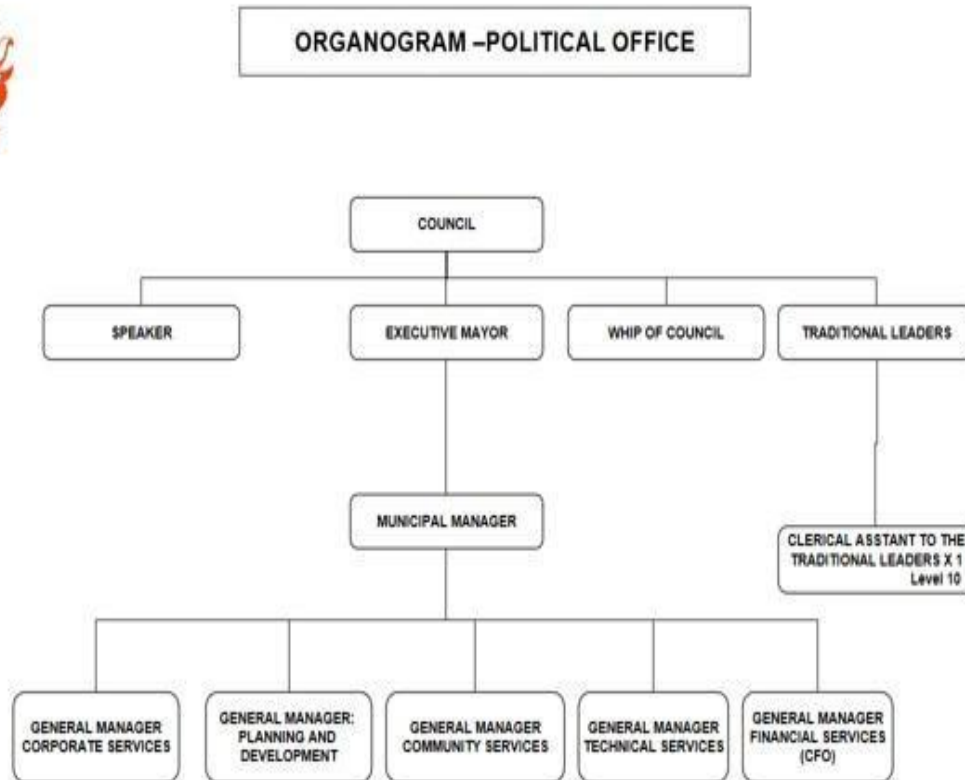
18	OCTOBER	2024	LEAVE OF ABSENCE Councillor S J Methula ABSENT Councillor V S Hlophe
01 <i>Site visit</i>	NOVEMBER	2024	FULLY ATTENDED
25	NOVEMBER	2024	LEAVE OF ABSENCE Councillor N G Gwebu Councillor M J Dlamini Councillor V S Hlophe

04	DECEMBER	2024	FULLY ATTENDED
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22	JANUARY	2025	LEAVE OF ABSENCE Councillor D M Ntshakala Councillor J R Sibiya ABSENT Councillor M N Mbatha Councillor V S Hlophe
20	FEBRUARY	2025	LEAVE OF ABSENCE Councillor N G Gwebu Councillor S J Methula
10	MARCH	2025	LEAVE OF ABSENCE Councillor B E Maisela Councillor N G Gwebu ABSENT Councillor V S Hlophe
11	MARCH	2025	LEAVE OF ABSENCE Councillor S J Methula ABSENT Councillor N G Gwebu Councillor V S Hlophe
12	MARCH	2025	LEAVE OF ABSENCE Councillor M N Mbatha Councillor S J Methula ABSENT Councillor N G Gwebu Councillor V S Hlophe

18	MARCH	2025	LEAVE OF ABSENCE Councillor M N Mbatha Councillor N G Gwebu Councillor V S Hlophe
23	APRIL	2025	FULLY ATTENDED
12 <i>Fleet oversight</i>	MAY	2025	LEAVE OF ABSENCE Councillor M N Mbatha Councillor M S Lukhele Councillor V S Hlophe
15	MAY	2025	LEAVE OF ABSENCE Councillor M N Mbatha Councillor B E Maisela ABSENT Councillor N G Gwebu
26	MAY	2025	LEAVE OF ABSENCE Councillor M S Lukhele Councillor B E Maisela
27	MAY	2025	LEAVE OF ABSENCE Councillor J M Nkosi
02	JUNE	2025	LEAVE OF ABSENCE Councillor D M Ntshakala Councillor S J Methula
23	JUNE	2025	LEAVE OF ABSENCE Councillor N G Gwebu Councillor B E Maisela Councillor S J Methula Councillor V S Hlophe

APPENDIX C: Third Tier Administrative structure



APPENDIX D: Functions of Municipality/Entity

FORESTRY MANAGEMENT UNIT

This section outlines the operational activities of the Forestry Division for the 2024/2025 financial year. It summarises the key achievements realised during the reporting period, as well as the major challenges that influenced performance outcomes. The Division continued to focus on sustainable forest management, risk mitigation, and protection of municipal forestry assets despite significant environmental and operational constraints.

2. RE-ESTABLISHMENT OF TEMPORARY UNPLANTED AREAS

The Division made considerable progress in reducing temporary unplanted areas; however, the severe storm of November 2024 posed a major setback. The storm caused extensive damage to young pine stands, affecting 175.7 hectares, all of which

had to be clear-felled. This event significantly increased the extent of unplanted areas. Additionally, 26.2 hectares were destroyed by fire during the same period. All affected areas have been cleared and scheduled for re-establishment in the 2025/2026 financial year.

During the 2024/2025 reporting cycle, only 4.9 hectares were successfully reestablished through wattle line spacing. Although this represents a reduced planting programme, several external factors contributed to the limited implementation capacity:

The November 2024 storm diverted critical resources and manpower towards urgent recovery operations, including the clearing of wind-thrown trees along internal roads and within compartments.

The absence of an appointed silviculture service provider restricted the Division's ability to undertake large-scale planting activities as planned.

Despite these limitations, the Division prioritised risk reduction, long-term sustainability, and the safeguarding of existing forestry assets. These strategic decisions place the Division in a more favourable position to strengthen reestablishment efforts in the upcoming financial year.

3. HARVESTING AND GENERATED REVENUE

Beyond harvesting storm-affected young pine areas, the Division also undertook harvesting in compartments repeatedly damaged by intentional fires started by community members. To prevent further timber loss and stabilise high-risk areas, these compartments—totalling 118.05 hectares—were clearfelled prior to the storm, with operations commencing in March 2025. The affected areas will undergo a species change during the next planting season to improve resilience and reduce future vulnerability.

For the 2024/2025 financial year, timber sales generated a total revenue of R3 127 541.63.

4. FOREST PROTECTION

The plantation's geographic setting exposes it to elevated fire danger beginning in May, with peak risk occurring between July and September, and occasionally extending into October. During these months, low humidity, dry winds, and accumulated fuel loads—particularly in temporary unplanted areas—create conditions conducive to fast-spreading fires.

Fire risks are further amplified by the plantation's unfenced boundaries, which border nearby communities and allow uncontrolled access. Activities such as honey hunting and illegal timber extraction are known ignition sources that increase the likelihood of wildfires.

To address these threats, the Division continued to implement a proactive and structured fire-management programme. All fire breaks were prepared and burned within the approved window. For the 2024/2025 season, internal and external fire breaks were completed early, first in July 2024 and again in June 2025. Fire break widths and configurations were determined through risk assessments, with heightened focus on perimeter compartments to limit the spread of fires onto neighbouring properties. Newly planted and high-risk compartments received additional attention to ensure adequate protection.

Despite these efforts, the 2024/2025 fire season was particularly severe nationwide, and the municipal plantation experienced similar impacts. Approximately 26.2 hectares were lost to wildfire and were subsequently clearfelled due to the extent of the damage.

5. IN SUMMARY

The 2024/2025 financial year was challenging for the Forestry Division due to severe storm damage, persistent fire risks, and limited operational capacity. Despite these setbacks, the Division successfully safeguarded key forestry assets, cleared affected areas, generated revenue through targeted harvesting, and strengthened fire-protection measures. While re-establishment progress was limited, the groundwork laid during this period positions the Division to accelerate planting and restoration efforts in 2025/2026.

The Division remains committed to sustainable plantation management and improving resilience against future environmental risks.

APPENDIX E: WARD REPORTING

COMPONENT: PUBLIC ACCOUNTABILITY AND PARTICIPATION

PARTICIPATION AND FORUMS

Council and council committees meeting conducted 2024-2025

Council and council committee meeting conducted 2024-2025			
No.	Council and council committee	Number of meetings planned	Number of Meeting Held
1.	Council	09	16
2.	Mayoral Committee	12	11
3.	Section 80 Committees		
	Corporate Services	12	11
	Financial Services	12	11
	Technical Services	12	11
	Community Services	12	10
	Planning and Economic Development	12	11
4.	Section 79 Committees		
	Corporate Services	4	2
	Financial Services	4	2
	Technical Services	4	3
	Community Services	4	3
Council and council committee meeting conducted 2024-2025			
No.	Council and council committee	Number of meetings planned	Number of Meeting Held
	Planning and Economic Development	4	2
5.	Municipal Public Account Committee - MPAC		
	Section 79A- MPAC	12	20

APPENDIX F: WARD INFORMATION

WARD/ PUBLIC MEETINGS

The role of ward committees is to enhance participatory local governance and development within the Municipality. There has been a widely observed commitment in Mkhondo to participatory governance within both government and civil society, which has been given legal standing and encouragement through the Municipality's key performance areas such as *Putting People First* and giving feedback to communities and stakeholders. All nineteen (19) Ward Committees have been the focus of considerable attention by government as well as civil society, with substantial investment already made in an attempt to ensure that these structures have the necessary capacity and resources required for them to fulfil their envisaged roles as the "voice" of communities.

These Ward Committees provided a channel for public participation and communication for the community and served as a link between the community and Council. The Municipality has an intensive community consultation process that is done at a ward level in line with the community-based planning approach. This process stimulates participatory governance by affording community members a fair opportunity to deliberate on issues affecting them in their respective wards. Furthermore, this approach was implemented to inevitably include the local community in decision-making, planning and generally allowing them to play an active part in their own development. To facilitate this community consultation process, 19 Ward Committees consist of 10 members and are chaired by respective Ward Councillors. The Ward Councillor ensures that the interests of all members of community in the ward are presented in Council.

Ward committee and community meeting 2024-2025

Ward number	Community meeting planned	Community meeting conducted	Ward committee meeting planned	Ward committee meeting conducted
Ward 1	4	5	12	9

Ward number	Community meeting planned	Community meeting conducted	Ward committee meeting planned	Ward committee meeting conducted
Ward 2	4	12	12	12
Ward 3	4	4	12	11
Ward 4	4	3	12	10
Ward 5	4	2	12	11
Ward 6	4	4	12	10
Ward 7	4	1	12	12
Ward 8	4	9	12	12
Ward 9	4	9	12	12
Ward 10	4	3	12	12
Ward 11	4	3	12	12
Ward 12	4	4	12	11
Ward 13	4	7	12	12
Ward 14	4	3	12	8
Ward 15	4	5	12	12
Ward 16	4	5	12	11
Ward 17	4	3	12	10
Ward 18	4	7	12	12
Ward 19	4	1	12	10

APPENDIX G: Internal Audit Committee Report 24/25

PURPOSE

It is an honour for us to present the third quarter report of the Audit, Risk and Performance Committee for the period ending 30 June 2025 to the Council of Mkhondo Local Municipality. It is our objective and plan to work with the Council, Management and other Stakeholders in service of our people of Mkhondo Local Municipality. The purpose of this report is to provide the Council with an update regarding the activities carried out by the Audit, Risk and Performance Committee for the third quarter of the financial year ending 30 June 2025. The report should serve as a tool to enable Council to take resolutions and corrective actions on areas where the Audit and Performance Committee has made recommendations at the meeting held on 30th September 2025, as this report articulate clearly the findings in terms of all the factual observations, weaknesses and discrepancies identified as well as practical recommendations to improve performance and add value.

2. BACKGROUND

Section 166 of the Municipal Finance Management Act (MFMA) clearly states that each Municipality to have an Audit, Risk and Performance Committee. The Audit Committee is an independent advisory body that advises Council, Political Office Bearers, Accounting Officer, and staff of the Municipality on the following:

Internal financial control and internal audits;

Risk Management;

Accounting Policies;

The adequacy, reliability, and accuracy of financial reporting and information;

Performance Management

Effective Governance;

Compliance with the MFMA, the annual Division of Revenue Act (DORA) and any other applicable legislation;

Performance Evaluation;

Any other issues referred to by the municipality.

Review Annual Financial statements so as to provide authoritative and credible view of the financial position, on overall compliance with MFMA, DORA, etc.

Respond to Council on any matter raised by the Auditor-General (AGSA);

Carry out such investigations into financial affairs of the municipality as may be prescribed from time to time

3. ATTENDANCE OF MEETINGS

The Audit Committee would like to extend their appreciation to the Municipal Manager, Mr. MJ Mkhonza and his management team for their commitment to the serve the community of Mkhondo Local Municipality.

The attendance of Audit Committee meetings is indicated below:

Legends

✓ - Member present: X - Apology from member:

Type of meeting	Date	Mr. T Gafane- Chairperson	Adv J C Weapond- AC Member	Mr N Baloyi- AC Member	Ms. Nchabeleng MF – AC Member
Ordinary Audit & Performance Audit Committee Meeting	30th September 2025	✓	✓	✓	✓

Other Committees

Type of meeting	Date	Adv J C Weapond Chairperson	-
Risk Management Unti-Fraud and Unti-Corruption Committee Meeting	03th September 2025	✓	

For Management the AC received apologies from Ms. W. Mahlangu (GM Corporate Services) and Ms. Z. Mthethwa (GM Community Services).

The Audit Committee extended their condolences for the sad loss of the MMC for Community Service and an Electrician from Technical Services.

6. IMPLEMENTATION OF AUDIT COMMITTEE RESOLUTIONS

We are satisfied with the implementation of Audit Committee resolutions by Management for the 4th quarter, which is currently at 68% implementation which is an improvement as compared with the previous quarter performance.

7. INTERNAL AUDIT

The Chief Audit Executive (CAE) presented several documents for noting and approval, including:

2024/25 Internal Audit Quality Assurance Action Plan: Approximately 50% of the issues have been addressed, with pending items requiring "financial muscle". The AC was informed that quality assurance is funded by National Treasury, cascaded to Provincial Treasury. The municipality will write to them to initiate an external review, but first, verification that all items in the action plan are addressed is needed.

The following report was presented for the quarter:

Key observations by Internal Audit for the quarter under review:

Audit Areas	Key Findings	Impact Rating (H,M,L)	Overall Audit Committee Recommendation.
2024/25 Internal Audit Employee Physical Verification Report:	1. Employees were given ample time to verify themselves to ensure no "Gulf employee" was on the payroll	H	Employees who did not come for physical verification will have their salaries frozen. The process of employee physical verification will be finalised by the end of November 2025.

The Audit Committee encouraged the management to prioritise implementation of internal audit findings. Audit Committee resolution register progress:

Members raised concerns regarding two main issues:

Overtime Management: This is still an issue, and management must find a strategy to manage the process. Management indicated overtime is limited to 20 hours per month unless there are exceptional circumstances requiring a specific report.

o Resolution: Overtime needs to be monitored to ensure accountability and management, with the intent to reduce overtime. Debt Write-Off and Impairment: Members were concerned about the status of the reconciliation. Management explained that only bad debt for late estates has been written off as unrecoverable, and the municipality is in the process of opening new accounts for new occupants. The next phase will target indigent households in line with policy.

- The Audit Committee was satisfied with the performance of the unit for the quarter under review.

6 RISK MANAGEMENT

The Audit Committee has noted and accepted the report by the Risk Management Anti-fraud and Anti-corruption Committee for the quarter (See Attached Annexure A)

The following critical dominant risks were observed by the RMFPC: Inability to pay Eskom.

Insufficient revenue collection at the municipality.

Un-insured municipal forest (assets).

Unable to pay creditors on time.

Operational cost that exceeds revenue collection.

Unfunded retain risk.

Escalating overtime and standby allowance payment.

7 TECHNICAL SERVICES & INFRASTRUCTURE

The General Manager for Technical Services presented the Quarter 4 report. The committee expressed concern that the Soul Mkhize village area is not being metered, which prevents the municipality from receiving revenue.

- Management Response: Metering all areas in Soul Mkhize village is part of the municipality's water conservation strategy which will be implemented in the current financial year.

8. PERFORMANCE MANAGEMENT OVERVIEW

Performance Management System (PMS) Reports the Committee reviewed the PMS reports presented by the Chief Audit Executive (CAE) and the PMS Manager. Management, with the support of the Performance Committee Chairperson, were able to conduct performance assessments.

Community Services – Timber Theft Incident the General Manager provided a feedback report on the timber theft incident. A case has been opened with the South African Police Service (SAPS), and suspects have been apprehended. However, they have since been released on bail.

The Committee expressed concern over the slow progress of the investigation by SAPS and recommends continued follow-up to ensure accountability and resolution.

Recommendations

Performance Management System (PMS)

Management, in collaboration with the PMS Chairperson, should urgently fast-track the completion of General Managers' performance assessments for the current financial year. A revised timeline should be developed and monitored to ensure timely completion and submission of outstanding assessments. The PMS team should provide monthly progress updates to the Audit

Committee until the process is fully up to date.

Community Services – Timber Theft

The General Manager should continue to engage with SAPS and escalate the matter through appropriate channels to ensure progress in the investigation. A follow-up report should be submitted to the Committee detailing: The current status of the case, any actions taken by SAPS, Measures implemented to prevent future incidents. Consideration should be given to strengthening internal controls and security measures around timber resources to mitigate the risk of theft.

9. FINANCIAL MANAGEMENT OVERVIEW

The Chief Financial Officer presented the Finance reports. The committee expressed serious concerns regarding several matters, and management provided the following responses:

Debt Collection: The municipality uses service providers for debt collection but is unhappy with their performance. Their invoices will be subject to internal audit. The municipality is not collecting enough and has not implemented the funding plan.

Senior Management Salaries: These are part of the total salary bill, but a system correction is needed to reflect them separately.

Irregular Expenditure: The expenditure related to Foloji is irregular for the current financial year because the tender was not advertised for the minimum required period. The matter should be dealt with as per the requirement of section 32 of the MFMA.

Disconnection Report:

Resolution: Management agreed that a comprehensive report regarding the disconnection will be presented in the next meeting.

Resolution Register and Overtime Management

Members raised concerns regarding two main issues:

Overtime Management: This is still an issue, and management must find a strategy to manage the process. Management indicated overtime is limited to 20 hours per month unless there are exceptional circumstances requiring a specific report.

Resolution: Overtime needs to be monitored to ensure accountability and management, with the intent to reduce overtime.

Debt Write-Off and Impairment: Members were concerned about the status of the reconciliation. Management explained that only bad debt for late estates has been written off as unrecoverable, and the municipality is in the process of opening new accounts for new occupants. The next phase will target indigent households in line with policy.

RECOMMENDATIONS FOR IMPROVEMENT

Cash Flow Variances

Recommendation: Conduct a thorough variance analysis to identify the root causes of the 91% discrepancy in transfers and subsidies. Implement tighter budget monitoring and reporting controls to prevent future anomalies.

Remuneration of Councillors

Recommendation: Expedite the finalization of councillor remuneration processes and provide a clear timeline and progress report to the committee.

Debtors Age Analysis

Management should develop and present to Finance portfolio and Audit Committee a detailed and upto-date age analysis of debtors at each committee meeting. Include trends and recovery strategies.

Eskom and DWS Credit Analysis

Prepare a comprehensive credit risk report on Eskom and DWS accounts, including payment history, current balances, and proposed repayment plans.

Debtors Reconciliation

Reconcile all handed-over and deceased debtor accounts. Provide a summary of actions taken and outstanding issues.

Fuel Management

Implement stricter fuel usage controls and monitoring systems. Submit monthly fuel usage reports with variance explanations.

Unnamed Prepaid Meters

Conduct an audit of all prepaid meters and ensure proper registration and linkage to customer accounts.

Provide a report on progress and unresolved cases.

Creditors and 30-Day Payment Policy

Review and align creditor payment practices with the 30-day policy. Provide explanations for exceptions, especially for Eskom and the Auditor-General.

Deviation Report

Ensure all required reports, including the deviation report, are attached to future submissions. Establish a checklist to prevent omissions.

Debt Collector Progress

Request the debt collector to present a detailed performance report, including collections made, challenges faced, and future plans.

Overtime Expenditure

Review and justify overtime payments. Consider implementing a cap or approval process to manage and reduce excessive overtime costs.

10. CORPORATE SERVICES REPORT

Labour Relations

The General Manager presented the fourth quarter report on labour relations cases for the municipality.

Audit Committee Comments:

A concern was raised regarding inconsistency in case outcomes: two similar cases resulted in different decisions—one dismissal and one appeal.

The committee emphasized that management must apply consistent disciplinary measures across all cases to ensure fairness and credibility.

Legal Services

The Senior Manager: Legal Services presented the third quarter report on the litigation register.

Key Points: Two cases were removed from the register due to changes in municipal management.

These matters will now be reinstated on the litigation register under the new municipal manager.

RECOMMENDATIONS FOR IMPROVEMENTS

Labour Relations

Ensure Consistency in Disciplinary Actions

Management should develop and adhere to clear guidelines for handling labour relation cases to ensure consistent outcomes, especially in cases with similar circumstances.

Review and Update Disciplinary Policies

Conduct a policy review to identify gaps or ambiguities that may lead to inconsistent decisions. Update policies to reflect best practices and legal standards.

Training for HR and Line Managers

Provide regular training on labour law, internal policies, and fair disciplinary procedures to ensure uniform application across departments.

Establish a Case Review Panel

Consider forming a panel to review complex or borderline cases before final decisions are made, to promote fairness and consistency.

Legal Services

Maintain an Accurate Litigation Register

Ensure that all active and relevant cases are properly recorded and updated on the Litigation Register, including those affected by changes in municipal leadership.

Clarify Case Ownership During Leadership Transitions

Develop a protocol for handling legal matters during transitions in municipal management to avoid delays or omissions in the register.

Regular Audits of Legal Records

Conduct quarterly audits of the Litigation Register to verify accuracy and completeness, and to ensure timely updates.

11. AUDIT ACTION PLAN 2024/25

The Audit Committee advised management to prioritise issues that could impact the audit report for the 2024/25 financial year.

11. IT GOVERNANCE

The Audit Committee did not consider the ICT report for the quarter. The committee advised that the following IT risk be assessed:

Ensure that all calls that were logged with system vendors were successfully resolved within the agreed Service Level Agreement times.

Testing of data and systems to ensure that they are secured against anti-virus, firewalls, email security.

Ensure regular testing of backups and security systems.

10. HUMAN RESOURCE MANAGEMENT

No report was considered for the quarter.

12. OVERALL OBSERVATION AND CONCLUSION

The Audit Committee is satisfied with the overall state of governance, financial management, and operational functioning of the municipality. No material or significant concerns have been brought to the

Committee's attention through Internal Audit reports or engagements with the Internal Audit unit, the Accounting Officer, Management, or other oversight structures that could negatively impact the municipality or hinder its progress in implementing recommended actions.

The Committee commends the Mkhondo Municipality for successfully concluding the previous financial year in full compliance with all applicable processes and procedures. The timely submission of both the Annual Financial Statements (AFS) and the Annual Report demonstrate a strong commitment to sound governance and accountability. Notably, Mkhondo was among the municipalities that submitted their financial statements and supporting documentation to the Auditor-General within the required deadlines.

A significant milestone was achieved this quarter with the municipality now having a complete team of Section 54A and 56 managers for the first time in a considerable period. This strengthened leadership structure is expected to improve operational efficiency and enhance strategic implementation. Currently, the Municipal Manager (MM) and one General Manager are serving on contract, while the remaining senior managers hold permanent appointments.

During the reporting period, the municipality experienced a minor public disturbance in the Themba Labasha area, stemming from the

enforcement of credit control measures—specifically, the disconnection of services due to non-payment. The matter was resolved amicably through constructive engagement with the affected community, resulting in a consensus that upheld fairness and transparency.

On the financial front, the municipality recorded a modest improvement in revenue collection, with June 2025 figures reaching 84%. This upward trend is attributed to ongoing revenue enhancement initiatives, which continue to be a strategic priority for the administration.

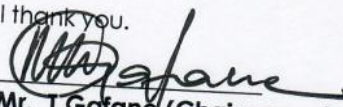
We extend our sincere appreciation to the Municipal Manager, Mr. MJ Mkhonza, for his unwavering support and decisive leadership. His commitment and accountability continue to set a high standard for municipal governance.

We also wish to acknowledge the exceptional administrative and secretariat support provided by the

Internal Audit team, under the leadership of Mr. AB Ngcobo. Their dedication to coordinating Audit Committee activities and producing high-quality minutes and reports is commendable and deeply appreciated.

Furthermore, the Committee recognizes the collaborative efforts of the entire management team. Their collective support has been instrumental in enabling the Committee to effectively discharge its responsibilities as mandated by Council.

In conclusion, the Audit Committee is confident that the municipality is, in all material respects, well positioned to partially achieve its set objectives as outlined in the Service Delivery and Budget Implementation Plan. We are optimistic about the municipality's potential to maintain its audit outcomes in the 2024/25 financial year.

I thank you.

Mr. T Gafane (Chairperson)
On Behalf of the Audit Committee

Appendix H: Long term Contracts and Public Private Partnership

NO	TENDER NUMBER	TENDER NAME	DURATION	DATE AWARDED	AWARDED TENDER	TENDER AMOUNT
1	MKHO19/2023/24	Appointment of a Reputable Professional Service Provider for Reviews of Annual Financial Statements for Three Years (2023/24-2025/26)	Three Years	11-Jul-24	Shumba Inc.	Rates
2	MKHO20/2023/24	Appointment of a Reputable Professional Service Providers for the Compilation and Maintenance of a GRAP and MSCOA Compliant Fixed Asset Register for a period of Thirty-Six (36) Months	Thirty-Six (36) Months	4-Jul-24	Sempro Consulting	Rates
3	MKHO21/2023/24	Provision of Hygiene Services and Consumables for a period of Twenty-Four (24) Months	Twenty-Four (24) Months	31-Jul-24	EWT Hygiene	Rates
4	MKHO23/2023/24	Appointment of a Reputable Service Provider for Supply and Delivery of Water Reticulation Materials and Equipment for a period of Thirty-Six (36) months on an Ad-Hoc Basis	Thirty-Six (36) Months	28-Aug-24	Sakhumzy Construction	Rates
5	MKHO22/2023/24	Appointment of a Reputable Service Provider for Supply and Delivery of Electrical Materials for a period of Thirty-Six (36) Months on an Ad-Hoc basis	Thirty-Six (36) Months	28-Aug-24	Zeph Group	Rates
6	MKHO18/2023/24(1)	Provision of Electrical Engineering Consultation Services for Electrification of Ward 9 in Mkhondo Local Municipality	Twenty-Four (24) Months	3-Jul-24	IGODA Projects (Pty) Ltd	R379 077,65
7	MKHO18/2023/24(3)	Provision of Electrical Engineering Consultation Services for Upgrading of Amsterdam Substation from 1.9MVA to 10MVA	Twenty-Four (24) Months	3-Jul-24	Kuhlemcebo Engineers (Pty) Ltd	R3 872 062,50
8	MKHO17/2023/24(4)	Provision of Civil Engineering Consultation Services for Eradication of Water Backlog Drilling, Equipping and Electrification of Boreholes in Rural Villages of Mkhondo Local Municipality	Twenty-Four (24) Months	3-Jul-24	TMS Consulting Engineers and Project Management	R7 125 035,61
9	MKHO17/2023/24(6)	Provision of Civil Engineering Consultation Services for the Construction of Steel Pedestrian Bridge at Mafred	Twenty-Four (24) Months	3-Jul-24	ZenkCon Engineers	Not Applicable
10	MKHO26/2023/24	Supply, Delivery, Installation and Maintenance of Emergency Lights and Sirens for Public Safety Department on an Ad-Hoc Basis for a period of Twenty-Four (24) Months	Twenty-Four (24) Months	29-Aug-24	Yaya Lighting and Accessories (pty)ltd	Rates

11	MKHO27/2023/24	Appointment for Inclusion in the Panel of Service Providers for Plant and Equipment Hire Services on a wet rate for a period of Twenty-Four (24) Months on an Ad-Hoc Basis	Twenty-Four (24) Months	02-Oct-24	Pelepele Investments (Pty) Ltd, Duu Bee Enterprises (Pty) Ltd, MlungisiMthobisi Building and Renovation, Xolandile Projects (Pty) Ltd, Rolfs Towing (Pty) Ltd, Huddy and Sons Civil Contractors, XB Construction CC, Ekene Investments CC, Andilamangema Construction and Projects, Spinks Trading CC, Zembeleni Transport and Projects CC, Aqua Transport and Plant Hire (Pty) Ltd	Rates
12	MKHO17/2023/24(7)	Provision of Civil Engineering Services for Refurbishment of Piet Retief Water Treatment Plant	Twenty-Four (24) Months	29-Jul-24	Kukhanya Project	R4 697 750,00
13	MKHO18/2023/24(4)	Provision of Electrical Engineering Services for the Design and Implementation of Energy Efficiency (EEDSM) Programme	Twelve (12) Months	29-Jul-24	Rock of Africa Engineering and Consulting	R3 900 000.00
14	MKHO01/2024/25	Appointment of a Panel of Attorneys for Provision of Professional Legal Services on an ad-hoc basis for a period of Thirty-Six (36) Months	Thirty-six (36) Months	21-Nov-24	Kgomo and Nsibande Incorporated, Madonsela Mthunzi Inc, QQ Mkhathshwa Incorporated, Dolamo Attorneys Inc, Phiri-Combrink Incorporated, Nkosi Sabelo Incorporated, NG Dlamini Attorneys	Rates
15	MKHO17/2023/24(11)	Provision of Civil Engineering Services for Sewer Reticulation Network in Amsterdam	Twenty-Four (24) Months	2-Oct-24	Khukhanya Projects (pty)ltd	R2 052 750.00
16	MKHO03/2024/25	Appointment of a Reputable Service Provider for the Provision of V.I.P Security Services for a period of Twelve (12) Months (Re-Advert)	Twelve (12) Months	20-Dec-24	Izinjomane Security	Rates
17	MKHO05/2024/25	Appointment of a Reputable and Professional Service Provider for VAT Review and Collection of other Taxes Service for a period of Twelve Months	Twelve (12) Months	09-Oct-24	Maximum Profit Recovery (Pty) Ltd	Rates
18	MKHO04/2024/25	Construction of Bus and Taxi Route at Kempville	Twelve (12) Months	21-Nov-24	Bonginkosi Yethu Trading Enterprise	R27 240 685,74
19	MKHO06/2024/25	Eradication of Water Backlog, Drilling, Equipping and Electrification of Boreholes in Rural Villages of Mkhondo Local Municipality Cluster 3 (Ward 9 and 15)	Twelve (12) Months	08-Nov-24	VMT Civils	R24 123 107,25
20	MKHO08/2024/25	Supply, Delivery and Construction of Pour Flush Toilets in Rural Villages of Mkhondo Local Municipality	Six (06) Months	08-Nov-24	Izandla Ziyagezana Trading	R6 151 702,36
21	MKHO17/2023/24(12)	Provision of Professional Engineering (Civil) Services Including Supervision, And Monitoring Of MDRG (Municipal Disaster Recovery Grant) Projects	Twelve (12) Months	2-Oct-24	Adept Pro (Pty)Ltd	R2 201 000.00
22	MKHO07/2024/25	Construction of eThandukukhanya Bulk Sewer Outfall Upgrade	Thirty-six (36) Months	30-Nov-24	Zeph Group	R83 388 852,67

23	MKHO03/2023/24(1 1)	Re-Gravelling and Stormwater Management for 600m at Ward 17 Ezinkonjaneni (Welverdien)	Three (3) Months	08-Nov-24	Nontabela Group	R2 817 320,72
24	MKHO03/2023/24(1 2)	Re-Gravelling and Stormwater Management for 1900M X 5M Road at Ward 13 Mangosuthu	Three (3) Months	08-Nov-24	Mavakali Tranding	R2 194 824,45
25	MKHO03/2023/24(1 3)	Re-Gravelling and Stormwater Management for 2KM at Ward 8 Maphepheni (Dr.Pols Village)	Three (3) Months	08-Nov-24	Huddy and Sons Civil Contractor	R3 083 834,25
26	MKHO07/2023/24(4)	Rehabilitation & Asphalt Resealing of 1KM Road in Harmony Park Ward 14 (Pretorius Street)	Six (06) Months	08-Nov-24	Bonginkosi Yethu Trading Enterprise JV Stanfamily	R5 972 265,60
27	MKHO09/2024/25	Appointment of a Suitable Service Provider for Harvesting of Various Plantations	Three (3) Months	04-Feb-25	Xolanidile Project (Pty) Ltd	Rates
28	MKHO17/2023/24(1 3)	Provision of Professional Engineering Services (Civil Engineering Consultants) for compilig of the Water & Sanitation Master Plan and Water Services Development Plan (WSDP)	Twelve (12) Months	07-Jan-25	TMS Consulting Engineers and Project Management	R3 817 250,00
29	MKHO09/2024/25 (1)	Refurbishment of Piet Retief Water Treatment Works: Phase 1	Twenty-Four (24) Months	22-Jan-25	Dlaba Ndlondlo	R41 636 396,00
30	MKHO10/2024/25	Supply and Delivery of Water and Wastewater Treatment Chemicals as and when required for a period of Twelve (12) Months	Twelve (12) Months	30-Jan-25	Zamangwane Consultants (Pty) Ltd	Rates
31	MKHO11/2024/25	Appointment of a Panel of Contractors for Electrical (Infrastructure) works for a period of Three Years	Three Years	20-Mar-25	MADZ Electrical, Aqua Tech Solutions, Golden SJ Trading, IGODA Projects, Izinyosi Engineering, NSK Electrical and Construction, Izinjomane Security, Reliant Consulting, VMT Civils, Crystal Engineering (Pty) Ltd, Ravha Trading Enterprise, Mngulwa Consulting Engineers, Ntongande Projects JV Stan Family, KVA EngineeringProjects, Kuhlemcebo Engineers, Zeph Group, MNP Engineering Projects, Business Competitive & Projects, Sthandiwe Ngendalo, Lomakhosi Trading, Makaluya Consulting, Thokomela Trading, Omphile Electrical and Construction	Rates
32	MKHO13/2024/25	Appointment of a Panel (Maximum of Four) for Supply and Delivery of Cleaning Materials as and when Required for a period of Twenty-Four (24) Months	Twenty-Four (24) Months	23-May-25	The 619 Empire (Pty) Ltd, Sesiyakhona Business Enterprise cc , Amandla Okhozi (Pty) Ltd, Vuphi Construction and Transport	Rates
33	MKHO14/2024/25	Appointment of a Panel of SETA (Sector Education and Training Authorities)	Thirty-six (36) Months	28-May-25	Kgolo Institute (Pty) Ltd, Bantubanye Skills, NTG Solutions CC, Mcebo Technologies, Fachs	Rates

		Accredited Training Service Providers on an ad-hoc basis for a period of Thirty-Six (36) Months			Business Consulting and Training, Siyahluma Education Institute	
34	MKHO18/2023/24(5)	Provision of Electrical Engineering Services for the Design and Implementation of Energy Efficiency (EEDSM) Programme	Six (06) Months	25-Apr-25	Rock of Africa Engineering and Consulting	R3 100 000,00
35	MKHO16/2024/25	Supply and Delivery of Materials for Construction of Dignified Sanitation as and when required for a period of Thirty-Six (36) Months in Rural Areas of Mkhondo Local Municipality	Thirty-six (36) Months	20-May-25	Izandla Ziyagezana Trading	Rates
36	MKHO17/2023/24(14)	Provision of Professional Engineering Services (Civil Engineering Consultants) of Amsterdam Bulk Sewer Reticulation and Waste Water Treatment Works Upgrade	Twenty-Four (24) Months	28-May-25	TMS Consulting Engineers and Project Management	R18 549 500,00
37	MKHO11/2024/25(1)	Electrical Infrastructure Upgrade of 11kv Amsterdam Switching Station from 1.9MVA to 10MVA and Associated OHM Network	Twenty-Four (24) Months	30-Apr-25	MADZ Electrical	R33 759 452,84
38	MKHO11/2024/25(2)	Electrification of Ward 9 (92 Connections) in Mkhondo Local Municipality	Twelve (12) Months	30-Apr-25	MNP Engineering Projects	R6 873 365,36
39	MKHO11/2024/25(3)	Request for Replacement of Harmony Park 11KV T3 RMU, Ajax Line 11KV T4 RMU Switchgear, and Salinga Road (Body Builders) 11KV T3 RMU	Three (3) Months	30-Apr-25	Reliant Consulting	R3 000 000,00
40	MKHO11/2024/25(4)	Request for Replacement of Kempville Combined School 11KV T3 RMU, Luneburg Street 11KV Switching Station and Engelbrecht Substation	Three (3) Months	30-Apr-25	Reliant Consulting	R3 500 000,00
41	MKHO18/2024/25	Appointment of Suitable Service Provider(s) for Harvesting of Damaged Pine & Wattle Compartments - Re-Advertisement	Three (3) Months	19-May-25	Dipuworx (Pty) Ltd	Rates
42	MKHO20/2024/25	Supply, Delivery and Commissioning of Microsoft 365 Business Standard Licences to Mkhondo Local Municipality	Once-Off	19-May-25	Munsoft (Pty) Ltd	R962 331,50

APPENDIX J-DISCLOSURE OF FINANCIAL INTEREST

DECLARATION 2024-25 FINANCIAL YEAR

No.	Surname	Name	Designation	FORM A financial Disclosure	FORM B	FORM C	FORM D	Date of
1	Mthethwa	Abigal Zamanyambose	General manager: Community services	YES	YES	YES	YES	01-Jul-24
2	Nkosi	Siphesihle Wiseman	General Manager: Technical Services	YES	YES	YES	YES	01-Jul-24
3	Mahlangu	Wendy Docus	General manager: Corporate services	YES	YES	YES	YES	01-Jul-24
4	Ndhlovu	Ngelosi Christinah	Executive Mayor	YES	YES	YES	YES	01-Jul-24
5	Mkhabela	Mthandeni	MMC Corporate Services	YES	YES	YES	YES	01-Jul-24
6	Khumalo	Thembi E	MMC Planning and Development	YES	YES	YES	YES	01-Jul-24
7	Manana	Thokozani W	MMC Financial Services	YES	YES	YES	YES	01-Jul-24
8	Thwala	M D	MMC Technical Services	YES	YES	YES	YES	01-Jul-24
9	Vilakazi	Walter H	MMC Community Services	YES	YES	YES	YES	01-Jul-24
10	Mkhonza	Mthandeni Joseph	Municipal Manager	YES	YES	YES	YES	03-Feb-25

Appendix M: Capital Expenditure New Assets Programme

ASSETS CLASSIFICATION TYPES	ADDITIONS
Computer Equipment	342,365.70
Electrical Infrastructure	6,325,601.69
Furniture and Office Equipment	911,212.99
Land	974,060.50
Machinery and Equipment	471,113.93
Sanitation Infrastructure	1,834,323.00
Transport Assets	884,505.75
Water Supply Infrastructure	2,291,919.20
Grand Total	14,035,102.76

Appendix M: Capital Expenditure – New & Upgrade/ Renewal Programmes: Including MIG

Project Title	Appointed Consultant	Appointed Contractor	Budgeted MIG Funds (2024/25)	Current FY - Total Actual Expenditure on MIG funds in the 2024/25 FY	Balance on Allocation
			As per IP		
PMU Management	None	None	R3 988 381,85	R 3 753 466,09	R 234 915,76
Construction of KwaThandeka Main Access Road	BWS Metsi	Mzamo Works	R16 366 545,32	R 16 366 545,32	R 0,01
Design, Supervision and Monitoring of the Sewer Reticulation Network in Amsterdam	Kukhanya Projects (Pty) Ltd	Uhuru JV Dumasibonge (DlabaNdlondlo)	R15 396 441,26	R 15 396 441,26	R 0,00
Installation of Pour Flush Toilets in rural areas of Mkhondo LM	None	Izandla Ziyagezana	R6 151 702,36	R 6 151 702,36	R 0,00
Construction of 3km Bus and Taxi route at Kempville	Mangadi Solutions	Bonginkosiyethu Trading	R15 716 441,95	R 15 716 441,95	R 0,00
Planning, Design and construction supervision of Ethandakukhanya bulk sewer outfall upgrade	ZenkCon Engineers	Zeph Group	R13 322 039,64	R 13 322 039,64	R 0,00
Eradication of water backlog drilling, equipping and electrification of boreholes in rural villages of Mkhondo Local Municipality	TMS Consulting	Makwandokuhle Projects / VMT Pty Ltd	R19 031 447,63	R 19 031 447,63	R 0,00
			R 89 973 000,01	R 89 738 084,24	

Project Name	Ward No.	2024/2025 FY Budget	Expenditure	Project Status
Refurbishment of Piet Retief Water Treatment Works	17	R 9 364 164.21	R 9 364 164.21	Construction 27%
Eradication of water backlog drilling, equipping and electrification of boreholes in rural villages of Mkhondo Local Municipality	09,15, & 17	R 18 976 077.00	R 18 976 077.00	Construction 95%
Design, Supervision and Monitoring of the Sewer Reticulation Network in Amsterdam Phase 3	19	R 15 396 440.84	R 15 396 440.84	Construction 68%
Installation of Pour Flush Toilets in rural areas of Mkhondo LM	2,4,6,8, &18	R 6 151 703.00	R 6 151 703.00	Construction 100%
Planning, Design and construction supervision of Ethandakukhanya bulk sewer outfall upgrade	11 &17	R 13 322 039.85	R 13 322 039.85	Construction 41%
Construction of KwaThandeka Main Access Road	5 & 19	R 15 636 588.72	R 15 636 588.72	Construction 100%
Construction of 3km Bus and Taxi route at Kempville	10	R 15 215 342.16	R 15 215 342.16	Construction 90%
Re-gravelling and storm water management for 600m road at ward 17 Welverdiend	17	R4 065 325,70	R4 065 325,70	Construction 100%
Re-gravelling and storm water management for 2km road at ward 8 Dr Pols village	6	R3 634 084,25	R3 634 084,25	Construction 100%
Re-gravelling and storm water management for 1900m x5m road at ward 13 Mangosuthu	13	R 2 745 074.45	R 2 745 074.45	Construction 100%
Re-sealing a 1km of Pretorius street in Harmony Park ward1	1	R6 522 515,60	R6 522 515,60	Construction 100%
Rehabilitation of Bus and Taxi Route in ward 10 Emagadeni eThandakukhanya.	10	R 15 000 000.00	R 15 000 000.00	Construction 100%
Rehabilitation of Internal Street in ward 11 eThandakukanya	11	R 3 000 000.00	R 3 000 000.00	Construction 100%

Re-gravelling 3000m bus and taxi route in Driefontein ward 1	1	R 2 500 000.00	R 2 500 000.00	Construction 100%
Re-gravelling of 2200m bus and taxi route in Driefontein ward 2.	2	R 2 100 000.00	R 2 100 000.00	Construction 100%
Electrification of rural villages 102 households Sqintini and Bazane.	15	R 11 316 587.85	R 11 316 587.85	Construction 100%
Design and Electrification of rural villages ward 9 (92 Connections)	9	R 3 758 757.99	R 3 758 757.99	Construction 64%
Electrical Infrastructure upgrade of 11kv Amsterdam Switching station from 1.9MVA to 10MVA and associated OHM Network.	18	R 14 358 298.95	R 14 358 298.95	Construction 24%
Harmony Park 11kv T3 RMU	14	R 1 000 000.00	R 1 000 000.00	Construction: 100%
Ajax Line 11kv T4 RMU Switchgear	7	R 1 000 000.00	R 1 000 000.00	Construction: 100%
Salinga Road (Body builders) 11kv T3 RMU	7	R 1 000 000.00	R 1 000 000.00	Construction: 100%
Kempville Combined School 11kv T3 RMU	10	R 1 000 000.00	R 1 000 000.00	Construction: 100%
Luneburg Street 11kv Switching Station	7	R 2 000 000.00	R 2 000 000.00	Construction: 100%
Ward 7: Engelbrecht Substation	7	R 500 000.00	R 500 000.00	Construction: 100%
Retrofitting of 250W HPS and Mercury Viper Street lights with 100W LED Streetlights including High mast lights from 400W to 200W	07,08,14,10,12, &18	R 7 000 000.00	R 7 000 000.00	Installation 100%

Appendix K (i): Revenue Collection Performance by Vote

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>Revenue by Vote</u>	1									
Vote 1 - Executive and Council		325,789	345,876	345,876	-	331,488	345,876	-14,388	-4.2%	345,876
Vote 2 - Budget and Treasury Office		106,426	133,152	133,362	11,296	108,935	133,362	-24,428	-18.3%	133,362
Vote 3 - Corporate Services		1,648	1,685	1,885	182	1,466	1,885	-419	-22.2%	1,885
Vote 4 - Planning and Development		1,026	1,521	1,551	191	1,095	1,551	-457	-29.4%	1,551
Vote 5 - Community Services		31,414	35,765	37,016	1,571	19,641	37,016	-17,375	-46.9%	37,016
Vote 6 - Technical Services		320,69	412,944	434,214	59,859	319,86	434,214	-114,354	-26.3%	434,214
Vote 7 - Afforestation and Tourism		2,317	11	141	2,06	2,288	141	2,147	1528.4%	141
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	789,311	930,953	954,045	75,16	784,772	954,045	-169,272	-17.7%	954,045

Appendix K (ii): Revenue Collection Performance by Source

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>Revenue</u>										
Exchange Revenue										
Service charges - Electricity		171,966	267,654	229,379	25,718	145,212	229,379	-84,167	-37%	229,379
Service charges - Water		24,58	28,612	28,612	5,635	19,678	28,612	-8,933	-31%	28,612

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Service charges - Waste Water Management		12,921	16,109	16,109	882	10,483	16,109	-5,626	-35%	16,109
Service charges - Waste management		15,002	16,002	16,002	1,094	12,596	16,002	-3,406	-21%	16,002
Sale of Goods and Rendering of Services		10,735	2,689	3,029	2,346	4,318	3,029	1,288	43%	3,029
Agency services		-	-	-	-	-	-	-		-
Interest		-	-	-	-	-	-	-		-
Interest earned from Receivables		45,695	52,124	52,124	2,803	43,289	52,124	-8,835	-17%	52,124
Interest from Current and Non Current Assets		2,758	3,298	3,298	50	1,723	3,298	-1,575	-48%	3,298
Dividends		-	-	-	-	-	-	-		-
Rent on Land		-	-	-	-	-	-	-		-
Rental from Fixed Assets		1,237	1,516	1,516	96	1,16	1,516	-356	-23%	1,516
Licence and permits		-	61	61	-	1	61	-60	-98%	61
Operational Revenue		329	1,813	1,843	849	917	1,843	-925	-50%	1,843
Non-Exchange Revenue								-		
Property rates		82,804	96,472	96,472	7,433	89,066	96,472	-7,406	-8%	96,472
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		6,869	6,08	6,094	115	1,975	6,094	-4,119	-68%	6,094
Licence and permits		135	177	1,005	21	567	1,005	-438	-44%	1,005
Transfers and subsidies - Operational		391,446	366,79	369,99	9,211	369,468	369,99	-521	0%	369,99
Interest		14,56	28,769	28,769	1,094	13,599	28,769	-15,17	-53%	28,769
Fuel Levy		-	-	-	-	-	-	-		-
Operational Revenue		-	-	53,219	4,675	51,942	53,219	-1,278	-2%	53,219
Gains on disposal of Assets		-368	-	-	-	-	-	-		-
Other Gains		2,561	-	-	52	52	-	52	#DIV/0!	-
Discontinued Operations		-	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		783,231	888,166	907,521	62,075	766,047	907,521	-141,475	-16%	907,521



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