

ANNUAL REPORT



**uMhlabuyalingana
LOCAL MUNICIPALITY**

Vision

To be a people centered premier socio-economic development and environmentally friendly service delivery municipality.

**2024
2025**



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Definitions

DEFINITIONS	
Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to parliament and provincial legislatures as prescribed by the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). This includes plans, budgets, in-year and annual reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Financial Statements	The annual financial statements of a municipality as audited by the Auditor-General and approved by Council or a provincial or national executive.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). Such a report must include the annual financial statements as submitted to the Auditor-General.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided, it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.



DEFINITIONS	
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Sets out municipal goals and development plans.
National Key Performance Areas	<p>Five National Key Performance Areas are:</p> <ul style="list-style-type: none"> • Municipal Transformation and Institutional Development • Basic Service Delivery and infrastructure Development • Good Governance and Community Participation • Cross Cutting Interventions • Social and Economic Development • Financial Viability and Management
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e., a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a key result area.



DEFINITIONS	
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In the employee performance management and development system (EPMDS), performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery and Budget Implementation Plan	Detailed plan annually approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p>“(a) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</p> <p>(b) Which specifies the total amount that is appropriated for</p> <p>the purposes of the department or functional area concerned.”</p>



Acronyms

ACRONYMS	
A/PC	Audit/Performance Committee
AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
A-NC	Ante-Natal Clinic
APR	Annual Performance Report
AQMP	Air Quality Management Plan
ASB	Accounting Standards Board
ACF	Anti-Corruption and Fraud
CBD	Central Business District
CCAP	Climate Change Adaption Plan
CFO	Chief Financial Officer
CIGFARO	Chartered Institute of Government Finance, Audit and Risk Officers
CLLR	Councillor
CIP	Comprehensive Infrastructure Plan
RCM	Risk and Compliance Manager
DA	Democratic Alliance
DCOGTA	Department of Co-operative Governance and Traditional Affairs
DED	Department of Economic Development
DoA	Department of Agriculture
DoRA	Division of Revenue Act



ACRONYMS	
DRDLR	Department of Rural Development and Land Reform
ECD	Early Childhood Development
EEA	Employment Equity Act
EFF	Economic Freedom Fighters
EIA	Environmental Impact Assessment
EPWP	Expanded Public Works Programme
FRM	Fraud Risk Management
GIS	Geographic Information System
GRAP	Generally Recognised Accounting Practice
GV	General Valuation
GVA	Gross Value Added
HIV	Human Immunodeficiency Virus
HR	Human Resources
IAS	Invasive Alien Species
IFP	Inkatha Freedom Party
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IEM	Integrated Environmental Management
IGR	Inter-Governmental Relations
INEP	Integrated National Electrification Funding
IOD	Injury on Duty



ACRONYMS	
ISAMAO	Institute of South African Municipal Accounting Officers
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan
KFA	Key Focus Area
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LLF	Local Labour Forum
MM	Municipal Manager
MFMA	Municipal Finance Management Act
MGRO	Municipal Governance Review and Outlook
MICE	Meetings, Incentives, Conferences and Exhibitions
MIG	Municipal Infrastructure Grant
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
mSCOA	Municipal Standard Chart of Accounts
NBR	National Building Regulations
NEMAQA	National Environmental Management: Air Quality Act
NEMBA	National Environmental Management: Biodiversity Act
NERSA	National Energy Regulator of South Africa



ACRONYMS	
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
NQF	National Qualification Framework
PMS	Performance Management System
PPP	Public-Private Partnership
RBIG	Regional Bulk Infrastructure Grant
SAHRA	South African Heritage Resources Agency
SALGA	South African Local Government Association
SAPS	South African Police Service
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SEDA	Small Enterprise Development Agency
SEM	Staff Employee Monitoring
SMMEs	Small, Medium and Micro Enterprises
SO	Strategic Objective
SOP	Standard Operating Procedure
STATSSA	Statistics South Africa
SV	Supplementary Valuation
TASK	Tuned Assessment of Skills and Knowledge
UIF	Unemployment Insurance Fund



ACRONYMS	
WTW	Water Treatment Works
WWTW	Wastewater Treatment Works

Chapter 1 | Mayor's Foreword And Executive Summary

1.1 Mayors' Forward By His Worship uMhlabuyalingana Mayor, Cllr Ts Khumalo



HIS WORSHIP THE MAYOR:
Cllr Ts Khumalo

In accordance with Section 121 of the Municipal Finance Management Act (MFMA), Act 56 of 2003, uMhlabuyalingana Municipality is required to prepare and table an Annual Report that is aligned to this legislation and in accordance with the format prescribed by National Treasury guideline. On behalf of the Council of uMhlabuyalingana Municipality, I proudly present the Annual Performance Report for the 2024/25 financial year.

The 2024/25 financial year was a period of continued commitment to building a developmental local government that places the people of uMhlabuyalingana at the centre of planning, budgeting, and service delivery. The Integrated Development Plan (IDP) was shaped through meaningful engagement with communities and stakeholders, ensuring that the priorities of our people informed municipal programmes and projects. In line with this people-centred approach, the municipal budget was allocated equitably to address



historical imbalances and to advance inclusive development across all wards of the municipality.

Derived from the IDP and the approved budget, the Top Layer Service Delivery and Budget Implementation Plan (SDBIP) served as the municipality's strategic instrument for translating policy commitments into measurable outcomes. Through clearly defined key performance indicators and time-bound targets across the National Key Performance Areas, the municipality sought to strengthen accountability, monitor progress, and improve service delivery performance. Throughout the year under review, Council and Administration were guided by the Constitution of the Republic of South Africa, municipal legislation, and adopted policies in pursuit of a capable, ethical, and responsive local government.

This Annual Report reflects the municipality's performance for the financial year ended 30 June 2025 and demonstrates our commitment to transparency, accountability, and good governance as required by the Municipal Finance Management Act, 56 of 2003, and other applicable legislative frameworks. It provides both an honest reflection on our achievements and a critical assessment of the challenges encountered, which continue to inform our improvement plans going forward.

During the 2024/25 financial year, uMhlabuyalingana Municipality successfully provided free basic waste collection services to 39 areas , 93 households were electrified in Mazambane, 200 households electrified in Oqondweni Phase1, 2.8 km of Skhemelele Internal gravel road Phase 2 was constructed, Manguzi Sport field refurbishment was completed, 180 Jobs created/maintained through EPWP and 1 824 Jobs created/maintained through CWP

These projects have strengthened access to basic services, improved economic opportunities, and empowered vulnerable communities, reflecting our commitment to a people-first approach in local governance.



As the political leadership of uMhlabuyalingana Municipality, we remain resolute in our mandate to accelerate service delivery, stimulate local economic development, and improve the quality of life of our communities, particularly the poor and most vulnerable. We recognise that the realisation of our developmental objectives requires unity of purpose and cooperative governance. I therefore call upon our communities, traditional leaders, social partners, councillors, and municipal officials to work together in a spirit of solidarity, accountability, and shared responsibility.

As we move forward, our vision is to build a resilient, inclusive, and economically vibrant municipality that harnesses the potential of all our communities and ensures that no one is left behind. Our commitment to transparent governance and ethical leadership remains unwavering, ensuring that public resources are utilised efficiently, effectively, and for the benefit of all residents.

Together, through decisive leadership and collective action, we will continue to build a resilient, inclusive, and economically vibrant uMhlabuyalingana Municipality that responds effectively to the needs and aspirations of its people.

Cllr TS. Khumalo
Honourable Mayor



Service Delivery Plant : 03/04/2025

1.2 Municipal Managers' Executive Summary



MUNICIPAL MANAGER
Mr N.P.E Myeni

In terms of Section 121 of the Municipal Finance Management Act, 56 of 2003, read together with Section 46 of the Local Government: Municipal Systems Act, 32 of 2000, as well as accompanying circulars, templates, and guidelines, municipalities are required to prepare and table an Annual Report. This report provides a comprehensive account of the municipality's financial and non-financial performance, governance, and service delivery for the financial year. It serves as a credible, reliable, and transparent assessment of the municipality's progress in achieving the goals set out in the Integrated Development Plan (IDP) and the Top-Layer Service Delivery and Budget Implementation Plan (SDBIP).

The Annual Report assesses whether the performance targets set in the organisational scorecard for the financial year were achieved. I am pleased to report that uMhlabuyalingana Municipality maintained an unqualified audit opinion during the 2024/25 financial year, building on the achievement from 2023/24. A Corrective Action Plan has been developed to address the Auditor-General's findings, and management is actively reporting on progress during management meetings as the municipality strives to achieve an unqualified audit opinion with no matters of emphasis.



This Annual Report focuses primarily on the municipality's achievements, challenges, and corrective measures implemented during the financial year. While progress in service delivery has been evident, the report also acknowledges the constraints encountered and highlights mitigation strategies applied to address these challenges.

During the past financial year, the municipality successfully strengthened a culture of performance management by cascading the performance management system to staff below Section 54/56 level, under the leadership of the Manager: PMS/IPMS in the Office of the Municipal Manager.

It is also important to note that the governance structures at uMhlabuyalingana Municipality remain intact and fully functional. Beyond Council and the Executive Committee, the municipality benefits from a very active Audit Committee **and** Municipal Public Accounts Committee (MPAC).

All critical Section 54/56 positions have been filled, including the Municipal Manager, Chief Financial Officer, and Directors responsible for Community Services, Corporate Services, Technical Services, Planning, LED, and Infrastructure Development.

Through the Expanded Public Works Programme (EPWP), the municipality created 180 temporary jobs for the local community. Training initiatives were also conducted to empower SMMEs and Cooperatives, promoting local economic development and skills transfer.

Ward Committees have continued to serve as a key channel for community engagement, enabling the municipality to hear the concerns of residents. Challenges such as housing shortages, access to piped water, sanitation, roads, and electricity remain pressing, and the municipality will continue to implement targeted strategies to ensure that basic services are delivered efficiently and equitably.

Finally, I wish to express my sincere appreciation to the entire municipal team for their dedication and commitment in driving the municipality's vision and mission. Similar



gratitude is extended to all councillors, Amakhosi, civil society, and strategic partners, whose support and guidance continue to strengthen service delivery and governance within uMhlabuyalingana Municipality.

I thank you.

Municipal Manager

Mr N.P.E. Myeni

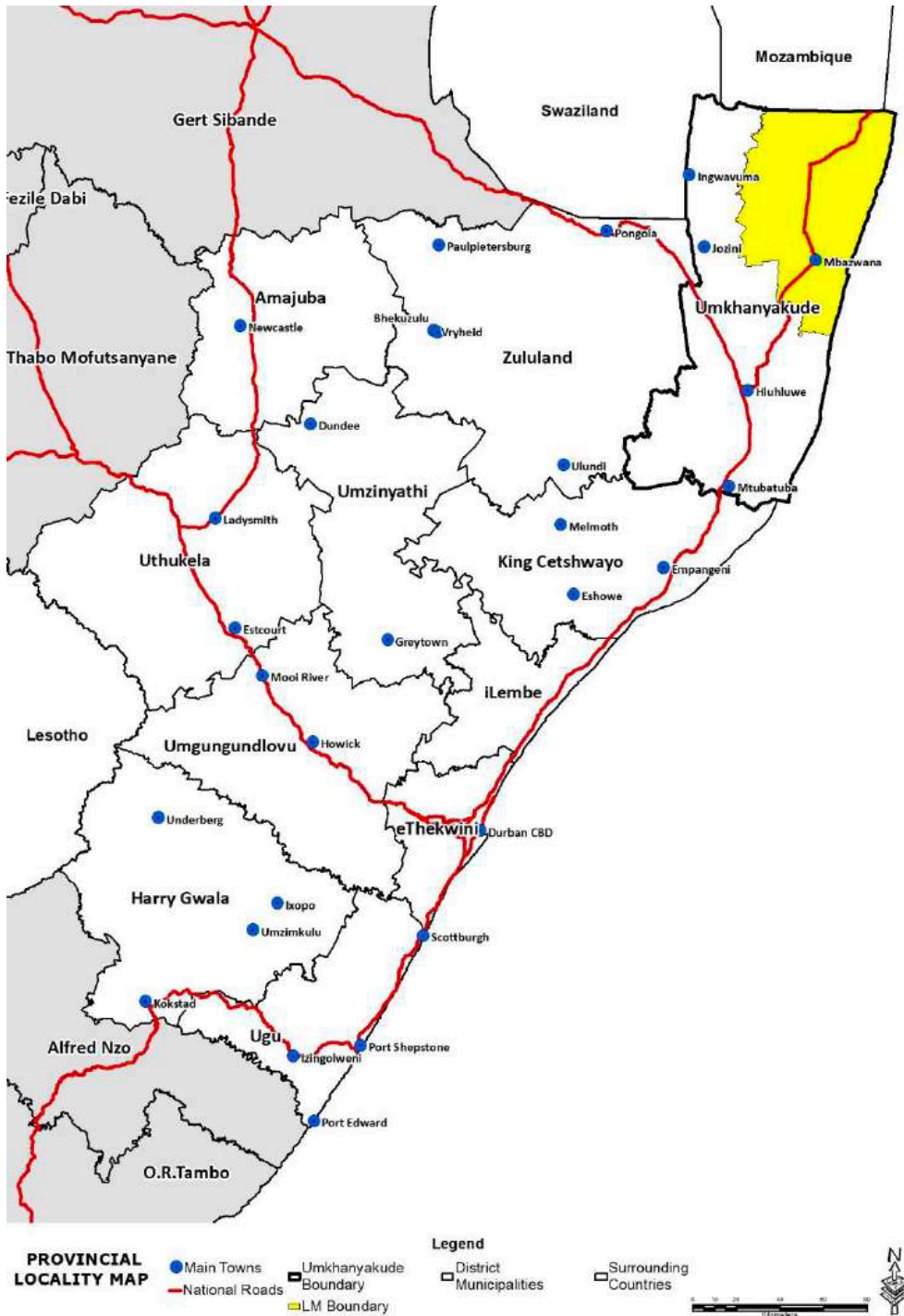


35 community members trained in Security : 15/04/2025



1.3 Municipal Overview

Map1 : Proximity Of uMhlabuyalingana LM In UKDM, The KZN Province and Neighbouring Countries



Source : Municipal SDF



uMhlabuyalingana Municipality is one of five municipalities within the jurisdiction of the uMkhanyakude District, located in the north-eastern part of the KwaZulu-Natal Province in South Africa. It borders Mozambique to the north, the Indian Ocean to the east, Jozini Municipality to the west, Big Five Hlabisa Municipality to the south, and Mtubatuba Municipality along the northern coastal belt of KwaZulu-Natal.

uMhlabuyalingana Local Municipality is a Category B municipality. Its major structuring elements include the Pongola River along the western boundary, the east–west road linking Sikhamelele and Manguzi, and the recently completed MR22 road from Hluhluwe. Covering approximately 4,977 km², it is the largest of the four local municipalities in the district, accounting for nearly one-third of the district’s total geographical area.

The municipality is predominantly rural, with informal settlements concentrated mainly in Mbazwana and Manguzi. The area experiences population pressures due to the influx of migrants from Eswatini and Mozambique. Settlement patterns are dispersed across 20 municipal wards and four traditional council areas, namely Tembe, Mashabane, Mabaso, and Zikhali. Access to uMhlabuyalingana is primarily via the MR439, also known as the Lubombo Spatial Development Initiative corridor, a key provincial route running north–south that serves as a major link between South Africa and Mozambique along the coast.

1.3.1 Municipal Powers and Functions

The municipality derives its powers and functions from the prescripts of the Constitution, Schedule 4, part B read in conjunction with Section 152, which contains the objects of local government. Municipal transformation and institutional development relate to a fundamental and significant change in the way the municipalities perform their functions, deploy resources and the institutional strategies applied to achieve optimum results for delivery of quality services to the communities served. Transformation and institutional development is expected to take shape where the following is addressed as part of our strategic planning and direction:



Table 1 : Municipal Powers and Functions

DISTRICT MUNICIPAL FUNCTIONS	SHARED DISTRICT AND LOCAL FUNCTIONS	LOCAL MUNICIPAL FUNCTIONS
Potable Water Supply	Fire Fighting services	Air Pollution
Sanitation Services	Local Tourism	Building regulations (National Building Regulations)
Electricity Reticulation	Municipal Airports	Child Care Facilities
Municipal Health Services	Municipal Planning	Pontoons, Ferries, Jetties, Piers and Harbours
Regional Airport	Municipal Public Transport	Storm Water Management System in Built-up areas
	Cemeteries, Funeral Parlours and Crematoria	Trading regulations
	Markets	Beaches and Amusement Facilities
	Municipal Abattoirs	Billboards and the Display of advertisement in Public Places
	Municipal Roads	Cleansing
	Refuse Removal, Refuse Dumps and Solid Waste	Control of Public Nuisances
		Facilities for the Accommodation, Care and Burial of Animals
		Fencing and Fences
		Licensing of Dogs
		Local amenities
		Local Sport Facilities
		Municipal Parks and Recreation
		Noise Pollution



DISTRICT MUNICIPAL FUNCTIONS	SHARED DISTRICT AND LOCAL FUNCTIONS	LOCAL MUNICIPAL FUNCTIONS
		Pounds
		Public Places
		Street Trading
		Street Lighting
		Traffic and Parking

1.3.2 Population Profile

According to the Census 2022, the municipal area has a total population of 191 660. uMhlabuyalingana is ranked number three in the within uMkhanyakude District.

Table 2 : Population Distribution Within uMkhanyakude District

NAME	POPULATION SIZE	RANK
Mtubatuba	215 869	1
Jozini	199 153	2
UMhlabuyalingana	191 660	3
Big Five Hlabisa	131 755	4

Source: STATS SA 2022

It is noted that the population growth between 2011 and 2022 is 34888 (Stats SA, 2022). The growing population of the municipality indicates that to preserve the current infrastructure and to ensure proper service delivery, the municipality must improve its planning in order to fulfil the growing population's demands while minimizing the backlog.

Table 3 Population growth Comparison between 2011 and 2022

Name	2022	2011
Total population	191 660	156 772

Source: STATS SA 2022



The population has been increasing steadily over the past decade.

uMhlabuyalingana Municipality has, over the last few years, experienced phenomenal population growth. The table below shows the population details comparing 2011 population data and 2022.

Table 4 : uMhlabuyalingana Population comparison 1996-2022

Name	Status	Population Census 1996-10-09	Population Census 2001-10-09	Population Census 2011-10-09	Population Census 2022-02-02
Umhlabuyalingana	Local Municipality	130,088	142,603	156,772	191,660
Umhlabuyalingana					
<ul style="list-style-type: none"> ● 191,660 Population [2022] – Census ○ 4,977 km² Area ● 38.51/km² Population Density [2022] 📈 2.0% Annual Population Change [2011 → 2022] 					

Source : City Population.de 2023

Table 5 Population details comparison between 2011 and 2022

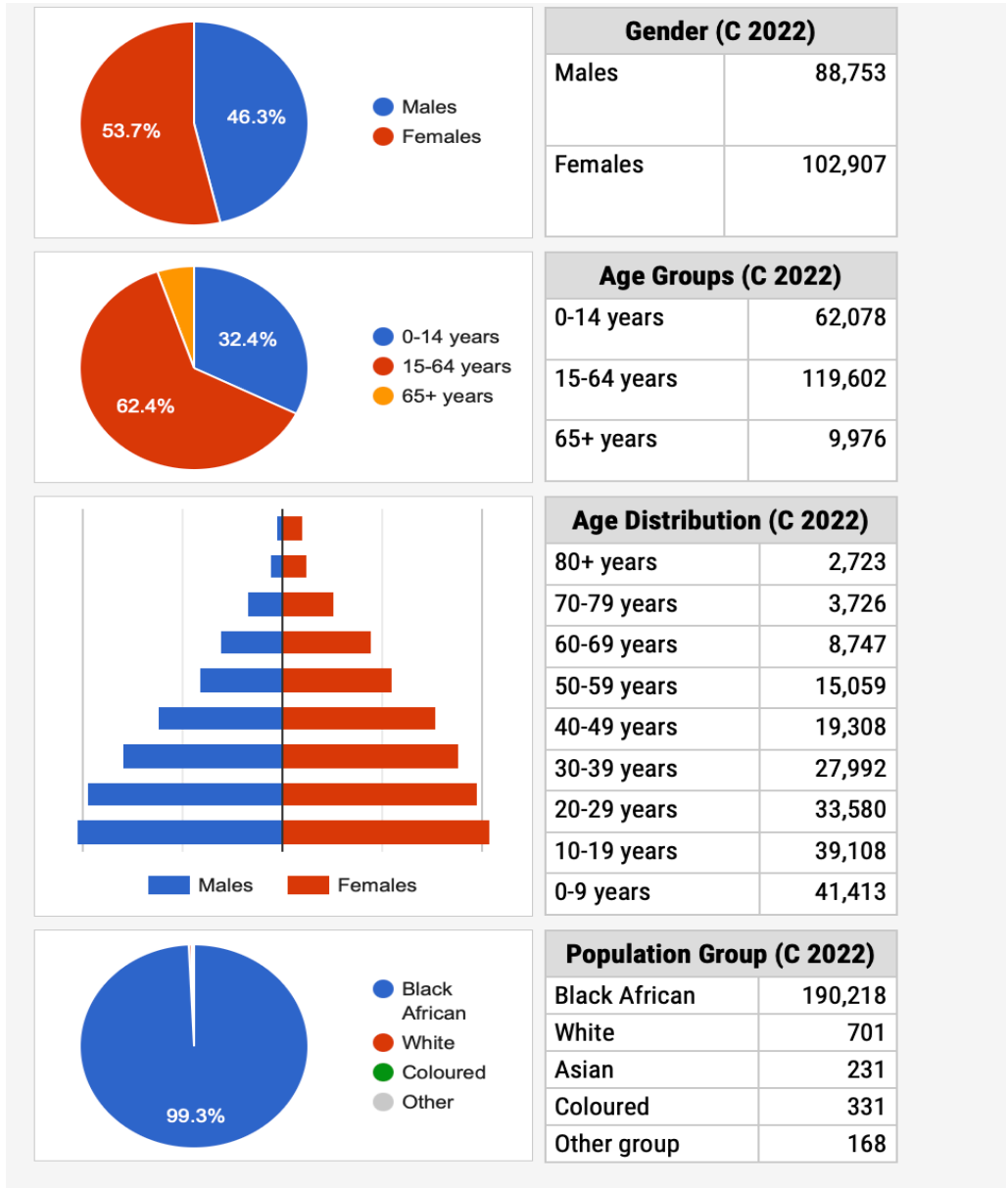
NAME	2022	2011
Total population	191 660	156 772
Young children (0-14 years)	32,4%	40,1%
Working age population (15-64 years)	62,4%	54,8%
Elderly (65+ years)	5,2%	5,1%
Dependency ratio	60,2	82,5
Sex ratio	86,2	84,5
No schooling (20+ years)	24,4%	30,5%
Higher education (20+ years)	4,6%	4,5%
Number of households	34 686	33 871
Average household size	5,5	4,6
Formal dwellings	90,0%	57,7%



NAME	2022	2011
Flush toilets connected to sewerage	26,0%	5,3%
Weekly refuse disposal service	22,0%	1,4%
Access to piped water in the dwelling	26,5%	5,3%
Electricity for lighting	80,3%	14,2%

Source: STATS SA 2022

Graph 1 : Gender Comparison, Age Group Breakdown, Age distribution and Population Group



Source : City

Population.de 2023

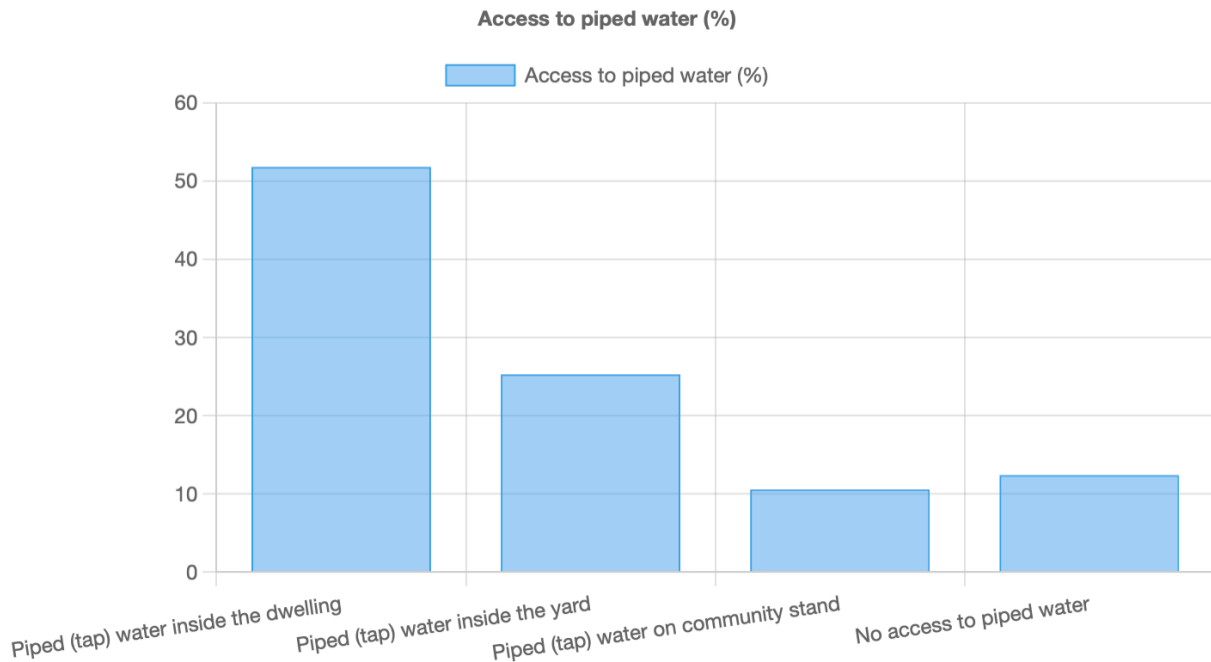


Table 6 : Population with access to Pipped water

Name	Frequency	%
Piped (tap) water inside the dwelling	9 179	26,5%
Piped (tap) water inside the yard	9 737	28,1%
Piped (tap) water on community stand	3 755	10,8%
No access to piped water	12 015	34,6%

Source: Stats SA -Census 2022

Graph 2: Population with access to piped water



Source: Stats SA -Census 2022

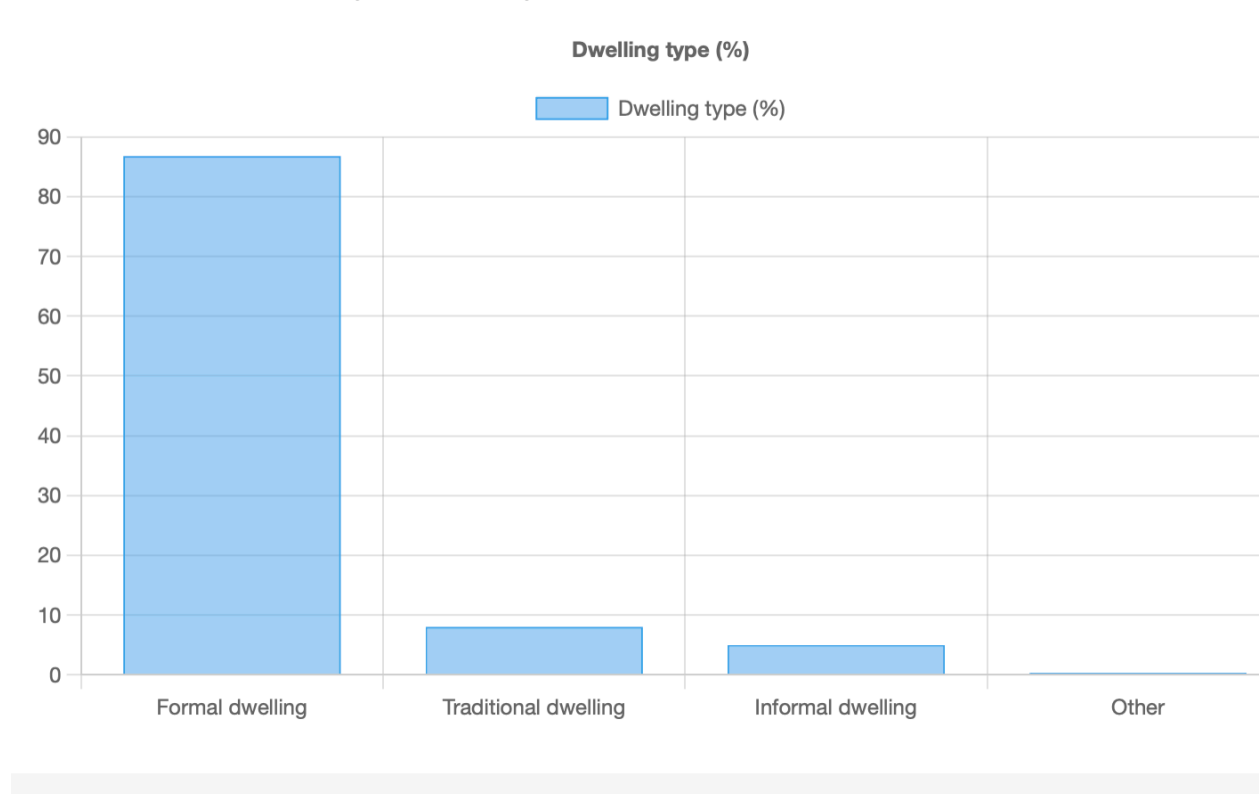


Table 7: Households living conditions- Dwelling Types

Name	Frequency	%
Formal dwelling	2 477 155	86,8%
Traditional dwelling	226 879	8,0%
Informal dwelling	141 674	5,0%
Other	8 033	0,3%

Source: Stats SA -Census 2022

Graph 3: Households living conditions graph



Source: Stats SA -Census 2022

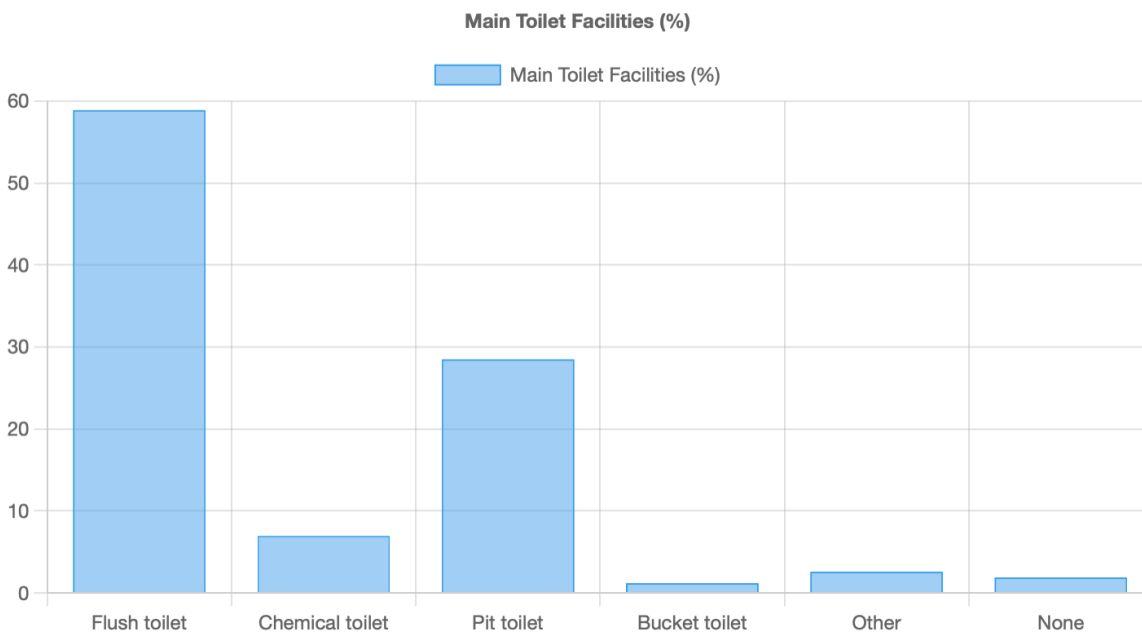


Table 8: Households living conditions-Main Toilets Facilities

Name	Frequency	%
Flush toilet	1 679 677	58,9%
Chemical toilet	199 607	7,0%
Pit toilet	814 409	28,5%
Bucket toilet	33 756	1,2%
Other	73 449	2,6%
None	52 842	1,9%

Source: Stats SA -Census 2022

Graph 4: Households living conditions- Main Toilets Facilities



Source: Stats SA -Census 2022

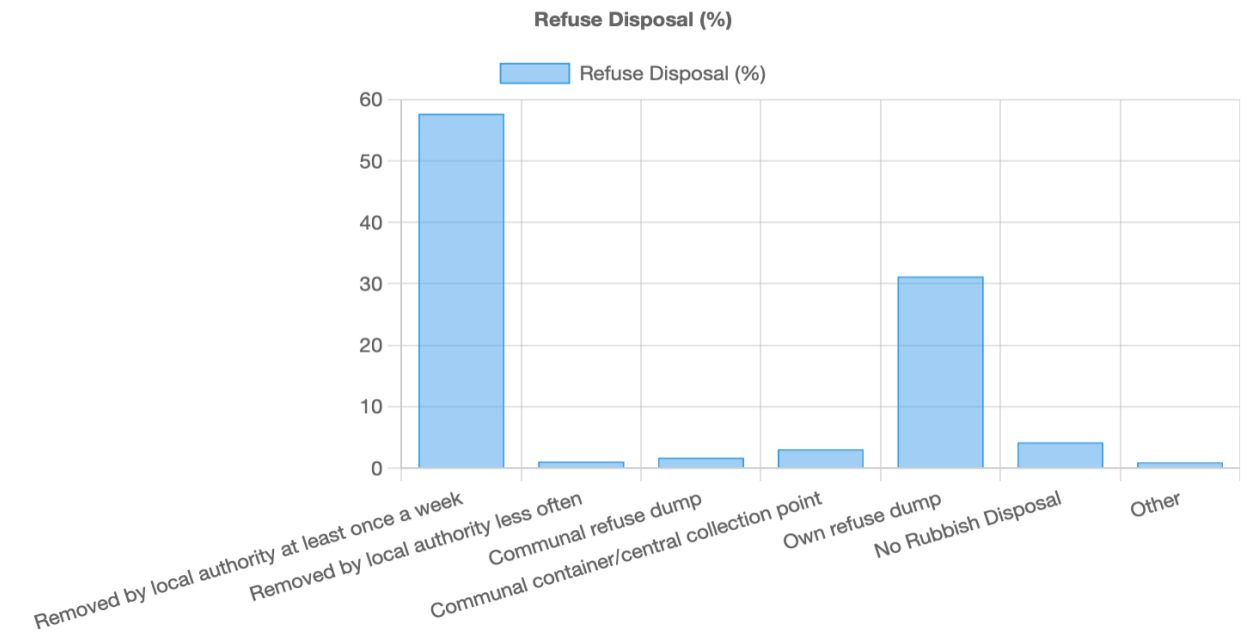


Table 9: Households living conditions-Refuse Disposal

Name	Frequency	%
Removed by local authority at least once a week	1 646 088	57,7%
Removed by local authority less often	32 189	1,1%
Communal refuse dump	48 849	1,7%
Communal container/central collection point	88 195	3,1%
Own refuse dump	889 096	31,2%
No Rubbish Disposal	119 747	4,2%

Source: Stats SA -Census 2022

Graph 5: Households living conditions-Refuse Disposal



Source: Stats SA -Census 2022

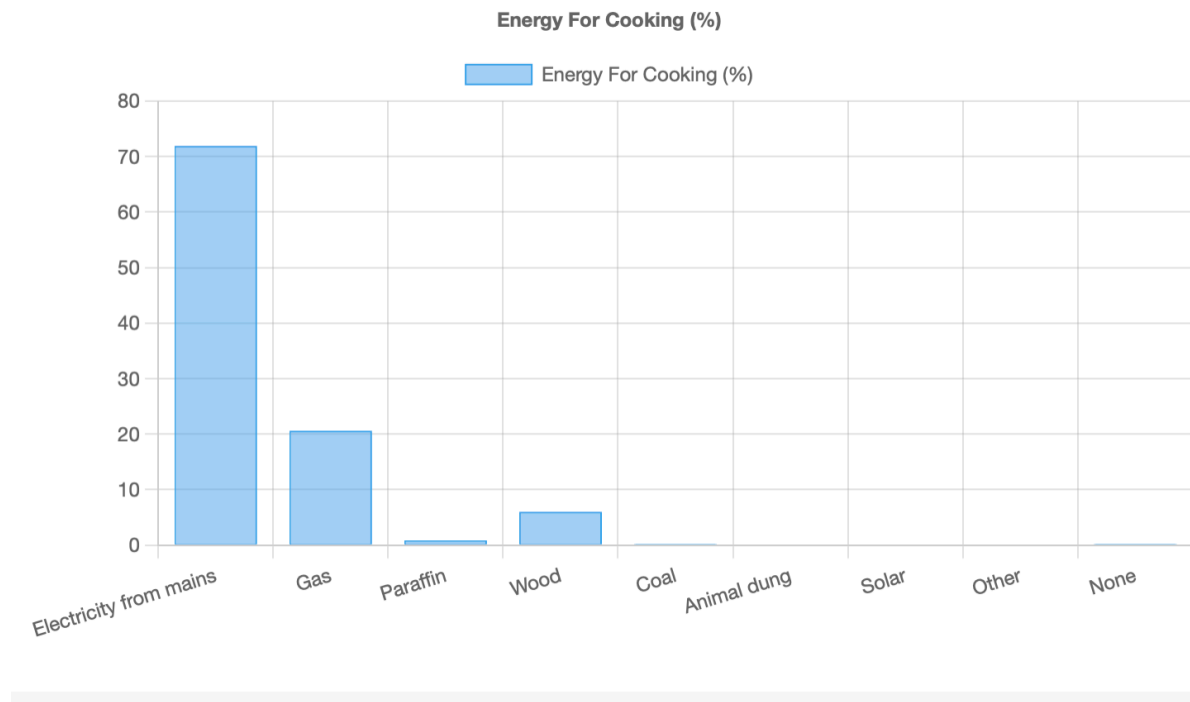


Table 10: Households living conditions-Energy for cooking

Name	Frequency	%
Electricity from mains	2 053 020	71,9%
Gas	586 602	20,6%
Paraffin	27 061	0,9%
Wood	171 880	6,0%
Coal	4 691	0,2%
Animal dung	838	0,0%

Source: Stats SA -Census 2022

Graph 6: Households living conditions- Energy for cooking



Source: Stats SA -Census 2022

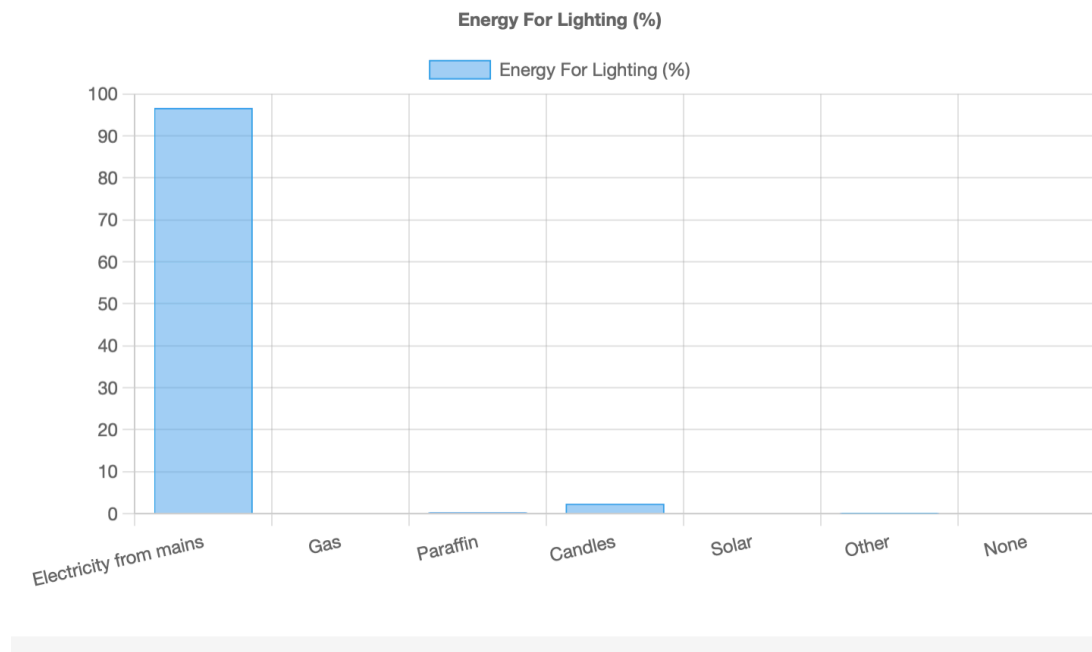


Table 11: Households living conditions- Energy for Lighting

Name	Frequency	%
Electricity from mains	2 758 234	96,7%
Gas	6 471	0,2%
Paraffin	7 226	0,3%
Candles	67 739	2,4%
Solar	5 833	0,2%
Other	3 084	0,1%

Source: Stats SA -Census 2022

Graph 7: Households living conditions- Energy for Lighting



Source: Stats SA -Census 2022

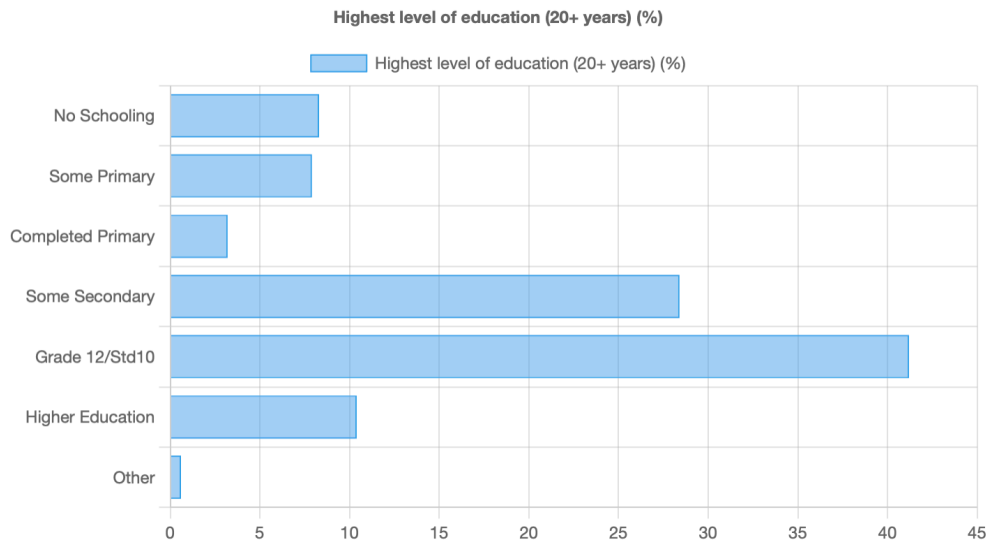


Table 12: Highest level of education (+20 years)

Name	Frequency	%
No Schooling	607 121	8,3%
Some Primary	582 283	7,9%
Completed Primary	236 381	3,2%
Some Secondary	2 085 563	28,4%
Grade 12/Std10	3 034 421	41,2%
Higher Education	763 354	10,4%
Other	47 205	0,6%

Source: Stats SA -Census 2022

Graph 8: Highest level of education (+20 years)



Source: Stats SA -Census 2022



Table 13: Education Status District Comparison

% Share of population per level of education	KZN271: Umhlabuyalingana	KZN272: Jozini	KZN275: Mtubatuba	KZN276: Big Five Hlabisa
No schooling	24,4	22,9	14,8	16,3
Some Primary (Gr 0 - Gr 6)	9,0	7,8	9,4	10,7
Primary Completed (Gr 7)	3,8	3,6	3,6	4,2
Some Secondary (Gr 8 - Gr 11, N1-4, Cert/Dip with <G12)	24,2	26,3	27,5	30,1
Matric	33,3	33,9	37,7	33,1
Post School (Higher Education)	4,6	4,8	6,2	5,1
Other	0,6	0,6	0,9	0,5

Stats SA Census 2022

Table 14: Employment Status of uMhlabuyalingana Municipality in Relation to the District

Municipality	Employed		Unemployed		Unemployment Rate	
	2011	2022	2011	2022	2011	2022
uMkhanyakude DM	56 900	60 000	43 483	45 000	42,8%	42,9%
uMhlabuyalingana LM	11 705	12 500	10 559	12 500	47,1%	50,0 %

Source: Stats SA 2011 & 2022

These figures indicate a slight increase in employment in both municipalities, but the unemployment rate remains a significant challenge.



1.3.3 Economic Growth Profile

Economy

Agriculture remains the dominant economic sector in uMhlabuyalingana Local Municipality, followed by government services, the informal economy, and community and social services. Over recent years, employment levels have declined despite continued population growth. This trend underscores the urgent need for the implementation of high-impact, sustainable local economic development initiatives that can generate employment and strengthen livelihoods.

Agriculture

Subsistence agriculture currently makes only a limited contribution to the local economy. The sector faces several structural constraints that inhibit its growth and commercialisation.

Key challenges include limited access to water resources despite the availability of natural water sources, as the development of irrigation schemes to support small-scale producers is often considered uneconomical. Additional constraints include inadequate road infrastructure linking production areas to markets, as well as limited access to both internal and external markets.

To strengthen the agricultural sector, high-potential agricultural land should be identified, and the production of high-value crops should be promoted to diversify and improve rural livelihoods. Furthermore, opportunities for agricultural beneficiation, including the establishment of Agri-processing facilities, should be actively pursued.

The development of appropriate supporting infrastructure, such as market stalls and trading facilities in accessible locations, is essential. In addition, the provision of agricultural extension services, including access to fertilisers, seeds, irrigation support,



and farmer training programmes, should be enhanced in collaboration with the Department of Agriculture.

Tourism

Tourism is increasingly contributing to the local economy and holds significant potential for further growth. The municipality is richly endowed with natural assets, including extensive sand forest ecosystems, the Pongolo River along the western boundary, Kosi Bay and the Maputaland Marine Reserve to the east, and Lake Sibhayi, one of South Africa's largest natural freshwater lakes, covering approximately 7,218 hectares.

The livelihoods of many rural communities are closely linked to these natural resources. Traditional fishing practices in the Kosi Bay estuarine system provide an important source of protein for local households and constitute a unique cultural attraction for visitors. The sustainable utilisation and regulated management of these resources represent a strong example of the “wise use” principle in practice.

uMhlabuyalingana is also home to a diverse range of wildlife species, including black and white rhino, buffalo, leopard, hippopotamus, eland, hyena, wildebeest, kudu, warthog, giraffe, zebra, reedbuck, jackals, and various smaller mammals. Most of these species are found within Tembe Elephant Park, located in the northern part of the municipality along the Mozambique border.

The entire coastal strip of uMhlabuyalingana, which hosts many of these environmental assets, has been designated as a District Management Area under the administration of the iSimangaliso Wetland Park Authority. As a result, the local municipality derives limited direct revenue from tourism activities within these protected areas. There is therefore a need to develop alternative mechanisms to ensure local economic benefits, particularly through community-based tourism initiatives and value-chain participation.

Existing tourism and cultural enterprises include the Zama-Zama Cultural Village, Tembe Park Curio Shop, PK Ngubane Cultural Village, Inyoni Emnyama Lodge, Amalinda



Cultural Village, Sibhayi Cultural Village, Mabaso Game Reserve, Thubalethu Lodge, Buhle Besiko Nemvelo, and the Hlubazane Curio Shop, Market and Information Centre.

Heritage Sites

Key heritage and conservation sites within and surrounding the municipality include:

- iSimangaliso Wetland Park
- St Lucia Lake System
- Turtle nesting beaches and coral reefs
- Lake Sibhayi
- Kosi Lake System
- Ndumo Game Reserve
- Sodwana Bay
- Tembe Elephant Park

Forest Reserves

The municipality also contains several important forest reserves, including:

- Tembe
- Sileze
- Manguzi
- Malangeni
- Coastal Forests
- Mbazwane

Economic growth in the uMhlabuyalinga Municipality is driven by a focus on rural revitalization, tourism expansion, and targeted infrastructure investment. While the municipality remains predominantly rural (99%), recent initiatives have aimed to diversify its economic base.



Key Economic Drivers

- **Community Services & Government:** This sector remains the largest contributor, accounting for approximately **70% of the municipality's GDP**.
- **Agriculture:** Contributing roughly **20% to GDP**, agriculture is a primary source of livelihood, although the sector faces challenges with high unemployment levels despite population growth.
- **Tourism:** Identified as a high-growth priority, the area leverages its proximity to world-class conservation sites like **Tembe Elephant Park** and **iSimangaliso Wetland Park** to stimulate domestic tourism and job creation.
- **Retail & Trade:** Small-scale retail and the informal sector are vital to local economic activity, particularly in hubs like Mbazwana and Manguzi.

Recent Growth Initiatives

- **Infrastructure Investment:** In mid-2025, the KZN Department of Cooperative Governance and Traditional Affairs (CoGTA) announced a **R5 million project** for solar street lighting in Mbazwana to improve safety and encourage investment.
- **Youth & Enterprise Support:** The construction of a **Youth Enterprise Park** was launched in 2025 to provide affordable office spaces and Wi-Fi, aimed at fostering local entrepreneurship.
- **LED Programme Revitalization:** A comprehensive Local Economic Development (LED) Programme was unveiled in late 2025 to improve community resilience and revitalize rural economies across the uMkhanyakude District.

Economic Challenges

- **High Dependency:** The municipality relies heavily on government grants for capital revenue, with constant efforts to broaden its own revenue base.



- **Unemployment & Income:** A significant portion of the economically active population (roughly 47% in recent cycles) earns little to no formal income, with only 3% earning above R1,600 per month.
- **Skill Gaps:** Low formal education levels—with only 2% of the population holding tertiary qualifications—limit productivity and the potential for higher-skilled industrial growth

1.3.4 Environmental Overview

The uMhlabuyalingana Local Municipality is located within the northern coastal region of KwaZulu-Natal and is characterised by a diverse and environmentally sensitive natural landscape. The municipality forms part of a broader ecological system that includes coastal zones, wetlands, sandy soils, indigenous vegetation, and conservation areas of regional and international importance. These environmental attributes play a critical role in shaping development potential and require careful management to ensure sustainable land use.

Topography and Landform

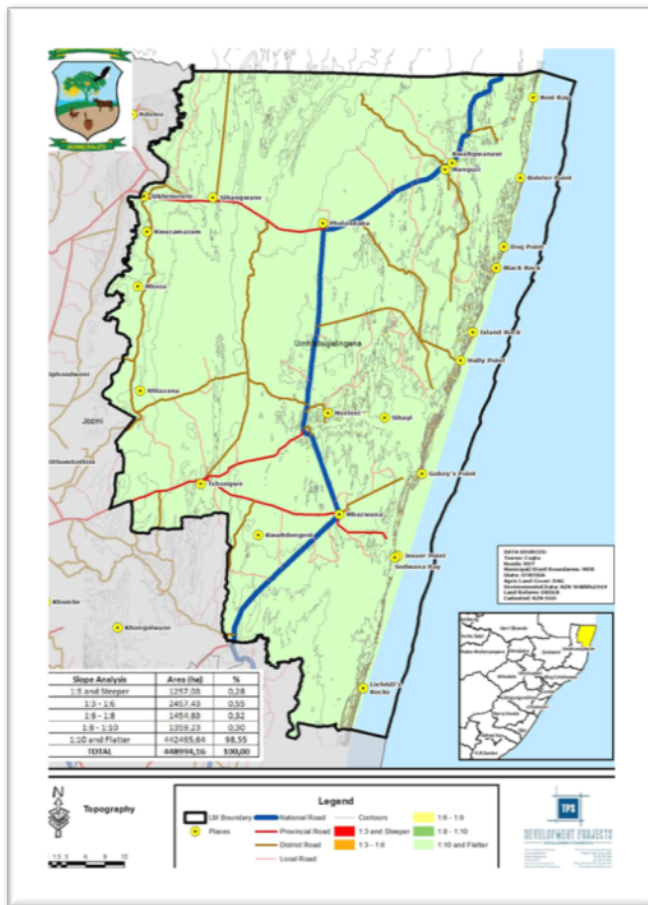
The general topography of the uMhlabuyalingana Municipal area is predominantly flat to gently undulating. This landform presents relatively few physical constraints to development, as slopes across most of the municipality fall within acceptable limits for construction and infrastructure development. However, despite these favourable topographical conditions, certain areas with moderate slopes require careful planning and design consideration to prevent land degradation.

The majority of the land in UMhlabuyalingana (98.55%) boasts a gradient slope of 1:10 or flatter, with only 0.28% of the terrain being 1:3 and steeper. This topographical makeup implies that there are minimal obstacles to development in terms of the topography.



The gentle slope in the area falls within acceptable limits for development; however, it is crucial to consider the sandy nature of the topsoil. Disturbing the ground cover, particularly in moderately sloping areas, may lead to erosion. Hence, it is strongly recommended that activities involving significant removal of vegetation or land cover be avoided in these sloping regions during the planning of developments.

Map 2 Topography



Source: uMhlabuyalingana Municipality SDF

The UMhlabuyalingana local municipality is characterized by three primary geological features: arenite, sandstone, and siltstone. Each of these geological formations contributes uniquely to the region's landscape and environmental characteristics. The predominant geological composition in uMhlabuyalingana is arenite, which constitutes a



significant portion of 64.45% across the region. Arenite is a type of sedimentary rock, commonly known as quartz arenite, that is composed mainly of sand-sized mineral particles, particularly quartz. This prevalence of arenite plays a crucial role in shaping the physical and ecological attributes of the area.

Following closely behind arenite in geological prominence is sandstone, which makes up 35.21% of the region's geological landscape. Sandstone, another type of sedimentary rock, is composed of sand-sized minerals or rock grains. Its high permeability and porosity make it a vital component in influencing the region's water drainage patterns and soil characteristics. The significant presence of sandstone indicates areas that are likely to have well-drained soils, which can affect agricultural practices and the types of vegetation that can thrive.

Siltstone, while occupying a smaller proportion of the geological composition, is notably present along the western margins of the region, specifically in areas such as Mboza, Nhlazana, and KwaZamazam. Siltstone is a fine-grained sedimentary rock that consists mainly of silt-sized particles. Its presence along the western margins contributes to the region's geological diversity and has distinct implications for soil composition and land use. The areas with siltstone may have finer, more compact soils, affecting water retention and suitability for different types of land use and vegetation.

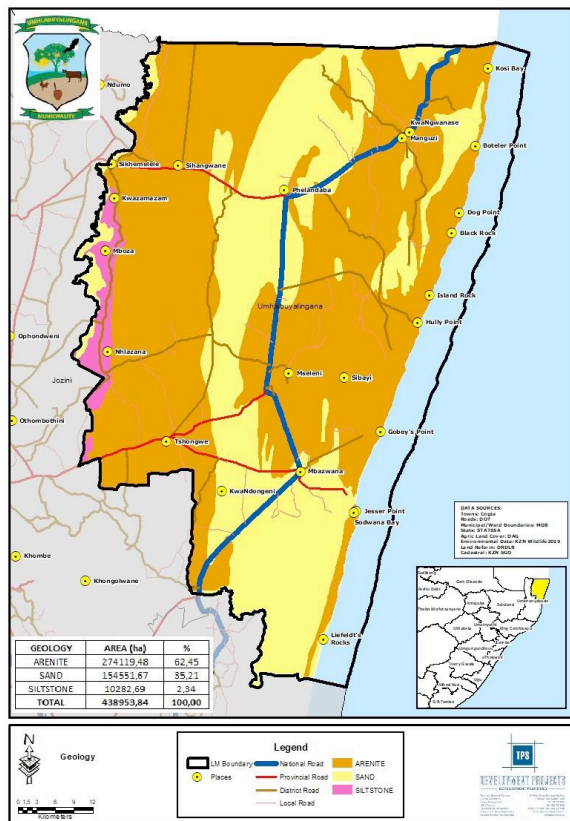
The geological diversity in uMhlabuyalingana has significant implications for various aspects of the local environment. For instance, soil composition is directly influenced by the underlying geological formations. Arenite and sandstone areas are likely to have sandy soils with good drainage, whereas siltstone areas might have finer, more clay-like soils with different drainage characteristics. These soil properties affect agricultural potential, determining which crops can be grown successfully and how land can be managed for farming.



Additionally, the geological makeup influences water drainage patterns across the region. Arenite and sandstone, being more permeable, facilitate better water infiltration and drainage, which is beneficial for preventing soil erosion and managing water resources. In contrast, areas dominated by siltstone may have slower drainage and higher water retention, which can lead to different challenges in water management and land use planning.

The types of flora and fauna that thrive in uMhlabuyalingana are also affected by the geological composition. The variety of soil types and drainage conditions created by arenite, sandstone, and siltstone provide diverse habitats that support different plant and animal species. Understanding these geological influences is crucial for conservation efforts, as it helps identify critical habitats and areas that need protection to preserve the region’s biodiversity.

Map 3: Geology



Source: uMhlabuyalingana Municipality SDF



Soils and Geotechnical Conditions

The municipality is largely underlain by sandy soils, which are generally well-drained but inherently unstable when disturbed. These soils are highly susceptible to erosion, particularly where natural vegetation cover is removed or where development occurs on sloping land. Improper land clearing and uncontrolled construction activities may therefore result in increased erosion, loss of topsoil, and sedimentation of nearby watercourses. It is essential that development planning incorporates site-specific geotechnical investigations to assess soil stability, bearing capacity, and suitability for the intended land use.

Climate and Environmental Sensitivity

uMhlabuyalingana experiences a warm, subtropical climate with seasonal rainfall patterns that can intensify erosion processes, particularly during periods of heavy rainfall. Climate variability and extreme weather events further exacerbate environmental risks such as flooding, soil erosion, and coastal degradation. These factors necessitate the integration of climate-resilient planning measures and environmentally sensitive design in all development initiatives.

Vegetation and Biodiversity

The municipality supports a range of natural vegetation types, including coastal forests, grasslands, and wetland-associated vegetation. These ecosystems provide important ecological services such as soil stabilisation, water regulation, and biodiversity conservation. uMhlabuyalingana falls within or adjacent to areas of high biodiversity value, including protected and conservation areas. As a result, unregulated development and extensive vegetation clearance pose a significant threat to biodiversity and ecological integrity. Development proposals must therefore comply with environmental legislation and avoid environmentally sensitive areas wherever possible.

Water Resources and Wetlands



Reserve, play a pivotal role in shaping the region's landscape and ecological dynamics. Understanding the current conditions and desired states of these water bodies is essential for sustainable development planning in the area.

The Umhlabuyalingana Local Municipality falls under the W70A Quaternary catchment within the Usuthu-Mhlatuze Water Management Area (WMA). Local communities within this municipality rely on groundwater as their primary water supply source (DWAF, 2008). Notably, the Ngwavuma and Phongolo rivers traverse the border between Jozini and Umhlabuyalingana Local Municipality, passing through Sikhelele, KwaZamazama, Mboza, and Nhlazana areas.

The most significant hydrological system in the area is wetland. Most of the wetlands in the area appear to be functional wetlands with little disturbances. It is known that wetlands function to provide several ecosystem goods and services which for the area under investigation will to a large extent, be provision of grass for crafts and households use and flood attenuation. Thus, maintenance of the integrity of the wetland and assurance of its functionality are important management considerations during development planning for the area.

The Umhlabuyalingana Local Municipality features two types of coastal lake systems: estuarine-linked lakes (St Lucia, Kosi, and Mgobozeleni) and freshwater lakes (Sibaya, Bhangazi North, and Bhangazi South).

The Kosi System comprises distinct lakes connected by narrow channels, with a salinity gradient from freshwater in the south to seawater at the estuary. The system is linked to the sea, and the estuary mouth is generally open throughout the year.

Mgobozeleni is the smallest of the three estuarine lake systems, featuring interconnected lakes connected to the sea via a narrow channel.

Lake Sibaya, Lake Bhangazi North, and Lake Bhangazi South. These freshwater lakes, situated in areas of low relief, are fed by small catchments, and maintained largely from groundwater seepage. They are nutrient-poor due to the sandy, leached nature of their substrates.



Environmental Management Considerations

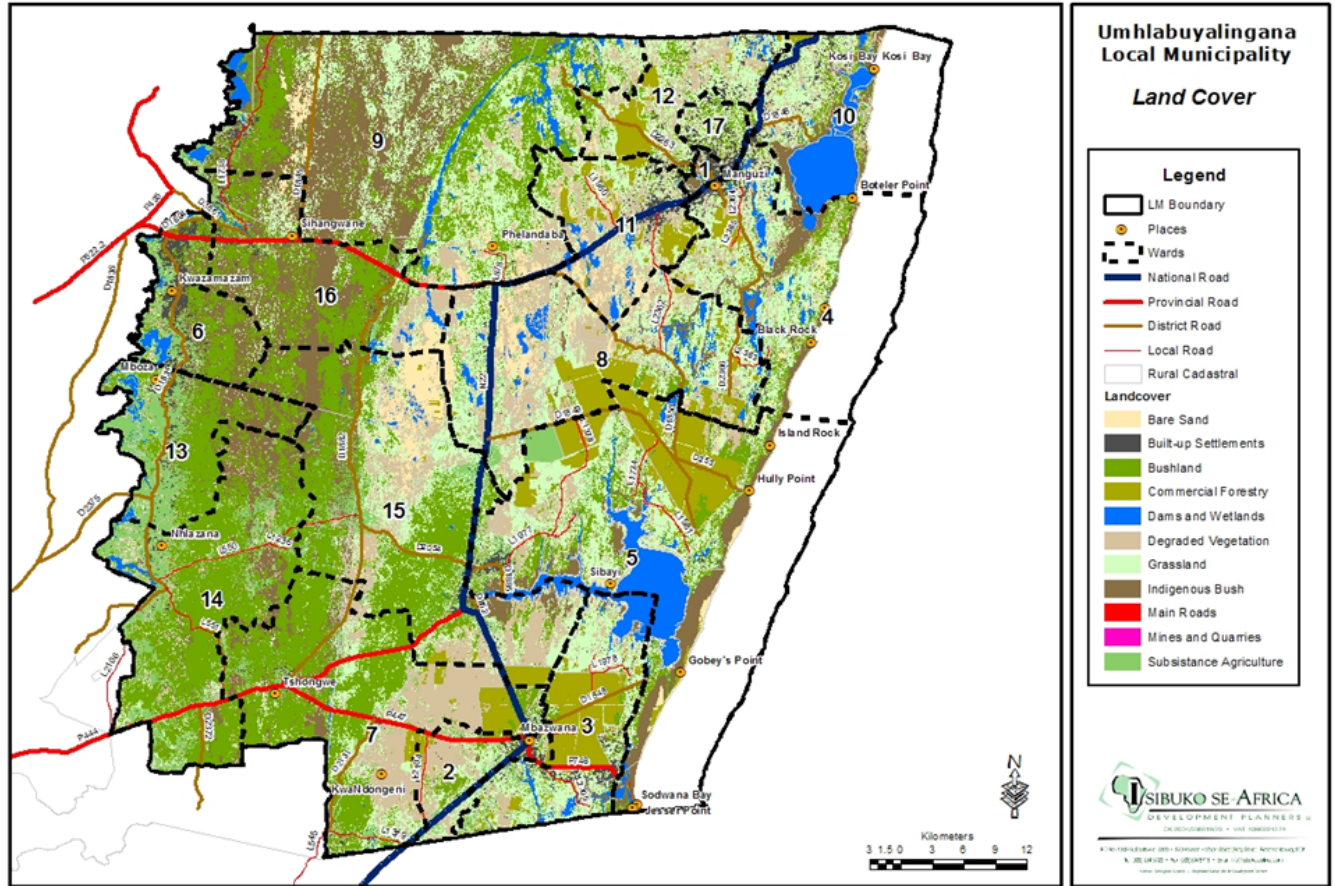
Given the environmental sensitivity of the uMhlabuyalingana Municipal area, development planning must be guided by the principles of sustainable development, environmental protection, and risk avoidance. Activities involving extensive vegetation removal or soil disturbance should be minimised, particularly on sloping land and in proximity to watercourses. Compliance with relevant legislation, including the National Environmental Management Act (NEMA), SPLUMA, and applicable provincial environmental guidelines, is essential. Environmental authorisations and specialist studies should form an integral part of the planning and implementation of development projects.

While the physical characteristics of uMhlabuyalingana Local Municipality present opportunities for development, particularly due to its generally gentle topography, the area's sandy soils, sensitive ecosystems, and valuable natural resources impose important environmental constraints. Sustainable development within the municipality requires a balanced approach that supports socio-economic growth while safeguarding environmental assets for current and future generations.

The general vegetation type of the area is described as Maputo land Coastal Thicket. This vegetation type is said to be vulnerable in the KZN province. According to Ezemvelo KZN Wildlife's vegetation classification, the province has an estimated 148,840 ha of this vegetation type, of which 11.2% is protected. It is estimated that approximately 9.68% of this vegetation type in the province is completely transformed and a further 17.44% is degraded. It is said that a total of approximately 73.25% of this vegetation type is still untransformed. In view of these statistics, this vegetation type is classified as vulnerable and therefore care needs to be taken in order to protect its conservation significance in the province and in the country.



Map 5: Land Cover



Source: uMhlabuyalingana Municipality SDF

It is noted that a fairly large portion of this vegetation type within the project areas, especially along the main roads and tracks, is degraded or completely transformed. From this majority of the project area still have untransformed Maputaland Coastal Thicket, which is said to be vulnerable. From this assessment also, it was noted that the Maputaland Coastal Thicket is dominated by grassland. Portions of this grassland are still in good condition. The settlement activities in the area have resulted in a significant degradation of the vegetation especially within around Phelandaba and Mbazwana. This confers ‘a reduced’ conservation significance on the site. However, in terms of environmental legislation, development of any site greater than 1 hectare (whether in a suitably good vegetation condition or derelict), requires authorization from the Provincial Department of Environmental Affairs (EDTEA).



Given the status of the vulnerable vegetation at a municipal level, care needs to be taken in the planning of developments so that unnecessary disturbances would not occur on the untransformed thicket and grassland. Development of any untransformed or derelict area may be subject to an environmental impact assessment. The key environmental issues may be removal of vegetation if the transformation or the size of the development is more than the allowed size in hectares and degradation of wetland vegetation and subsequent reduction in its functionality.

uMhlabuyalingana comprises 16 different wetland types, including:

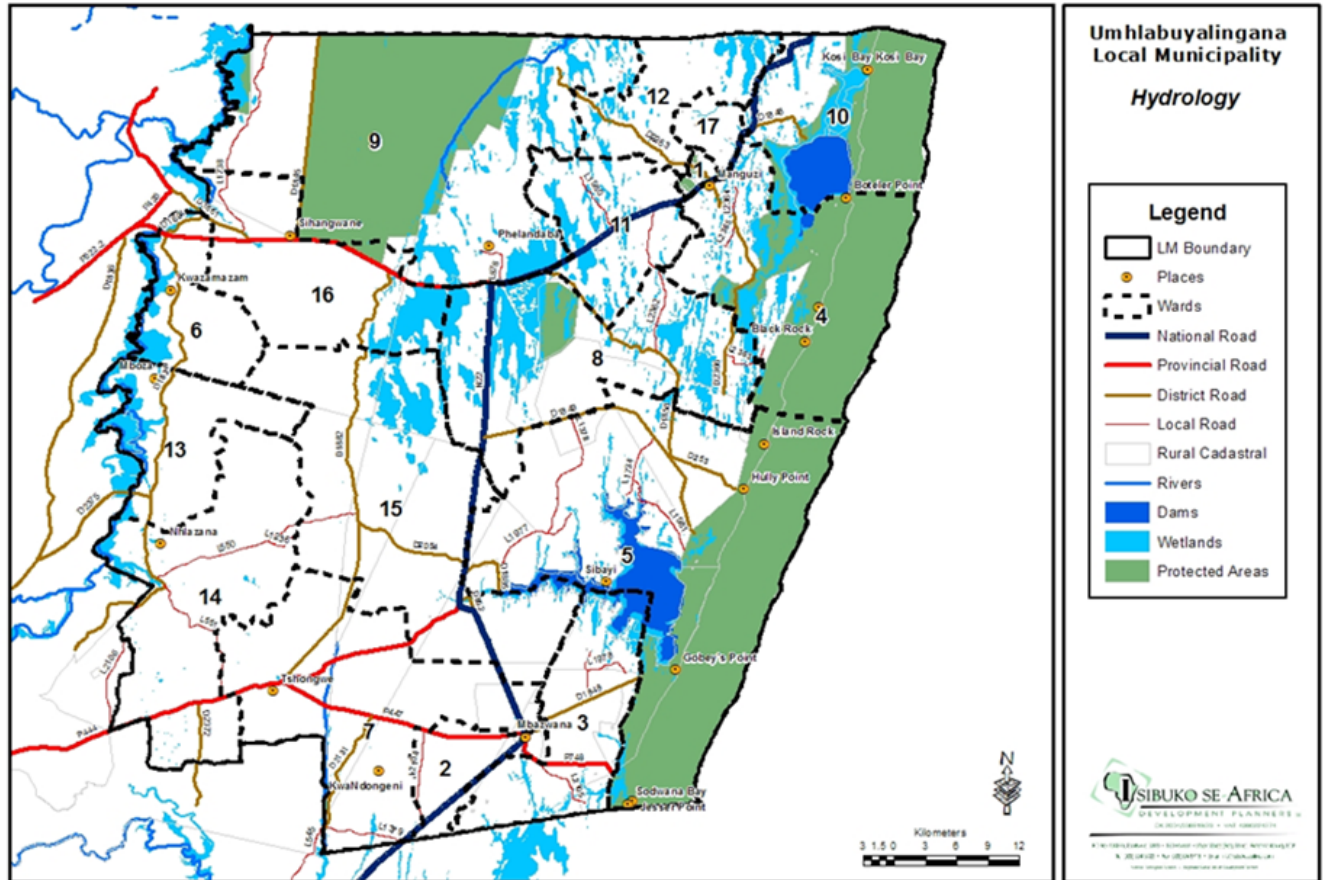
- Shallow marine waters
- Coral reefs
- Sand/shingle shores
- Estuarine waters
- Tidal mudflats, including intertidal flats and salt flats
- Salt marshes
- Mangrove/tidal forest
- Coastal brackish/saline lagoons
- Coastal fresh lagoons
- Deltas
- Freshwater lakes: permanent
- Freshwater lakes: seasonal/intermittent
- Saline/brackish lakes/marshes: permanent
- Saline/brackish lakes/marshes: seasonal/intermittent
- Freshwater marshes/pools: permanent
- Freshwater marshes/pools: seasonal/intermittent

The coastal area of uMhlabuyalingana was proclaimed as a nature reserve in 1987. South Africa currently has 19 wetlands designated as wetlands of international importance in accordance with the Ramsar Convention, one of which is the Isimangaliso Wetland Park System. The site is a Nature Reserve administered by the Ezemvelo KZN Wildlife under



the communally owned land falling under the Tembe, Mabaso, Mbila and Mashabane Traditional Councils.

Map 6: Hydrology Coastal Management

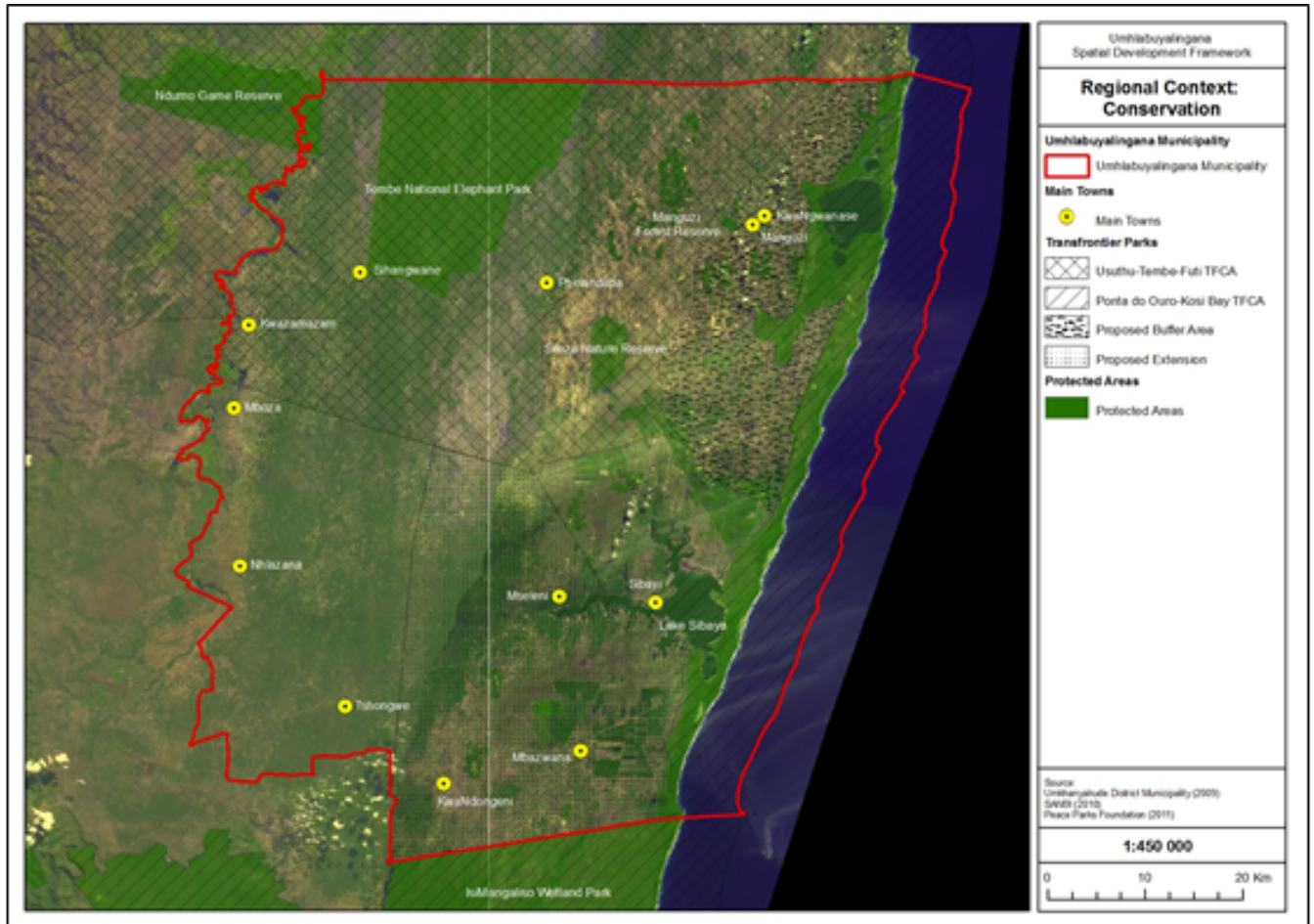


Source: uMhlabuyalingana Municipality SDF



Formally protected areas and TFCAs within and surrounding the uMhlabuyalingana Municipality

Map 7: Regional Context Conservation



Source: SDF 2024/2025

The Spatial Environment is discussed below and presents a short description of each of the five formally protected areas within the uMhlabuyalingana Municipality.

The Tembe Elephant National Park is situated on the Mozambique border near Ndumo Game Reserve. The park is approximately 30,000 ha in extent and managed by Ezemvelo KZN Wildlife. The park is situated within the sand veld ecological zone and consists mainly of closed woodland and secondary thicket formation, with clumps of sand forest. The zone



falls within a transition area between tropical and sub-tropical forms and therefore is home to a great diversity of vegetation. This results in high diversity of birdlife (340 bird species). The park is also home to approximately 220 elephants, some of which are among the largest in the world.

- The **Manguzi Forest Reserve** is situated on the outskirts of the Manguzi urban centre. The reserve is 237 ha in extent and managed by Ezemvelo KZN Wildlife. The reserve protects the last significant patch of KwaZulu-Natal Coastal Forest, an Endangered Ecosystem, to the north of Lake Sibaya. There are currently no facilities for visitors to the reserve.
- The **Sileza Nature Reserve** is situated south-west of Manguzi. The reserve is 2,125 ha in extent and managed by Ezemvelo KZN Wildlife. The reserve protects a large portion of Maputuland Wooded Grassland, which is classified as vulnerable. There are currently no facilities for visitors to the reserve.
- The **Tshanini Nature Reserve** is a community conservation area to the south of Tembe National Elephant Park. The reserve is approximately 3,000 ha in extent and managed by the local Tshanini community, with assistance from the Wildlands Conservation Trust. The reserve largely protects areas of Tembe Sandy Bushveld and Sand Forest.
- The Ndumo Game Reserve is a registered Ramsar Site which is situated on the Mozambique border. It is located at the confluence of the Great Usutu, which forms its northern boundary, and the Pongola Rivers. The reserve is approximately 11,860 ha in extent and comprises a variety of ecosystems, including floodplain pans, wetlands, reedbeds, savannah and sand forest. It has the highest bird count in South Africa with 430 recorded bird species. This includes several aquatic species, such as Black Egret, Pygmy Geese, and Pelicans, as well as several species of interest, such as the Pell's Fishing Owl, Broadbill, and Southern Banded Snake Eagle. The

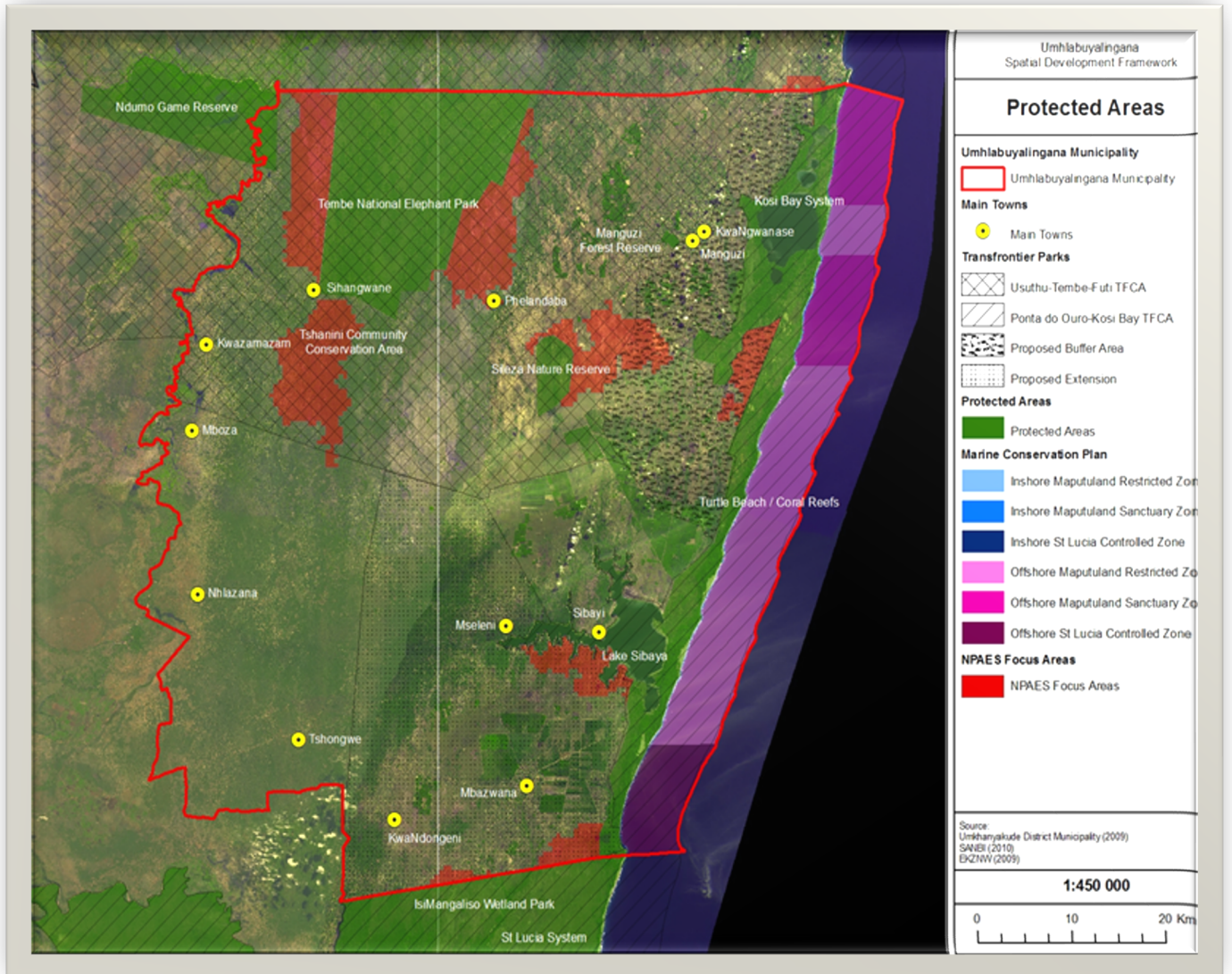


reserve is home to a number of game species, including Nyala, Bushbuck, Impala, Red Duiker, Suni, Black and White Rhino, Hippopotamus and Crocodiles.

- The ISimangaliso Wetland Park is South Africa's first UNESCO World Heritage Site. The 332,000 ha park contains three major lake systems, most of South Africa's remaining swamp forest, Africa's largest estuarine system, 526 bird species, and 25,000-year-old coastal dunes. The park also includes an extensive Marine Reserve which protects 190,000 km of the South African coastline. There are also four Ramsar sites, namely the Kosi Bay System, Turtle Beaches / Coral Reefs, Lake Sibaya, and the St Lucia System within the park.

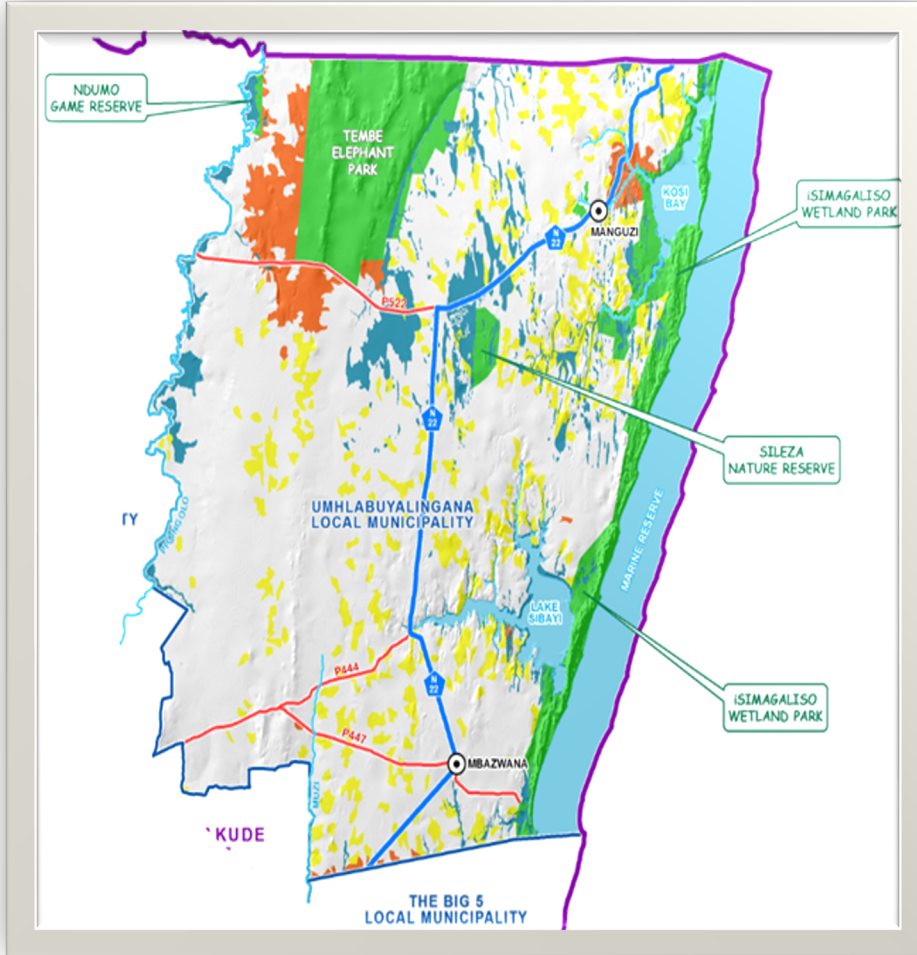


Map 8: Protected Areas



Source: uMhlabuyalingana SDF 2024/2025

Map 9: Environmentally Sensitive Areas

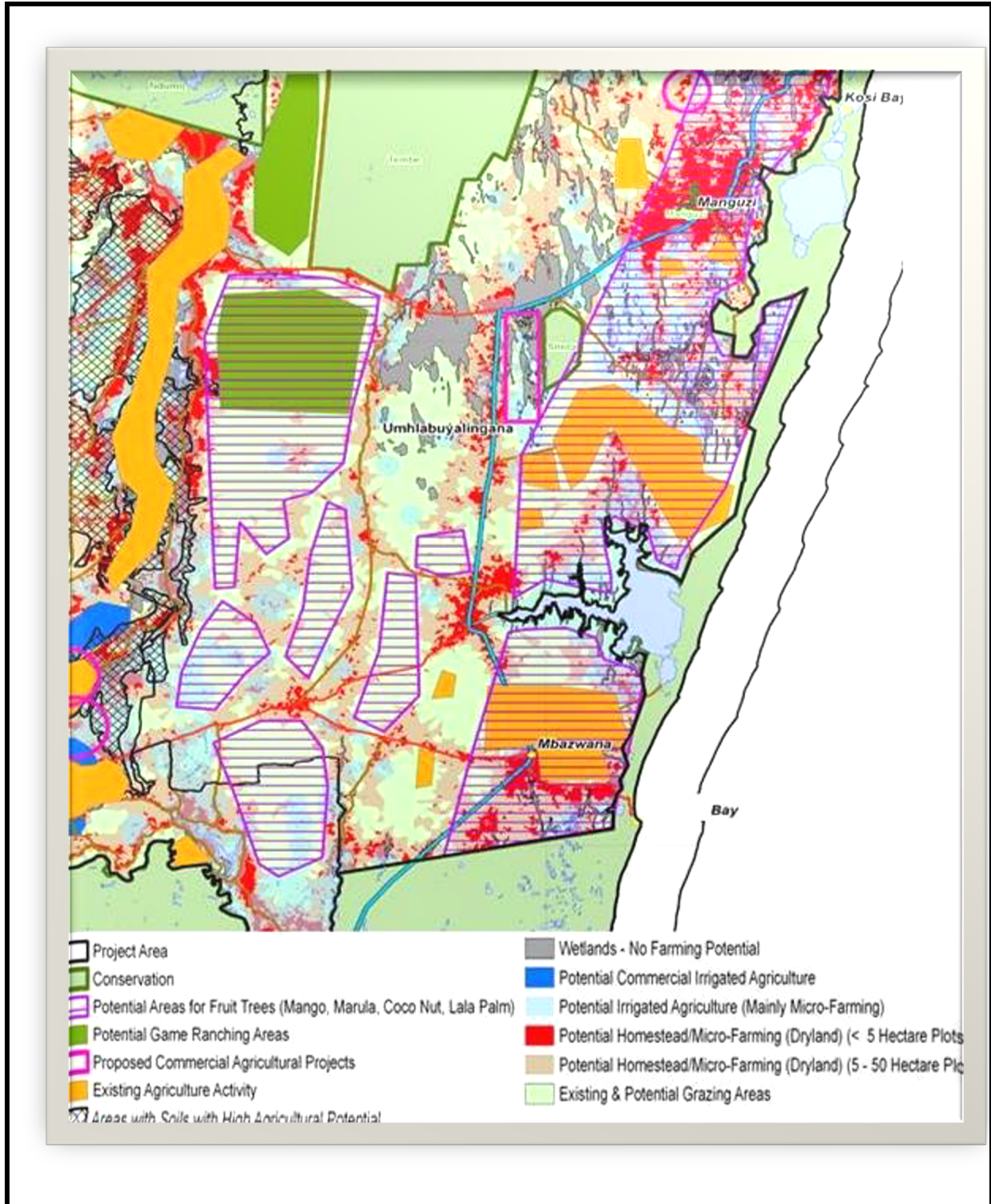


Source: Municipal SDF 2024/2025

- The environmental sensitive corridor along the coastline in the eastern part of the Municipality (mainly iSimangaliso Wetland Park);
- The Makhathiniflats along the Pongola River, which forms the western boundary of the Municipal area;
- The Tembe Elephant Park between the P522 provincial road and the Municipality's border with Mozambique in the north-western part of the Municipal area



Map 10: Environmental Sensitive & Agricultural Potential in uMhlabuyalingana



Source: Urban-Econ, agricultural potential map - Makhathini Integrated Development Plan 2007



Agriculture is one of the two key drivers of economy in uMhlabuyalingana Municipality, the other being tourism. The majority of the population in uMhlabuyalingana Municipality is involved in these two sectors. Agriculture in the municipality is based on commercial agriculture and consumption agriculture which is directed towards meeting consumption needs of the population.

The uMhlabuyalingana Municipality consists of nine bio-resource units. It has fairly flat land with good soil conditions, and weather conditions that favours agricultural production. The uMhlabuyalingana Municipality also falls under the Makhathini Flats area which is also characterized by its flat land and rich soils which make it suitable for agricultural production. Commercial farming has become a key area where investment has been directed in the Makhathini Flats and there has been much focus on development and job stimulation in the agricultural sector in this area.

The Makhathini Integrated Development Plan is one such programme that is being implemented in the area which is focused on the provision of agricultural infrastructure to optimize opportunities for crop and animal production in the Makhathini Flats. Although this programme started in the 2009/2010 financial year, efforts for infrastructure development intensified in the 2010/2011 financial year. According to the MEC Johnson's Budget Speech in 2011, the main infrastructure projects supported in 2010/2011 include improvement of farm access roads, refurbishment of pumps and irrigation infrastructure, construction of drainage canals and construction of livestock centres in Jozini and uMhlabuyalingana Municipalities. Improvement of irrigation infrastructure will stop water losses due to leaking pipes while the construction of drainage canals will address water logging currently affecting 2500 ha. Livestock centres aim to support livestock farmers in the Makhathini Flats to improve animal production and enhance local economic development. The implementation of these infrastructure projects has created 192 job opportunities for local people.



The agricultural potential of the land varies throughout uMhlabuyalingana Municipality, where relative to the eastern seaboard the area with high potential for dry land agriculture is closest to the sea and the one with low potential furthest from the sea. The areas in uMhlabuyalingana Municipality that have a high agricultural potential are hindered by the limited availability of land due to the sandy nature of the soils, by the settlements present in these areas and the fact that these areas often fall within the environmentally protected spaces of the municipality.

Access to water resources also plays an important role in both commercial and consumption agriculture and determines what type of crops can be grown and where it can be grown. The limited or lack of access to water can further hinder development in the agricultural sector. The major surface water resources in uMhlabuyalingana Municipality are as follows:

- Pongola River which provides opportunities for irrigation along the Pongola floodplains. It is also evident that the Pongola floodplains have been a drawcard for informal settlements and have increased in density in areas close to the floodplains. This reinforces the fact that people are dependent on natural resources for their survival in uMhlabuyalingana Municipality,
- Usutu River which runs along the north-western boundary of uMhlabuyalingana Municipality, and
- The coastal freshwater lakes and swamps which includes Lake Sibaya and Kosi Bay.

Water sources, in the form of large water bodies, reside on the peripheral ends of the municipality. These include areas such as the Kosi Lake System, Lake Sibaya, Bhangazi and the St Lucia Lake System. In recent years efforts have been made to improve the irrigation systems in the Makhathini Flats area, however research has indicated that the lack of reliable sources of water for irrigation poses a major constraint on commercial agriculture projects such as the Mboza groundnuts project.



The predominant forms of agricultural activities that take place in UMhlabuyalingana can broadly be categorized as follows:

- Homestead and community gardens dominated by the production of fresh vegetables,
- Crop production systems producing groundnuts, maize, cassava, cowpea, taro (amadumbe), sweet potato (red, white & yellow), jugo (izindlubu and sugar beans),
- Commercial forestry plantations (pine and eucalypt), and
- Livestock farming.

There is evidence of commercial forestry plantations that are located at Mbazwana and Manzengwenya along the coast. Although the predominant commercial agriculture activities are limited to the production of cashew nuts, ground nuts and a few other niche crops, there is potential to expand and this is dependent on a number of factors such as improving accessibility to water, access to defined blocks of land that are designated to agricultural activities etc.

As consumption agriculture is an important activity in the uMhlabuyalingana Local Municipality area, community garden initiatives have been established and play an important role in alleviating poverty and ensuring food security. Community gardens are important generators for fresh vegetables in the area that is directed toward consumption needs. However, the poor design of these community gardens initiatives have resulted in a number of problems that range from lack of infrastructure and funds to group dynamics.

Production systems are considered to include activities that are coordinated either by the government or private companies, and such activities in uMhlabuyalingana include the production of:

- Cotton, which is concentrated mainly in the Makhathini Flats area,



- Pineapples, which are in a process of being introduced in uMhlabuyalingana,
- Ground nuts,
- Essential oils,
- Honey, and
- Cashew nuts.

Households involved in consumption agriculture are involved in the production of a range of crops for household consumption which includes maize, amadumbe and sweet potatoes. The type of crops grown in the various households throughout uMhlabuyalingana is again dependent on accessibility of water resources and soil conditions. Research has indicated that there is potential to commercially produce these crops, but this is dependent on investment in technology and the supply of water, for example, the provision of water irrigation systems. Livestock production also forms an integral part of community activities that ensure food security and income-generation. The livestock farmed include chickens, cattle and goats.

It is evident that the full potential of the agricultural sector has not been fully realized in uMhlabuyalingana as the areas of existing agricultural activities are only a fraction of areas that have been identified to have agricultural potential. It is evident that uMhlabuyalingana has the opportunity to expand its agricultural sector in the following areas:

- Fruit tree farming - fruits that can be grown in the municipality include mango, amarula, coconut and lala palm,
- Game ranching - such a development can impact on both the agriculture sector and the tourism sector,
- Irrigated farming,
- Homestead farming in areas that have plot sizes of less than 5 hectares, and
- Homestead farming in areas that have plot sizes of between 5 and 50 hectares.



Cashew nuts are an important part of the commercial agricultural sector and are grown in areas around uMhlabuyalingana Municipality where the soils are most favourable. Cashew nuts have been in production in the Maputaland area since the 1980s and began as part of a research project of the Industrial Development Corporation. A joint partnership with Ithala Development Corporation was formed and this resulted in the establishment of Coastal Cashew (Pty) Ltd. In 1994 the scheme of this venture under Coastal Cashew (Pty) Ltd was extended to include Manguzi and is still in operation today. The development of the cashew nuts grower block has stimulated development and interest in other agricultural production initiatives in the uMhlabuyalingana Municipality and surrounding areas in the Maputaland region which includes:

- Essential oils,
- Peanuts,
- Honey, and
- Ground nuts.

The favourable coastal climate and sandy soils increases the potential for ground nuts cultivation in the Maputaland area. Ground nut projects have been established in uMhlabuyalingana Municipality where large tracts of land have been made available for these type of projects in areas such as Mboza.

According to the MDIC (2012) bee keeping and honey production activities have been exclusively undertaken by the community in the forests that are owned by Sappi and Mondi in the uMhlabuyalingana Municipality. The MDIC further indicates that honey production can be a lucrative business venture for community development as it has very little initial capital cost, little management is required, and it promotes the retaining of indigenous trees in the area. It is ideal for resource-poor farmers as it requires low-cost technology, minimum infrastructure, and no land ownership. Eucalyptus trees provides excellent source of pollen, and these are found extensively in the uMkhanyakude District. Another opportunity of this type of farming activity exists in the natural forests in the game parks.



uMhlabuyalingana Municipality is notable for the prolific growth of palm trees in this area. These palm trees are used by the local people for the manufacturing of handcrafts, while a significant quantity of the palm fronds (in particular the Lala Palm) is exported to other regions for use by craft workers. The sap of the Wild Date Palm, and in particular the Lala Palm, is used to produce palm wine. The over-harvesting of palm could be a problem, but current controls and active planting of palms ensure their sustainability. However, the sale of palm material for craftwork outside of the district should be restricted.

A number of constraints that impede or limit commercial agricultural development in uMhlabuyalingana Municipality were identified in the municipality's Local Economic Development Strategy in 2007 and includes, but is not limited to, the following:

- Access to adequately sized agricultural land is limited - dispersed settlement patterns with no formally defined areas designated for agricultural production further limits agricultural production activities, as well as limited access to sufficient land in areas under traditional leadership. Settlements which are dense also occur primarily in high potential agricultural areas, limiting land availability for agricultural activities.
- Land Claims - large portions of land under state authority cannot be developed until land claim issues have been resolved. This is largely limited to the coastal forestry reserve and the Pongola flood plains.
- Management and control of communal grazing areas for livestock - the management of livestock communal grazing land is difficult. This is largely due to overstocking of livestock in some areas which leads to the degeneration of land, the land that is available for grazing is not managed or maintained, livestock are often not contained in a specific area and their movements are not controlled and negatively impact on other areas such as croplands and conservation areas.



- Consumption agriculture - food security is naturally the prime motivation for crop selection and general agricultural practice. The change to producing a commercial cash crop has real risks associated with it, and it is difficult to overturn the habits and rituals of many generations. Way of minimizing risks and appropriate ways of introducing commercial ventures into the areas where consumption agriculture is practiced need to be employed.
- Technical and financial support - there is a lack of technical expertise and financial knowledge required in the production of high-value cash crops or niche market products.
- Lack of sector strong organization - although farmers groups do exist, and some activities such as ploughing may rely on the sharing of resources, there are generally not strong and effective agricultural organizations within the tribal areas. This denies the farmers benefits that could be derived from joint buying of seeds or fertilizer, collective use of machinery, collective marketing and pooling of transport resources.
- Inadequate processing and storage facilities - processing and storage facilities are absent or lacking within uMhlabuyalingana Municipality, especially for high valuable, perishable and/or produce requiring processing. This is particularly so in the more remote, north-eastern parts of the area, where the conditions are most conducive to tropical fruit production and aquaculture and where these facilities would be in greatest demand (PS2 Consortium 2001:78 in uMhlabuyalingana Local Municipality 2007).



1.3.5 Service Delivery Overview

Basic Service and Infrastructure Development

To facilitate the provision of reliable source of energy to uMhlabuyalingana municipality

Electricity

Successfully completed projects during 2024/2025 Financial Year

- 93 households electrified in Mazambane by 30 June 2025
- 200 households electrified in Oqondweni Phase1 by 30 June 2025

Table 15: Projects not completed and under constructions

Project	Progress as at 30 June 2025
55 households electrified in Oqondweni Phase 2	Site established, excavation of poles and stays done, pole planting and conductor stringing done, boards mounting and house connections 98,5%, Transformer mounting 100%. Overall project progress was 98,5% at end of June 2025
28 households electrified in Mvelabusha Mahashi	Site established, Excavation and pole planting done, stay assembling done, LV and MV conductor stringing done, MV Transformer installation 20%. Overall project progress was 95% as at the end of June 2025)
133 households electrified in Ndlondlweni Mqhiyama	Site established, Pole planting and planting MV done, MV conductor stringing 97%, MV structure dressing done, Pole excavations and LV planting done, LV structures and stays done, LV conductor stringing done, Installation of poles done Installation of ready boards done. Overall project progress was 95% as at the end of June 2025
Reason for under-achievement	ESKOM outages not approved yet
Measures to be taken to improve performance	Engaging Eskom to fast-track outages and provide dates The KPI will be carried over into the 2025/26 scorecard

Roads and Sewer lines

Successfully completed projects during 2024/2025 Financial Year

- 2,8 km of Skhemelele Internal gravel road Phase 2 constructed

Table 16: Projects not completed and under constructions

Project	Progress as at 30 June 2025	Reason for under-achievement	Measures to be taken to improve performance
1,1Km Manzibomvu KwaZungu gravel road	The site was established, cleared, services were relocated, bulk earthworks were done, drainage and layer works at base layer was done, wearing course road signage was completed and finishing the road and reserve was at 50%) Overall project progress was at 94%	Challenges by contractor to access G7 material which is outside of umhlabuyalingana municipal boundaries	The contractor to increase number of tipper trucks to speed up production and complete the project in Q1 of 2025/2026
2,8Km Kwashodi-Mahlakwe gravel road	The site was established, cleared, services were relocated, bulk earthworks were done, drainage 80% completed, and layer works at base layer was done, wearing course 90% completed (Overall construction progress at 74,0%	Slow progress by the contractor due to challenges in accessing G7 material that is outside of umhlabuyalingana municipality.	Increase of resources number (Addition of trucks to haul material) by the contractor to fast track the progress and the project.
2,02Km of Manguzi Internal tarred road phase 2	Site established, cleared, culvert bridge completed, relocation of water piped completed, relocation	Slow progress by the contractor due to financial constraints	Remaining work to be completed by the sub-contractor through cession in line with GCC and target



Project	Progress as at 30 June 2025	Reason for under-achievement	Measures to be taken to improve performance
	of fences 50%, Asphalt 85% (Overall construction progress was 80%)		included in the 2025/2026 SDBIP
3km regravelling of Mfihlweni-Mfakubheka Access road regravelled	Site establishment, clearing and grubbing done, drains 10% and gravel wearing course 30% completed) (Overall construction progress was 40%)	Challenges by contractor to access G5 material which is outside of umhlabuyalingana municipal boundaries	The contractor to increase number of tipper trucks to speed up production and complete the project in Q1 of 2025/2026
2,5km regravelling of Mqobela Access road	Site established, clearing and grubbing done, drains 10% gravel wearing course 30%, (Overall construction progress at 40%)		
3km regravelling of Mbubeni-Majola Access road	0km	The contractor abandoned the site, and the municipality terminated the contract.	The municipality to re-advertise for the contractor in Q1 of the 2025/2026 financial year. KPI to be included in the 2025/26 SDBIP
400m of sewer line constructed at Manguzi Market Stalls	0m	The project was advertised and the bids received far exceeded the budgeted amount, hence it was not considered in the 2025/26 budget	The budget proposal will be considered during 2025/2026 mid-year budget adjustment and then the Project will be readvertised or deferred



Sports Field

Successfully completed projects during 2024/2025 Financial Year

- **100 % Refurbishment of Manguzi Sport field completed**

Table 17: Buildings and Structures

Project	Progress as at 30 June 2025	Reason for under-achievement	Measures to be taken to improve performance
55 market stalls renovated by 30 June 2025	22 market stalls renovated by 30 June 2025 (Overall project progress/renovation was 48%)	Access to stalls limited due to on-site occupants and transitional model.	The Municipality will engage the occupants to fast track the access to the remaining market stall during 2025/26 Target included in the 2025/2026 SDBIP

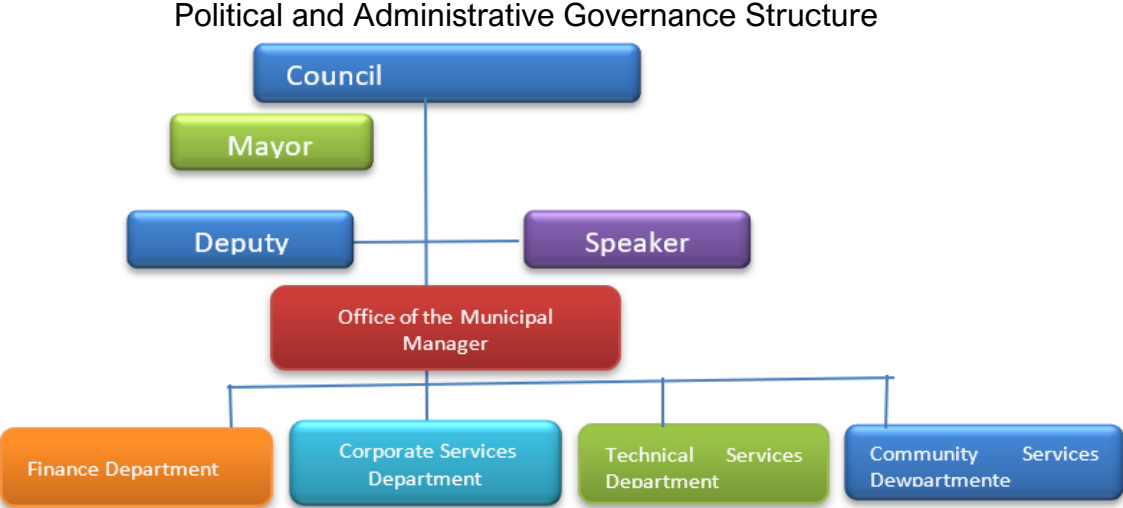
1.3.6 Organizational Development Overview

The Council approved an organizational structure/organogram that aligns with the long-term development plans of the municipality as reflected in the IDP, as well as the powers and functions of the Municipality and the need for effective administration. The vacancy rate is indicated as well as the filled positions. The organogram defines this organizational structure and makes provision for the following departments and strategic programmes:

- The Office of the Municipal Manager
- Corporate Services Department
- Technical Services, Planning and Local Economic Development Department
- Finance Department
- Community Services Department



The implementation of the organogram is a priority for the municipality given the need to create sufficient capacity to implement the IDP and render services effectively. The organogram is revised annually to cater for the changing needs of the municipality. However, the key challenge is to attract and retain qualified and experienced personnel. Challenges in this regard include the remote location of the municipality in relation to major urban centres and the limited resources available to the municipality for staff remuneration. All critical positions are filled, and the municipality has a staff complement of 497 employees.



1.3.7 Auditor General’s Report

uMhlabuyalingana Municipality received an unqualified audit opinion with findings on other matters for the 2024/2025 financial year. The audit report is contained in Chapter 6 for ease of reference. This was achieved with in-house capacity and with the assistance of appointed consultants. The audit opinions received for the past 2 financial years clearly indicate an improvement in leadership and control on the matters that the Auditor-General focuses on during her audits:

- 2024/2025: Unqualified audit opinion with findings on other matters



- 2023/2024: Unqualified audit opinion with findings on other matters
- 2022/2023: Unqualified audit opinion with findings on other matters
- 2021/2022: Unqualified audit opinion with findings on other matters
- 2020/2021: Unqualified audit opinion with findings on other matters

The audit opinion is expressed in relation to the audit of the Annual Financial Statements. The other matters deal with predetermined objectives and legislative compliance issues. Further details can be found in the Audit Outcome/s Improvement Plan attached as Volume III to the Annual Report 2024/2025.

1.3.8 Statutory Annual Report Process

The statutory processes followed in compiling this annual report is presented in the table below. The process starts in July each year with the compilation of the Annual Report and continues until the end of March the following year when Council accepts the Annual Report and the Oversight Report on the Annual Report.

Table 18: Annual Report Statutory Process

No.	Activity	Timeframe
1	Consideration of next financial year’s Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	



No.	Activity	Timeframe
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor-General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor-General audits Annual Report including consolidated Annual Financial Statements and Performance data	September – October
12	Municipalities receive and start to address the Auditor-General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January



The Relationship and Timing of the Different Accountability Processes

Strategic Plans: The municipality conducts strategic planning sessions annually, setting out the municipality's policy priorities, programmes and project plans for a five-year period, as approved by its Executive Authority, within the scope of available resources.

The strategic plan focused on strategic outcomes-oriented goals for the municipality as a whole, and objectives for each of its main service-delivery areas aligned to its budget programmes and, where relevant, also its budget sub-programmes.

A strategic plan covers a period of five years, ideally from the first planning cycle following an election, linked to the identified outcomes of the Presidency. Although plans may have a longer timeframe, they are revised every five years, and a new or revised strategic plan is then prepared for consideration. Departments tabled their strategic plans for budgeting purposes. Linked to a strategic plan is the consideration of the MTSF, the Provincial Growth and Development Strategy, IDPs of the municipality, Performance Agreements and Service Delivery Agreements entered into in terms of the broad strategic outcomes and any other relevant long-term government plans. The municipality's resources and capabilities are also considered in the formulation of the strategic plan. The document lays the foundation for the development of Annual Performance Plans.

Annual Performance Plans/SDBIPs: The Annual Performance Plans set out what the municipality intends doing in the upcoming financial year and during the MTEF to implement its strategic plan.

The SDBIPs sets out performance indicators and targets for budget programmes, and sub-programmes where relevant, to facilitate the municipality realizing its goals and objectives as set out in the Strategic Plan. Where appropriate, the plan has quarterly breakdown of performance targets for the upcoming financial year.



To simplify performance tracking, in-year changes to the plan should be made during the mid-year review. Where the municipality's performance exceeds or misses targets due to in-year budget changes or for another reason, this is noted and documented in the mid-year report. In-year monitoring of the Annual Performance Plans/SDBIPs is conducted through the quarterly performance reports and year-end reporting is made in the programme performance section of the institution's annual report.

Legal Requirements and Guidelines: Chapters 5 and 30 of the Treasury Regulations set out the legal requirements.

Annual Budget and MTEF: The annual budget sets out what funds an institution is allocated to deliver services. The Annual Performance Plan shows funded service-delivery targets or projections. The annual budget indicates the resource envelope for the year ahead and sets indicative future budgets over the MTEF. The budget covers the current financial year and the following two years.

Quarterly Performance Reports: Quarterly performance reports provide progress updates on the implementation of the municipality's Annual Performance Plan/SDBIPs in the previous quarter, with reference to monitoring delivery against quarterly performance targets.

A quarterly performance report provides information on performance against plans. It also provides the accounting officer with an opportunity to indicate measures that will be taken to ensure that implementation of the Annual Performance Plan remains on track.

Timeframes: Quarterly reports were prepared for each quarter. Changes to planned targets are not made in quarterly performance reports. The quarterly performance reports for the second and third quarters provide information on the present year's performance to be taken into consideration in the development of the Annual Performance Plan and



annual budget for the following year. Legal requirements and guidelines contained in Chapters 5 and 30 of the Treasury Regulations set out the legal requirements. This Framework provides guidance on the processes relating to the production of such reports.

Annual Reports: The Annual Report provides information on the performance of the municipality in the preceding financial year for the purposes of oversight. It looks at the municipality's performance relative to the targets set in the Annual Performance Plan/SDBIPs and provides the audited annual financial statements. It reveals how the budget was implemented and the state of the institution's financial management systems and should include relevant background statistics and administrative data series.

The timeframes for the compilation of Annual Reports are set out in the MFMA and Treasury Regulations. Annual Reports should be linked to the implementation of the Annual Performance Plan/SDBIPs and budget. All in-year reports assist in the drawing up of the Annual Report, which should be subjected to an annual review and oversight process. Recommendations emerging from the review would feed into the planning and budgeting process for the following year.

Performance Agreement: A performance agreement summarises the official duties and responsibilities that are attached to an appointment or position and include a performance-related incentive and reward system for managing an official's job performance. A performance agreement specifies individual performance targets for the accounting officer and other HODs.

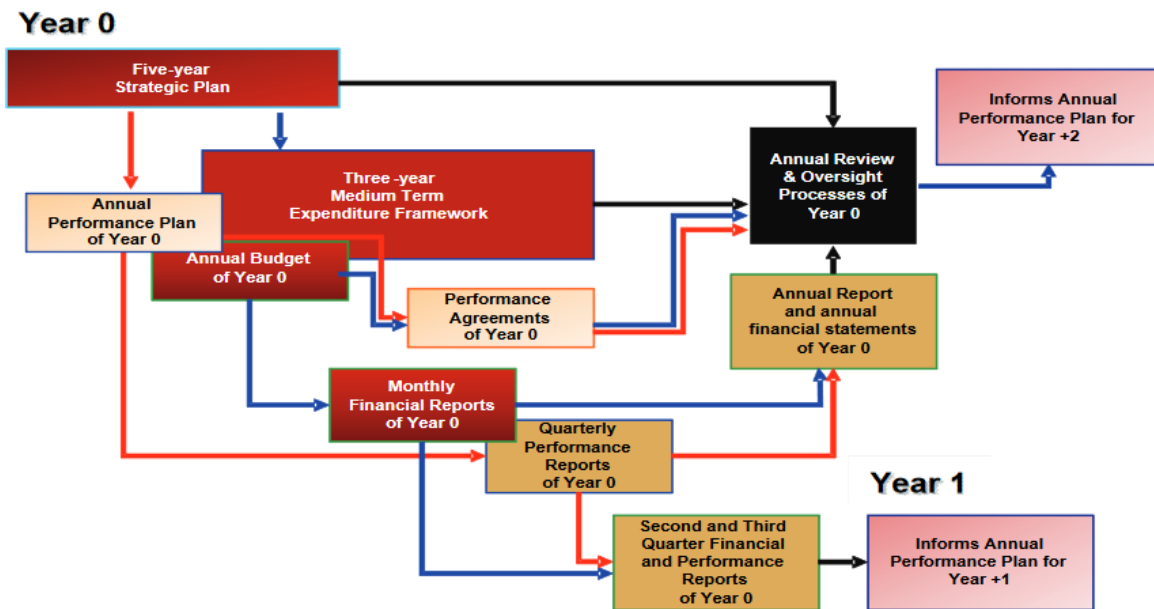
Performance Agreements are signed by the end of July. Performance Agreements should be linked to the achievement of the Strategic Plan, the implementation of the Annual Performance Plan and the annual budget. At the end of the financial year, each official's performance is reviewed in relation to their respective Performance Agreement.



End-Term Reviews: The municipality conducts an end-term review towards the end of the period covered by its Strategic Plan. The review follows the format of the plan. The municipality reports on the extent to which it has succeeded in achieving each of the strategic outcome-oriented goals and objectives set at the beginning of the five-year period, as well as on any other evaluations conducted during the period.

Information Flow and Relationship between Plans and Budgets: The graph below shows the link between the various accountability documents, performance agreements and oversight processes, as well as the link to future planning.

Graph 9: Link between Planning, Budgeting and Reporting



At the end of the financial year, the accounting officer compiles Annual Financial Statements reporting on the implementation of the budget, and an Annual Report on the implementation of the Annual Performance Plan. All information contained in the annual report, and information on the evaluation of managers' individual performances, are incorporated into an annual review and oversight process involving the Municipal Public



Accounts Committee. Recommendations are made about future performance targets which would feed into the planning and budgeting process for the following year



Chapter 2 | Governance

Component A : Governance Structures

To ensure accountability and governance arrangements are in place, Section 121(2)(c) of the MFMA supports the requirements of Section 18(1)(d) of the MSA: information on matters of governance should be communicated to communities. This should, according to Sections 65(1)(a) of the MFMA and 46 of the MSA be undertaken through the compilation and publication of the Annual Report. The purpose of such an annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year. Nine major characteristics should be applied within the political and administrative structures of a municipality / municipal entity to ensure good governance:

2.1 Political Governance Structure

The Municipal Council is constituted by 5 political parties in a form of proportional representation, which is as follows:

Table19: Representation of Political Parties

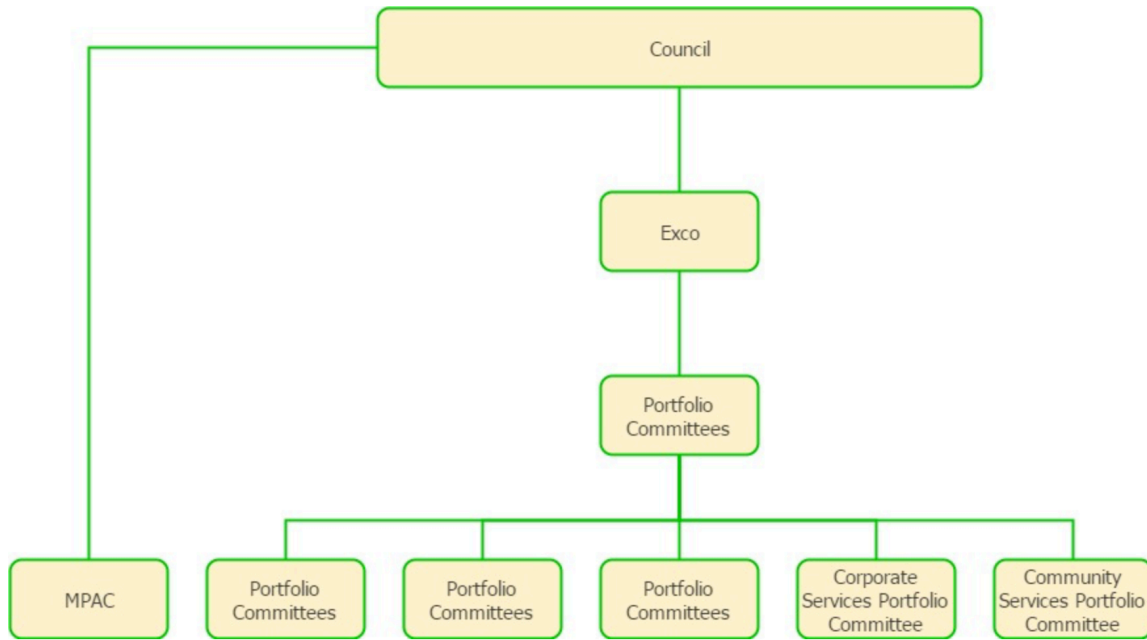
Political Party	Number of Representatives/Councillors
African National Congress	18
Inkatha Freedom Party	15
ABMM	1
Democratic Alliance	1
Economic Freedom Fighters	2
ACDP	1
NFP	1
TOTAL	39



uMhlabuyalingana Municipality’s political governance structure consists of:

- Council
- EXCO
- Portfolio Committees
- MPAC

Political structure 2024/2025





Executive Committee



CLLR TS KHUMALO
MAYOR—IFP



CLLR EZ MTSHALI
DEPUTY MAYOR—NFP



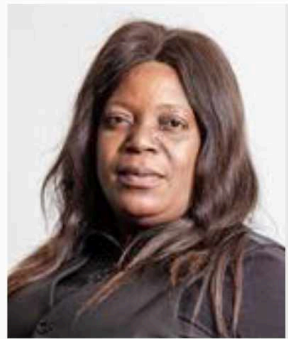
CLLR MD MATHENJWA
SPEAKER—IFP



CLLR KC MTHEMBU
—ANC



CLLR LD TEMBE
—ANC



CLLR HK GUMEDE
—IFP



CLLR ZM MHLON
—ANC



CLLR VUMASE
—EFF



Ward Councillors



CLLR TP MANZINI
(WARD 1)—IFP



CLLR JP ZIKHALI
(WARD 2)—IFP



CLLR T MNGOMEZULU
(WARD 3)—ANC



CLLR LD TEMBE
(WARD 4)—ANC



CLLR SM MANUKUZA
(WARD 5)—IFP



CLLR FS MPANZA
(WARD 6)—ANC



CLLR BK MBUYAZI
(WARD 7)—IFP



CLLR SM TEMBE
(WARD 8)—ANC



CLLR MV MAHAMBA
(WARD 9)—IFP



CLLR SJ MABIKA
(WARD 10)—ANC



CLLR LS NTULI
(WARD 11)—ANC



CLLR BD MTSHALI
(WARD 12)—ANC



CLLR IT GWALA
(WARD 13)—IFP



CLLR PV KHATHWANE
(WARD 14)—IFP



CLLR NC MDLETSHI
(WARD 15)—ANC



CLLR NJ KHUMALO
(WARD 16)—IFP



CLLR KA BUTHELEZI
(WARD 17)—ANC



CLLR BE BIYELA
(WARD 18)—IFP



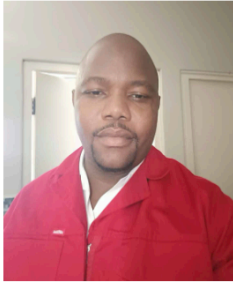
CLLR-PS-MABIKA
WARD-19-IFP



CLLR SS MKHUMBUZI
(WARD 20)—ANC



PR Councillors



**CLLR-D-MLAMBO-
EFF**



**CLLR NP KHUMALO
—ACDP**



**CLLR ZM MHLONGO
—ANC**



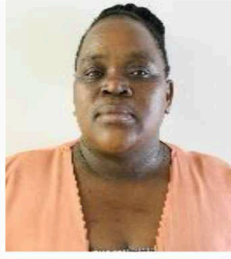
**CLLR KC MTHEMBU
—ANC**



**CLLR TN MAGAGULA
—ANC**



**CLLR NP MTHEMBU
—ANC**



**CLLR WNO NXUMALO
—ANC**



**CLLR FG MLAMBO
—ANC**



**CLLR TS MYENI
—ANC**



**CLLR D MLAMBO
—EFF**



**CLLR PT VUMASE
—EFF**



**CLLR MD MATHENJWA
—IFP**



**CLLR TS KHUMALO
—IFP**



**CLLR MZ MHLONGO
—IFP**



**CLLR SM GUMEDE
—IFP**



**CLLR HK GUMEDE
—IFP**



**CLLR HN
NTSHANGASE
—IFP**



**CLLR KA KUNENE
—IFP**



**CLLR EZ MTSHALI
—NFP**



Portfolio Committees

uMhlabuyalingana municipality has three portfolio committees.

Community Services Portfolio committee members:

- Cllr HK Gumede (Chairperson)
- Cllr. B.E Biyela
- Cllr. S.M. Tembe
- Cllr. M.Z. Mhlongo
- Cllr. T.N Magagula
- Cllr. N.J Khumalo
- Cllr. Z.M. Mhlongo
- Cllr. N.P Khumalo
- Cllr S.S Mkhumbuzi

Finance Portfolio Committee members

- Cllr TS Khumalo
- (Mayor)
- Cllr. M.D. Mathenjwa (Speaker)
- Cllr SM Manukuza
- Cllr MV Mahamba
- Cllr JP Zikhali
- Cllr KC Mthembu
- Cllr WNO Nxumalo
- Cllr SM Gumede
- Cllr PS Mabika
- Cllr KA Buthelezi

Planning, Local Economic Development and Technical Services Portfolio Committee members

- Cllr. E.Z Mtshali (Chairperson)
- Cllr. L.D Tembe
- Cllr. S.M Gumede
- Cllr. M.Z. Mhlongo
- Cllr. N.P Mthembu
- Cllr. K.B MTHEMBU



- Cllr. P.V Khathwane
- Cllr. N.J Khumalo
- Cllr. S.J Mabika

Audit Committee Members

The following members serve in the Audit and Performance Committee, effective 1 February 2024

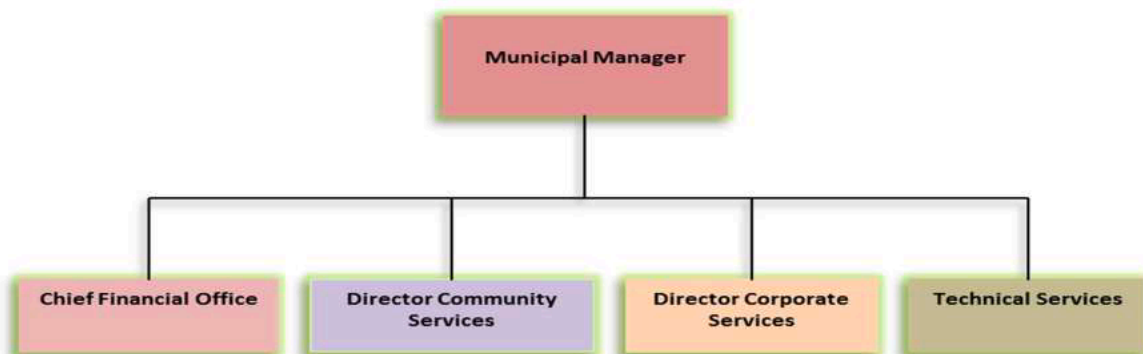
- Mr L. Hlengwa - Audit Committee Chairperson
- Ms C. Jugnarayan - Performance Audit Committee Chairperson
- Mr M. Magwaza – Member
- Mr M. Simelane – Member

2.2 Administrative Governance Structure

The Municipal Manager is the Accounting Officer of the Municipality and the Head of the Administration. His primary function is to serve as chief custodian of service delivery and the implementation of political priorities.

The Municipal Manager is assisted by four (4) Heads of Departments (HoDs) which comprise the:

- Directors Corporate Services,
- Planning, LED and Infrastructure Development
- Community Services and
- Chief Financial Officer as per the approved organogram.





MR NPE MYENI MUNICIPAL
MANAGER



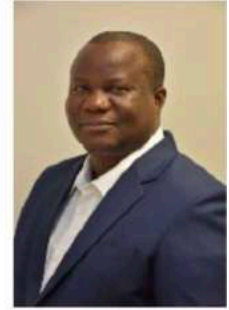
MRS NP MKHABELA
CHIEF FINANCE
OFFICER



MR CR KHUMALO DIRECTOR
CORPORATE SERVICES



MR. W. S Nhlenyama
DIRECTOR COMMUNITY
SERVICES



MR DI TEMBE DIRECTOR
TECHNICAL SERVICES

Management meetings are held at least on a weekly basis to discuss current priorities, strategic interventions to improve service delivery and new initiatives based on feedback from political leadership, departments and the local community.

Component B: Intergovernmental Relations

2.3 Intergovernmental Relations

National Inter-Governmental Relations: uMhlabuyalingana Municipality participates in a range of intergovernmental activities, both formally and informally. Key staff members participate in professional institutes that govern the interests of various fields of work. Examples of such interaction and cooperation are:

National Intergovernmental Structures

- National Government Departments
- Accounting Standards Board (ASB) – Public Sector Accounting Forum
- Electricity Distribution Regulation and Tariff Setting (NERSA)
- Chartered Institute of Government Finance, Audit and Risk Officers (CIGFARO)
- Institute of Fire and Emergency Safety of South Africa
- Institute of Internal Auditors
- Institute of Municipal Licensing Officers of South Africa
- Institute of South African Municipal Accounting Officers (ISAMAO)
- National Government SETA Skills Development Forum



- National Municipal Managers Forum
- South African Local Government Association (SALGA)
- South African Tourism Services Association (SATSA)

Provincial Inter-Governmental Structures: Interaction with KZN government departments and municipalities is valuable in ensuring better coordination and cooperation. At these sessions, information and best practices are widely shared. These structures provide important support and guidance to staff in maintaining and enhancement of professional work standards. Issues pertaining to service delivery and matters of common interest are discussed at the following forums:

- KwaZulu-Natal Government Departments
- Accounting Standards Board (ASB) – Public Sector Accounting Forum
- CFO Forum
- Disaster Management Forum
- EPWP Coordinating Meetings
- Provincial IDP Managers’ Forum
- MIG Coordinating Meetings
- Ministerial Mayors’ Forum
- Municipal Governance Review and Outlook (MGRO)
- Municipal Managers’ Forum
- Municipal Planning Forum
- Premier’s Coordinating Forum
- Provincial Local Government SETA Skills Development Forum
- Provincial Speakers’ Forum
- Public Participation and Communications Forum
- Records Management Forum
- SALGA Working Groups



Relationship with Municipal Entities: No municipal entities have been established in uMhlabuyalingana Municipality.

District Inter-Governmental Structures: All service delivery matters involving other government departments, private sector, development agencies, etc. are co-ordinated through the District IGR-Forum. Other Forums that are established at District Level are the Mayors' Forum, Municipal Managers Forum, Planners Forum, Finance Forum, Technical Services Forum, Corporate Services Forum, etc. A revised Terms of Reference for all these committees is in place and annual calendar for forum meetings is prepared by the district. uMhlabuyalingana Municipality has its own IGR forums to address local services delivery matters with the relevant sectors.

The Provincial CoGTA Department provided grant funding to support the uMkhanyakude district family of municipalities in strengthening their IGR functions. Necessary forums required to facilitate IGR have been established and terms of reference to facilitate the smooth operations of these forums have been developed. Dates of IGR meetings are incorporated into the District Events Calendar. Protocol Agreements were signed by all the Mayors and Municipal Managers in December 2013. Technical Forum and Sub-Committee meet on a frequent basis. Local municipalities have appointed IGR Champions to strengthen communication.

Component C : Public Accountability and Participation

Overview Of Public Accountability

In terms of Section 6 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) the administration of a municipality must:

- “(a) Be responsive to the needs of the local community;*
- (b) Facilitate a culture of public service and accountability amongst staff;*
- (c) Take measures to prevent corruption;*



- (d) *Establish clear relationships, and facilitate cooperation and communication between itself and the local community;*
- (e) *Give members of the local community full and accurate information about the level and standard of municipal services they are entitled to receive; and*
- (f) *Inform the local community how the municipality is managed, of the costs involved and the persons in charge.”*

To comply with the above, the Municipality has established the legislatively required structures such as Section 80 Portfolio Committees advising the mayor as well as Council Committees such as the Municipal Public Accounts Committee (MPAC), and Special (Disciplinary) Committee dealing with the Code of Conduct for Councillors, as well as a Fraud and Risk Management Committee. In addition, thereto, an Audit Committee comprising of independent external professionals also advises Council. The Audit Committee also serves as the Municipality’s Performance Audit Committee and meets on a quarterly basis. A quarterly report reflecting the Audit Committee’s recommendations relating to the areas of financial management and control, performance management, internal control, risk management and governance matters is tabled in Council.

These structures represent a segregation of duties amongst public representatives and staff to ensure accountability, oversight, transparency and good governance and also assist the municipality to discharge the necessary public accountability responsibilities.

2.4 Public Meetings

Communication, Participation and Forums: Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) compels municipalities to establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality. During the year under review, the municipality used the following mechanisms to comply with this legislative requirement:

- Ward committee meetings (discussed in more detail below)



- Public notices in local, regional and national newspapers
- Newsletters
- Press releases as and when required
- Public IDP and consultative meetings
- General municipal programmes
- The municipal website, regularly updated with recent news.

Stakeholder and community engagements to determine and undertake development priorities form the cornerstone of the IDP. Needs are dynamic and by virtue of their changing nature, must be reviewed frequently. The annual review of the IDP is a process which assists the municipality to further enhance its service delivery outputs and outcomes and through the Performance Management System implemented by the Municipality, it ensures that the municipality remains accountable to the local community, the various sectors and businesses alike.

The Municipal Council ensures that its oversight role is sufficiently mandated by the popular voice of its local community, through fully embracing the principles of participatory democracy. This is achieved through a well-functioning Ward Committee system, robust public participation through our various development planning processes and regular communication with the community through public meetings, newsletters, radio and various other print and electronic media including the municipality's website. The IDP structures/forums are listed below together with the role-players that participate in the municipal IDP programmes. The involvement and participation of these role-players is crucial to the accomplishment of a participatory review process:

- All municipal councillors
- The Municipal Council
- The Executive Committee
- The IDP Manager



- Municipal Manager
- The IDP/ Budget Steering Committee
- The IDP Representative Forum
- The District IDP Steering Committee
- Organized business structures
- Traditional Councils
- Sector Departments
- Ward Committees
- Municipal Officials
- Neighbouring Provinces
- NGOs and CBOs
- Local Farmers Association
- Organized farm-workers structures
- Private sector

The IDP Process plan approved by council on 30 August 2023. During the preparation for 2024/2025 IDP public meetings were convened shortly after the approval of the IDP process plan. Details of meeting in table below provides information of the 5 IDP consultation meetings held by 30 June 2024.

Table 20: Public Meetings Held

EVENT	DATE	VENUE
IDP Review Public Participation	11/10/2023	Manaba Ward 15
IDP Review Public Participation	12/10/2023	Siholwa Ward 11
IDP Review Public Participation	17/10/2023	Mtikini Ward 6
IDP Review Public Participation	18/10/2023	Oqondweni Ward 7
IDP Review Public Participation	20/10/2023	Banganek Ward 8

The 2024/2025 IDP was adopted by Council on the 17 May 2024.



uMhlabuyalingana Municipality Council: The Council is responsible for the following:

- Adoption of the IDP Process Plan,
- Adoption and approval of the reviewed IDP,
- Amendment of the IDP in accordance with the comments by sector departments and the MEC,
- Approval of the various review phases,
- Ensuring that the IDP is linked to the PMS and municipal budget.

The Executive Committee has the following responsibilities:

- Recommend to Council the adoption of the IDP Process Plan and reviewed IDP,
- Overall management of the IDP Review process,
- Monitoring the IDP review process.

The IDP Manager is assigned the following responsibilities:

- Management and co-ordination of the IDP process,
- Ensure that there is vertical and horizontal alignment of the IDP,
- Management of the consultants,
- Ensuring all stakeholders are informed of the process and their involvement,
- Create a conducive environment for public participation.

The IDP Steering Committee is assigned the following responsibilities:

- Ensuring the gathering and collating of information while the IDP implementation is proceeding,
- Support the IDP Manager in the management and co-ordination of the IDP process,
- Discussion of input and information for the IDP review,
- Ensuring the monitoring and evaluation of the information gathered,
- Attending to MEC's comments.



The IDP Representative Forum is assigned the following responsibilities:

- Recommend reports for approval / adoption,
- Representing interests of the constituents,
- Present a forum for communication and participation for all stakeholders,
- Monitoring the IDP review process.

The IDP Representative Forum is the structure that institutionalizes and ensures a participatory IDP review process. It represents the interests of the constituents of the municipality in the review process. It is envisaged that all organizations, stakeholders, or interest groups are represented in the forum. The composition of the IDP Representative Forum is as follows:

Chairperson: The Mayor

Secretariat : uMhlabuyalingana IDP Steering Committee

Members : All Municipal Councillors
: The Executive Committee
: Councillors and Officials from uMkhanyakude District Municipality
: Municipal Manager and Municipal Officials
: Traditional Leaders within uMhlabuyalingana Municipality
: Ward Committees Representatives
: Community Development Workers (CDWs)
: Parastatals and Service Providers
: NGOs and CBOs
: Sector Departments
: Neighbouring Municipalities
: Neighbouring Countries
: Farmers Associations
: Traditional Healers



: Churches

: Private sector

The uMkhanyakude District Municipality forms a district-wide Planning and Development Forum for the purpose of alignment with all the local municipalities within the district.

The Municipal Officials are responsible for the implementation of the IDP and in the process gather information on changes in the circumstances. They have to provide budgetary information and any information on the performance evaluation. They provide technical expertise during the planning process. Municipal Officials also interact with the Ward Councillors and Ward Committees and provide guidance and advice that is crucial during the IDP process.

Amakhosi and Traditional Councils: There is still a challenge with regard to the participation of Amakhosi in Council Meetings in line with Section 81 of Municipal Structures Act. The Traditional Councils work as a link between the community and Ward Councillors and matters of service delivery and needs of the people. This could assist in providing information with regard to land rights and possible available areas for future development.

The Sector Departments have the following responsibilities:

- Assist in the IDP formulation and review process,
- Provide budget information and sector plans,
- Provide data and information,
- Ensure programme and project alignment between the municipality and province,
- Ensure budgetary alignment between provincial programmes and projects and the municipality's IDP.



Ward Councillors are an important link between the municipality and the constituents. They are the first to know of any community needs or service delivery gaps. The Councillors will be responsible for forwarding this information to the municipal officials. They are also responsible for organizing community meetings and ensuring maximum participation of residents in the IDP review process.

The Ward Committees have a crucial role of identifying the needs and service delivery gaps in the community, meet on a monthly basis, submit their sectorial reports and report to the Ward Councillor. uMhlabuyalingana Municipality has embraced and enrolled the government initiative of ward committees to ensure that service delivery is effective in all wards.

uMhlabuyalingana Municipal Ward Committees derive their functions and powers from the municipality's policy in line with the provisions of Section 59 of the Municipal Systems Act. Powers delegated in terms of the adopted policy are as follows:

- To serve as an official specialized participatory structure in the municipality,
- To create formal unbiased communication channels as well as cooperative partnerships between the community and the council. This may be achieved as follows:
 - Advise and make recommendations to the Ward Councillor on matters and policy affecting the ward,
 - Assist the Ward Councillor in identifying challenges and needs of residents,
 - Disseminate information in the ward concerning municipal affairs such as the budget, integrated development planning, performance management system (PMS), service delivery options and municipal properties,
 - Receive queries and complaints from residents concerning municipal service delivery, communicate it to Council and provide feedback to the community on Council's response,



- Ensure constructive and harmonious interaction between the municipality and the community through the use and co-ordination of ward residents' meetings and other community development forums; and interact with other forums and organizations on matters affecting the ward.
- To serve as a mobilizing agent for community action within the ward. This may be achieved as follows:
 - Attending to all matters that affect and benefit the community,
 - Acting in the best interest of the community,
 - Ensure the active participation of the community in:
 - ❖ Service payment campaigns;
 - ❖ The integrated development planning process;
 - ❖ The municipality's budgetary process;
 - ❖ Decisions about the provision of municipal services;
 - ❖ Decisions about by-laws;
 - ❖ Decisions relating to implementation of Municipal Property Rates Act (MPRA); and
 - ❖ Delimitate and chair zonal meetings.

Composition of Ward Committees:

- A ward committee consists of the Ward Councillor representing that ward in Council who is also the chairperson of the committee, and not more than ten other persons,
- In the process of election of the Ward Committee, the need for women to be equitably represented in a ward committee and for a diversity of interests in the ward to be represented must also be considered,

Public Meetings: The Communication Strategy is implemented as follows to achieve effective public participation:



- Newsletter – Used to communicate the projects, programmes and development,
- Suggestion boxes in all the municipal facilities,
- Local and National Newspapers - This medium was used to communicate various messages that concerns the municipality especially service delivery,
- Local and National Radio,
- Ward Community Meetings - This institution was used effectively to promote maximum community participation in municipal affairs.
- Public Meetings (Izimbizo) - These meetings were conducted to provide a platform for the municipality to communicate the updates on projects and programmes undertaken by Council and to further solicit input from communities and obtain their (communities) buy-in thereto,
- Annual Report - The annual report was distributed to the stakeholders and community organizations that we have on our database and will be distributed to the community at large. This will also maximize the culture of community participation and access to information,
- Website - Through this tool various stakeholders such as the business community, foreign investors, NGOs and the community at large are able to gain more access to information regarding the municipality,
- IDP Structures were used for public participation and implementation of uMhlabuyalingana Municipality’s Communication Strategy.

The Communication Plan for public participation is developed and circulated to all councillors and IDP Structures. The IDP Structures meet as per the Council Approved IDP Process Plan Schedule.

2.5 IDP Participation and Alignment

Table 21: IDP Participation and Alignment

IDP PARTICIPATION AND ALIGNMENT CRITERIA*	YES/NO
Does the municipality have impact, outcome, input, output indicators?	Yes



IDP PARTICIPATION AND ALIGNMENT CRITERIA*	YES/NO
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
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?	Yes
* Section 26 Municipal Systems Act 2000	

Table 22: 2024/2025 MEC ASSESSMENT Of The Idps In The Districts

	Service Delivery (out of 5)	Municipal Transformation (out of 5)	Cross Cutting (out of 5)	LED (out of 5)	Financial Management (out of 5)	Good Governance (out of 5)	Strategic Thrust (out of 5)	Overall Credibility
Umhlabuyalingana 2021	3.1	4.9	4.2	2.0	4.7	4.7	-	78.67
2022	4.9	4.4	3.0	3.8	4.6	4.38	-	83.60
2023	4.5	5.0	3.0	4.63	3.5	4.35	2.25	77.80
2024	3.28 ↓	4.9 ↓	4.5 ↑	3.9 ↓	3.2 ↓	4.44 ↑	4.5 ↑	82.06 ↑
Jozini 2021	3.0	5.0	3.7	2.2	3.4	4.7	-	73.33
2022	4.3	4.5	3.0	4.4	4.6	4.96	-	82.53
2023	4.1	4.9	3.5	4.63	4.4	4.61	4.5	87.54
2024	3.6 ↓	5.0 ↑	3.5 =	4.94 ↑	4.4 =	4.87 ↑	4.75 ↑	88.74 ↑
Mtubatuba 2021	3.0	5.0	3.55	2.6	3.95	5.0	-	77.00
2022	4.3	4.3	3.0	4.7	4.8	4.96	-	86.87
2023	3.9	4.3	4.0	4.63	4.25	4.09	4.75	85.49
2024	2.61 ↓	4.3 =	4.0 =	4.63 =	3.25 ↓	3.79 ↓	4.5 ↓	77.37 ↓
Big Five Hlabisa 2021	2.6	4.0	3.4	2.6	4.5	3.45	-	68.50
2022	2.5	3.9	2.0	2.7	5.0	4.21	-	67.70
2023	4.1	4.5	2.0	3.63	4.0	3.49	4.75	75.63
2024	1.48 ↓	4.9 ↑	2.0 =	3.65 ↑	3.75 ↓	2.89 ↓	4.75 =	66.91 ↓
Umkhanyakude 2021	2.0	3.7	3.15	3.4	3.55	4.3	-	67.00



	Service Delivery (out of 5)	Municipal Transformation (out of 5)	Cross Cutting (out of 5)	LED (out of 5)	Financial Management (out of 5)	Good Governance (out of 5)	Strategic Thrust (out of 5)	Overall Credibility
2022	3.75	4.0	3.0	3.5	2.5	4.42	-	70.57
2023	3.5	4.1	2.0	3.43	3.75	3.3	3.75	68.09
2024	2.46 ↓	4.0 ↓	2.0 =	3.68 ↑	2.75 ↓	2.54 ↓	4.25 ↑	61.94 ↓
FAMILY AVERAGES 2021	2.74	4,52	3.6	2.56	4.02	4,43	-	72,90
2022	3.95	4.22	2.6	3.82	4.3	4.59	-	78.25
2023	4.02	4.56	2.9	4.19	3.98	3.97	4.0	78.91
2024	2.69 ↓	4.62 ↑	3.2 ↑	4.16 ↓	3.47 ↓	3.71 ↓	4.55 ↑	75.41 ↓
Legend:								
Above 60% credibility								
50 – 59%								
Below 50%								
Comparison to 2023	↓ or ↑ or =							
Best in Family per KPA	Bold							

uMhlabuyalingana IDP credibility score increased in 2024/2025 compared to prior Financial Year. Currently 82.06, above the expected 60% and is the second highest in the District.



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MINISTRY

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Reference: 23/2/7/3/1/2024

**The Mayor
Umhlabuyalingana Local Municipality
Private Bag 901
KWANGWANASE
3973**

Dear Councillor T.S. Khumalo,

ASSESSMENT OF THE UMHLABUYALINGANA LOCAL MUNICIPALITY 2024/2025 REVIEWED INTEGRATED DEVELOPMENT PLAN

1. OVERALL CREDIBILITY ASSESSMENT OF THE IDP

- 1.1 The Department wishes to acknowledge the Municipality for submitting the adopted Integrated Development Plan (IDP) to the MEC for Local Government in the Province in compliance with Section 25 of the Municipal Systems Act (MSA), Act 32 of 2000. The Municipality is further commended for complying with Section 32 (1)(a) of the Act by submitting the adopted IDP on 27 May 2024, which is within 10 calendar days after adoption by the Municipal Council on 17 May 2024.
- 1.2 Section 34(a) of the MSA requires that a Municipal Council (a) must review its IDP (i) annually in accordance with an assessment of its performance measurements in terms of Section 41.
- 1.3 Section 21(1) of the Municipal Finance Management Act (MFMA), Act 56 of 2003 states that the Mayor of the Municipality must (a) coordinate the process for preparing the annual budget and for reviewing the Municipality's IDP and budget related policies to ensure that the tabled budget and any revisions of the IDP and budget related policies are mutually consistent and credible.
- 1.4 Section 21(2)(a) of the MFMA also states that when preparing the annual budget, the Mayor of the Municipality must (a) take into account the Municipality's IDP.
- 1.5 Section 24(1) of the MFMA states that the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget.
- 1.6 Section 32 (1)(a) of the MSA requires that the Municipal Manager must submit a copy of the IDP as adopted by the Council of the Municipality, and any subsequent amendment to the plan, to the MEC for Local Government in the Province within 10 calendar days of the adoption or amendment of the plan.



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- 1.7 In the light of the above, reading Section 25(1) of the MSA together with Section 21(1) and (2) of the MFMA, Municipalities are advised to adopt their reviewed IDPs (with supporting documents) by the 31st May annually and submit to the MEC for Local Government within 10 calendar days after adoption.
- 1.8 Following public notices in terms of Sections 25(1) and 28(2) of the MSA, the adopted reviewed IDP submitted to the Department, indicates no objections to the development and adoption process of the IDP. It is therefore declared that the Department have no intentions to institute a Section 32(2) activity regarding the Municipality's integrated development planning process.
- 1.9 In line with the IDP Assessment Criteria, the IDP attained an overall credibility rating of 82.06% and the IDP is ranked number 13 in the Province. It should be noted that the Provincial benchmark for IDP credibility is 60% and the DCOG National benchmark for IDP credibility is 50%. The KZN Provincial average credibility rating for the 2024/2025 IDPs is 74.65%.
- 1.10 Please take note of the following key assessment observations per Key Performance Area (KPA) on the adopted reviewed 2024/2025 IDP as detailed in paragraph 2 below. The Municipality must consider these observations in the implementation of the Plan, and to inform the reviews of the IDP:

2. MUNICIPAL INTEGRATED DEVELOPMENT PLAN MATTERS OF EMPHASIS AND OBSERVATION

The Municipality is commended on a well presented, user-friendly document. There is a strategic flow of the document, and it is noted that the IDP Framework Guide and the IDP Assessment Criteria were mostly consulted in compiling the document.

2.1 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

- 2.1.1 The Municipality is commended for addressing this Key Performance Area (KPA) well, key element of this KPA has been covered. To further enhance this KPA, the municipality is encouraged to indicate when the Recruitment and Retention Policies were adopted.
- 2.1.2 It is not clear from the IDP as to when the Human Resources Strategy was last adopted.
- 2.1.3 It is noted that the municipality have two (2) employees living with disabilities, the municipality is encouraged to continue attracting and recruiting people living with disabilities.
- 2.1.4 The Municipality concluded the section with the identification of Key Challenges, however the municipality failed to explain these identified challenges.

2.2 LOCAL ECONOMIC DEVELOPMENT (LED)

- 2.2.1 The Municipality is advised to have a proper Red Tape Reduction plan clearly identifying what key issues within the municipality contributes towards red tape, clear process plan addressing specific interventions and processes that would be embarked on to ensure the reduction of the already identified issues.



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- 2.2.2 The Municipality is advised to partner with quarries within the municipality and align Social Labour Plans with the Local Economic Development strategy implementation plan.
- 2.2.3 The Municipality is encouraged to include the template that reflects infrastructure to be revived or repurposed.
- 2.2.4 To have an impact in addressing issues around the Rural and Township Economy, it is recommended that the municipality consider developing a Rural and Township Economy Strategy which will have focused interventions within the municipal space.
- 2.2.5 The Municipality is encouraged to draft and adopt the Phase 5 Expanded Public Works Programme policy in alignment with the National recently adopted and launched targets.

2.3 BASIC SERVICE DELIVERY

- 2.3.1 It is recommended that maps similar to the water infrastructure maps are included showing the sanitation infrastructure and that the legibility of all maps is improved. It is requested that the water and sanitation projects are listed over the five-year planning horizon using the Infrastructure Delivery Management System (IDMS) phases as required by National Treasury to improve alignment and implementation.
- 2.3.2 The Municipality is commended on the coordination role it has played in ensuring that electricity is delivered to communities. The municipality is encouraged to spatially show the backlogs of electricity delivery which would paint a more precise picture of electricity delivery.
- 2.3.3 The Municipality is commended for having a transport plan in place.
- 2.3.4 The Municipality has submitted a comprehensive Housing Chapter in the IDP. Housing project status quos are shown as well as their annual cost allocation for the local municipalities, however, the status quo is incorrect.
- 2.3.5 The Municipality did not provide any spatial representation of housing project.
- 2.3.6 The Municipality addresses the basic service and housing backlog; however, the way forward provided is vague.
- 2.3.7 The Municipality is advised to include plans to unblock projects especially with bulk infrastructure issues.
- 2.3.8 The Municipality needs to list, phase-in and budget for the planned projects in the Integrated Waste Management Plan (IWMP) to deal with waste management issues.
- 2.3.9 Waste recovery, recycling and buy-back are necessary solutions to deal with volumes of recyclables stockpiled at both landfill sites. The municipality needs to develop waste management By-laws. Specific projects should be outlined for the implementation of IWMP and funds for its implementation should be sourced.



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2.4 FINANCIAL VIABILITY AND MANAGEMENT

2.4.1 The Municipality is commended for properly addressing this KPA. To further enhance this KPA, the municipality is encouraged to include a narrative regarding the alignment with other municipalities within the District and District Municipality itself in addressing indigent relief-giving effect to the policy. Further the municipality is encouraged to reflect on the identified challenges and measures to address inconsistencies in Free Basic Services.

2.4.2 The Municipality must briefly reflect on the plans in place to improve debt collection, creditors days analysis and collection rates.

2.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

2.5.1 The Municipality is commended for the comprehensive coverage and detailed reporting on the Good Governance and Public Participation KPA.

2.5.2 The Municipality is advised to unpack the key challenges and not only provide measures to address them. There should also be a link and flow in discussions of challenges mentioned in chapter A, the good governance status quo in the KPA chapter, the concluding good governance SWOT analysis and the KPA challenges identified.

2.6 CROSS CUTTING ISSUES

2.6.1 The Municipality has complied with Section 26(e) of the Municipal Systems Act and Sections 12 (1) and Sections 20 of the Spatial Planning and Land Use Management Act, Act No 16 of 2013, by developing and submitting the Spatial Development Framework (SDF) as an annexure to its Integrated Development Plan. It is worth noting that as required by legislation, the municipality is required to provide a notice in the provincial gazette and local media for a 60-day period before adopting the SDF as part of substantial public participation process.

2.6.2 The Municipality is encouraged to analyse using the new Census data on how the previous and current population trends as well as distribution impacted on settlement patterns within the municipality. Overall, the municipality is encouraged to update its plans using the current statistics.

2.6.3 The Municipality is encouraged to identify and quantify engineering requirements as well as the future development needs for the five-year projection.

2.6.4 The Municipality is commended for developing a Spatial Development Plan (SDP) that guides the development of the spatial form over the short-term (5 years) period. The municipal SDP should reflect on the Capital Expenditure Framework (CEF) as the five-year implementation monitoring aspect of the SDP and SDF. The municipality would do well in ensuring that the identified interventions or programmes are in line with the CEF and are indeed implemented.

2.6.5 The municipality must ensure to dedicate a section in the SDP review that clearly reflects the specific institutional arrangements that will lead towards its implementation.

2.6.6 It would be worthwhile for the municipality to reflect projects according to the CEF aligned to the immediate 5-year period and not just the Capital Investment Framework



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(CIF) projects which have a long-term trajectory. It is recommended that the municipality include a narrative on how the SDP, the CIF and CEF are linked to other key implementation, coordination and budgeting plans for the municipality.

- 2.6.7 The IDP, SDP and SDF need to align and apply the implementation framework of the Provincial Spatial Development Framework (2022). The plans must also identify Municipal Priority Intervention Areas (MPIAs), appropriate programmes and projects for the identified Municipal Priority Intervention Areas with associated budgets and implementational actions.
- 2.6.8 The Municipality is requested to provide a map of the municipal priority intervention areas in Geographic Information Systems (GIS).
- 2.6.9 It is noted that the municipal SDF incorporates elements of the Spatial Integration Framework for KwaZulu Natal, please ensure that the municipal strategies directly address spatial integration.
- 2.6.10 The Municipality is encouraged to use the information contained in the District Environmental Management Framework and its Strategic Environmental Management Plan (once developed) in order to inform the current and future planning and development initiatives.
- 2.6.11 Institutional capacity for environmental management must be created in order to have a holistic approach to municipal environmental management.
- 2.6.12 The Municipality needs to fully integrate the findings of the Strategic Environmental Assessment (SEA) into the IDP and implement its own environmental projects. The Green Economy prospects within the Municipality needs to be explored and utilised to create employment opportunities.
- 2.6.13 The municipality submitted an outdated Disaster Management Sector Plan (DMSP). The current IDP and DMSP reflect the legislative mandate for disaster management but does not include fire services. The IDP and SDF lacks disaster risk profiles and maps essential for informed decision-making and necessary for implementing appropriate disaster risk reduction measures.
- 2.6.14 There are discrepancies in the budget allocations for Disaster Management and Fire Services across the IDP and DMSP, with the DMSP's budget being different. These budgets must be aligned to ensure consistency.
- 2.6.15 The Municipality's IDP and SDF has not adequately covered the demographics in line with IDP Framework Guide for the situational analysis. Demographic dividend data has been captured but not in detail.
- 2.6.16 The Municipality needs to reflect population growth estimates. The municipality also needs to do a comparison between Census 2011 and 2022.

3. OTHER KEY OBSERVATIONS TO TAKE INTO CONSIDERATION

Below are points that Municipalities are facing in the area of development and planning:



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3.1 STRATEGIC THRUST OF THE 6 KPAs AND THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

- 3.1.1 The Municipality is encouraged to clearly indicate and incorporate areas of underperformance of the previous performance cycles and the municipality's response to these areas in the form of corrective measures and align this to its strategies.
- 3.1.2 The Municipality is encouraged to indicate the alignment between its key challenges, its Goals, Objectives and Strategies in its strategic framework and implementation plan, as well as the top layer SDBIP.
- 3.1.3 The Municipality has included a 5-year project plan, but not an Implementation plan which aligns with all its priorities in the Strategic Framework as reflected in the SDBIP.
- 3.1.4 Prepare an implementation progress report for Year 3 Review (2024/2025), as per Appendix G of the Reviewed IDP Framework Guide. These will be in line with the catalytic projects identified on the assessment
- 3.1.5 The Municipality is commended for clearly indicating alignment between the top layer SDBIP/OPMS and the priorities of the Back to Basics (B2B) programme.

3.2 IMPLEMENTATION OF THE DISTRICT DEVELOPMENT MODEL PROGRAM

- 3.2.1 Regulation 4(3) of the Regulations Framing The Institutionalization of District Development Model In Terms of Section 47(1)(B) of the Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005) directs that; a District Municipality and Local Municipalities under its jurisdiction, including entities of the District Municipality and Local Municipalities concerned, must contribute to the joint formulation and implementation of the One Plan, through the district intergovernmental forums, whilst Regulation 4(5) directs that "A One Plan must include contributions of the private sector and priorities of social partners".
- 3.2.2 Regulation 10(3) states that "A One Plan must be reviewed annually for no longer than 6 months" hence the Municipality is requested to contribute to the joint formulation and implementation of the One Plan by 30 April 2025.

3.3 ALIGNMENT OF STRATEGIC PLANS

The Municipality is commended for adopting the IDP aligned to Sector Departmental programmes and projects.

4. CONCLUSION

In conclusion, the Department wishes to make the following comments pertaining to the integrated development planning process:

- 4.1 The Municipality is commended on the overall representation of the Municipal Transformation, Good Governance, Strategic Thrust, Cross Cutting and LED KPAs. Please note that COGTA Business Units and Sector Departments shall be extending a hand of support to guide the review of the 5th Generation IDP and the associated Sector Plans and Policies.



KWAZULU-NATAL PROVINCE

**COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS**
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- 4.2 Please take note of Section 29(1) of the Municipal Systems Act, No. 32 of 2000 and Regulations which stipulates that the process followed by a Municipality to draft its Integrated Development Plan, including its consideration and adoption of the draft plan, must, "(b) through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for (iii) organs of state, including traditional authorities and other role players to be identified and consulted on the drafting of the Integrated Development Plan."
- 4.3 The Municipality is commended that the 2024/2025 Reviewed IDP demonstrated meaningful participation by Traditional Leadership/Amakhosi.

Yours Faithfully,

REV. T.D. BUTHELEZI, MPL
MEC FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
DATE: 06/02/2025



Component D: Corporate Governance

Governance in uMhlabuyalingana Municipality encompasses line functions pertaining to political and administrative governance, audit, risk management, organisational and individual performance management, public participation and IDP, intergovernmental relations, public communication, human resource management, organisational development and legal services. The governance function is supported by an independent Audit Committee, comprising of external specialists having the necessary skills to provide effective oversight of the Municipality’s systems of internal control, risk management and governance processes. The Audit Committee is supported in its role by the Internal Audit function which performs audits in terms of an approved audit plan and reports to the Audit Committee on a quarterly basis. The Municipal Public Accounts Committee (MPAC) comprises of independent Councillors.

2.6 Risk Management

The municipality established a risk management unit and is fully capacitated with the appointment of the Risk and Compliance Manager through which strategic risk management documents have been developed to ensure a systematic process of risk management within the municipality.

Over and above that, the municipality has successfully appointed an independent and external chairperson of the Risk Management Committee. The committee meets on a quarterly basis. The committee is fully operational and comprises of the following members:

Table 23: Members of the risk Management Committee

Members Of The Risk Management Committee	Role
Mr Mcebisi Litile	Independent Chairperson
Mr NPE Myeni	Municipal Manager
Mr CR Khumalo	Director Corporate Services



Members Of The Risk Management Committee	Role
Mrs NP Mkhabela	Chief Financial Officer
Mr DI Tembe	Director PLID
Mr WS Nhlenyama	Director Community Services
Mr NM Mthembu	IDP Manager
Mr NJ Mpontshane	PMS Manager
Ms K Bhengu	Internal Audit Manager
Mrs TP Nhlenyama	Risk and Compliance Manager
Mr MS Ngubane	IT Manager
Risk Champions	Various departments

Four (4) Ordinary meetings held in 2024/2025 F/Y

- 29 July 2024
- 28 October 2024
- 24 February 2025
- 19 June 2025

Risk assessment was conducted, and risk management implementation plans are tabled to Risk Management Committee and Council on quarterly basis.

Risk assessment programme was conducted as part of the risk management system as established in terms of the Municipal Finance Management Act (MFMA), no 56 of 2003, Section 62(1)(c)(i) and as part of the uMhlabuyalingana Municipality Risk Management Framework and Strategy.

Action plans were developed and approved by Council. Risk registers (operational and strategic) and risk management implementation reports are tabled to Risk Management Committee and Council on quarterly basis.

2.7 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 MFMA, Section 112(1) (m) (i), to 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.

The municipality has a council approved a Fraud Prevention and Anti-Corruption Strategy and Policy which is being implemented. The policy was presented to Councillors and municipal officials. The policy is also available on the municipal website.

2.8 Supply Chain Management

uMhlabuyalingana Municipality has a central Supply Chain Management (SCM) unit which is under the management of the CFO. The unit has 4 officials, 3 of these officials have done training on the prescribed level of competency requirements. The municipality has established fully functional Bid Committees that have a standing schedule of meetings. The bid committees and members are tabled as follows:

Table 24: Bid Specification Committee

Bid Specification Committee Members	Position - Role
Mr SM Ngubane –	Finance Manager - [Chairperson]
Miss SF Ndlazi	Librarian - [Member]
Mr MN Mthembu	IDP Manager - [Member]
Mrs T Masinga	Technician - [Member]
Miss L Sithole	HR Manager - [Member]

Table 25: Bid Evaluation Committee

Bid Evaluation Committee Members	Position - Role
Mr N.M. Mthembu	SCM Manager - [Chairperson]
Mrs FS Msabala	Technical Manager - [Member]
Mrs FXH Khumalo	Budget Manager - [Member]



Bid Evaluation Committee Members	Position - Role
Mr SN Zikhali	Deputy Director Technical - [Member]
Mr P Gumede	Building Inspector - [Member]
Mrs TP Nhlenyama	Risk and Compliance Manager - [Member]

Table 26: Bid Adjudication Committee

Bid Adjudication Committee Members	Position - Role
Mrs NP Mkhabela -	CFO- [Chairperson]
Mr CR Khumalo	HOD Corporate - [Member]
Mr DI Tembe	HOD Technical- [Member]
Mr WS Nhlenyama	HOD Community- [Member]
Mr SS Mhlongo-	SCM Practitioner- [Member]
Miss SB Mhlongo	Deputy CFO- [Member]

2.9 By-Laws

Section 11(3) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. In terms of Section 160(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996):

- The by-laws serve before the various structures of the Council;
- The by-laws are advertised in the local media for objections or comments;
- The by-laws are open for inspection at all municipal offices and libraries; and
- The by-laws are forwarded to the local radio station for broadcasting.

Once adopted by Council, the by-laws are promulgated in the Provincial Gazette and take immediate effect.

The municipality drafted two LED related by-Laws which have been adopted by council. The said by-laws have been adopted and gazetted in the provincial gazette. After the Informal Economy Policy formulation, the informal traders' by-laws were



produced. The main purpose is to utilize the subject by-laws for technical enforcement. It clearly outlines terms and conditions that each informal trader within the jurisdiction of uMhlabuyalingana Municipality should adhere to. These by-laws comply completely with the Businesses Act 71 of 1991.

The council has consulted with interested and affected individuals regarding the contents of the draft by-law. The notice was printed and advertised in a public newspaper (Ilanga, dated 04-06 February 2016). Furthermore, the by-laws were gazetted in the Provincial Gazette (Gazette No. 1842) dated the 29th of June 2017.

Through the liquor and business licensing by-laws, the uMhlabuyalingana Municipality mandates every kind of formal business to occupy a business licence in terms of Section 6 of the Businesses Act 71 of 1991. The business licence is specifically required for businesses that need to comply with health and safety regulations. The businesses will need to meet the set criteria of requirements, especially zoning, health and safety. As such this by-law deals with any other matters governing both formal and liquor trading within the concerned areas, including but not limited to-

- Main implicated formal trading areas and ideal trading times;
- The manner in which socio-economic development of the liquor traders within the uMhlabuyalingana Municipality area will be facilitated.
- How neighbouring business, social and environmental structures around the trading area will be protected; and
- How the implicated businesses will be expected to operate within the municipal compliance plans.

The following By-laws have been approved by Council:

- Disaster Management Bylaw
- Nuisance Bylaw
- Animal Pounds Bylaw
- Property Rates Bylaw
- Informal Trading Bylaw
- Business Licensing Bylaw

2.10 Municipal Website

uMhlabuyalingana website www.umhlabuyalingana.gov.za. The municipal website is in place, operational and updated regularly in accordance with Section 75 of the MFMA 20023

The municipal website has been well-maintained and features municipal documentation required in terms of legislation, including public policies, by-laws, SCM documents, notices, and press releases. The purpose is to inform uMhlabuyalingana Municipality residents about the affairs, achievements, and initiatives of the Municipality. The website is user-friendly, well received and has earned positive feedback from the community for the Municipality.

Table 1: Municipal Website

Municipal Website: Content and Currency of Material	
Documents published on the Municipality's/ Entity's Website	Yes/No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report	Yes
The annual Report (Year 0) published/ to be published	Yes
All current performance agreements required in terms of section 56 (1) (b) of the Municipal Systems Act and resulting scorecards	Yes
All service delivery agreements	Yes (Community/Technical Agreements)
All long-term borrowing contracts	N/A
All supply chain management contracts above a prescribed value (give value) for Year 0	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes



Municipal Website: Content and Currency of Material	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A
Public private partnership agreements referred to in section 120 made in Year 0	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes
<p>*Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above.</p> <p>Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</p>	

2.11 Public Satisfaction on Municipal Service

A public satisfaction survey helps to:

- Measure service delivery impact
- Identify service gaps and community priorities
- Support performance reporting in Annual Reports
- Inform IDP and SDBIP planning
- Provide evidence for audits and oversight
- Track improvements over time

2.12 Municipal Oversight Committee

uMhlabuyalingana Municipality Council comprised of 39 Councillors. The Councillors are allocated to different portfolios where they serve to perform oversight over internal departments and functions. The Council has quarterly meetings as legislated which reflects 100% functionality.

The Executive Committee meets on monthly basis and considers reports from respective portfolio committees prior to these reports and items being presented to Council.



Portfolio Committees (Representatives and Functionalities) exercise political oversight over respective departments within the municipality. The committees hold monthly meetings where issues and reports are tabled, discussed and recommendations are made to EXCO and to Council for approval. The portfolio committees have been arranged as follows:

- Corporate Portfolio,
- Finance Portfolio,
- Planning, LED and Infrastructure Development Portfolio, and
- Community Portfolio

The Municipal Public Accounts Committee (MPAC) was established in terms of Section 79 of the Municipal Structures Act. The main purpose of the MPAC is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality. It convenes on a quarterly basis as prescribed to consider matters related to exercising oversight on financial and governance matters, as promulgated in Council-adopted terms of reference. This committee is functional but still needs to improve as its meetings do not sit as per approved municipal calendar

The MPAC may engage directly with the public and consider public comments when received and will be entitled to request for documents or evidence from the Accounting Officer of a municipality or municipal entity.

The primary functions of the Municipal Public Accounts Committee are as follows:

- To consider and evaluate the content of the Annual Report and to make recommendations to Council when adopting an oversight report on the Annual Report;
- In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the Annual Report, must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and Annual Reports;

- To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
- To promote good governance, transparency and accountability on the use of municipal resources;
- To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee; and
- To perform any other functions assigned to it through a resolution of Council within its area of responsibility.

The MPAC reports to Council, at least quarterly, on the activities of the Committee which includes a report detailing its activities of the preceding and current financial years, the number of meetings held, the membership of the committee and key resolutions taken in the annual report.

Table 28: MPAC Members by Gender and Affiliation

MEMBERS OF THE MPAC	ROLE	AFFILIATION
Cllr T.S. Myeni	(Chairperson)	DA
Cllr I.T. Gwala	(Committee member)	IFP
Cllr F.G. Mlambo	(Committee member)	ANC
Cllr S.L. Ntuli	(Committee member)	ANC
Cllr T.P. Manzini	(Committee member)	ANC
Cllr H.N. Ntshangase	(Committee member)	IFP
Cllr. S.S. Mkhumbuzi	(Committee member)	ANC

Audit/Performance Audit Committee



The Audit/Performance Audit Committee has been established in terms of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001. The Audit/Performance Audit Committee was appointed on 1 February 2024 for a period of three years up to the

The current Audit/Performance Audit Committee effective from 01 February 2024

Table 29: Audit Committee Members

Name & Surname	Role
Mr L. Hlengwa	Audit Committee Chairperson
Ms C. Jugnarayan	Performance Audit Committee Chairperson
Mr M. Magwaza	Member
Mr M. Simelane	Member

The Audit/Performance Audit Committee has met five times during the 2024/2025 financial year as follows:

Table 30 : Date of meetings

Period	Date
Quarter 1	23,28 August 2024
Quarter 2	07 November 2024
Quarter 3	24 March 2025
Quarter 4	29 June 2025

Performance Evaluation Panels

Performance Evaluation Panels have initially been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager.

Performance Assessment Panels for the assessment of Section 54/56 employees were established as follows:

A) For purposes of evaluating the annual performance of the Municipal Manager (section 54A), an Evaluation Panel constituting of the following persons was established



- (i) Executive Mayor or Mayor;
- (ii) Chairperson of the Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council;
- (iv) Mayor and/or Municipal Manager from another Municipality; and
- (i) Member of a Ward Committee as nominated by the Executive Mayor or Mayor

Table 31 : PEC Members for assessments of the Municipal Manager

Name & Surname	Role
Cllr T.S Khumalo	Mayor/Chairperson
Miss C Jugnarayan	Chairperson of the Performance Audit Committee
Cllr X.H Gumede	Member of the Executive Committee
Cllr M Mthethwa	Mayor from another Municipality (iNkosi Mtubatuba)
Mr P.M Ngubane	Ward Committee member

B) For purposes of evaluating the annual performance of managers directly accountable to the Municipal Manager (Section 56 managers), an Evaluation Panel constituted of the following persons was established:

- (i) Municipal Manager;
- (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council; and
- (iv) Municipal Manager from another Municipality.”



Table 32 : PEC Members for assessments of the Heads of Departments

Name & Surname	Role
Mr N.P.E Myeni	Municipal Manager
Miss C Jugnarayan	Chairperson of the Performance Audit Committee
Cllr H.K Gumede	Member of the Executive Committee
Mr T.V Xulu	Municipal Manager from another Municipality (Inkosi Mtubatuba Municipality)

Performance Evaluation sessions are conducted quarterly. The first and the third quarter assessment are informal assessments. Formal assessments are conducted for the mid-year (quarter two) and Full year (quarter four). The final (fourth quarter) and formal performance evaluation sessions of the Municipal Manager and Managers Directly accountable to the Municipal Manager covering the 2024/2025 financial year will be performed once the Auditing of the Annual Financial Statements and the Predetermined Objective has been finalised by the Auditor General. The final performance evaluation will commence once the Annual Report 2024/2025 has been adopted by the Council for consideration of possible performance bonuses in terms of the Regulations.



Chapter 3 | Service Delivery Performance (Performance Report Part I)

Component A: Basic Services

One of the objectives of local government is to ensure the provision of services to communities in a sustainable manner. Basic services rendered to the communities of uMhlabuyalingana Municipality is electricity (by Eskom), waste management, roads and stormwater. Water and sanitation services are provided by the uMkhanyakude District Municipality. Other services are development and spatial planning, local economic development, environmental, housing, library, cemeteries, community, sports and recreation, traffic as well as fire and disaster services. These services are discussed in detail in Chapter 3 of the Annual Report.

In order to provide an overview of the current levels of basic infrastructural service provision in the municipal area, the data analysis used is an official data obtained from Stats SA.

3.1 Water Provision

uMhlabuyalingana Municipality is not a Water Service Authority. uMkhanyakude District Municipality is a Water Service Authority and a Water Services Provider for all the areas under the uMhlabuyalingana Municipality. This means that the primary responsibility of the district municipality is to ensure that local people have access to water

Water Uses by Sector: Water is used by the following sectors:

- Residential/Domestic
- Agriculture
- Forestry
- Industrial and Business
- Unaccounted water



There is no data available that provide details (in terms of cubic meters) of water uses by each sector.

Here are the latest available actual statistics on household access to water in uMhlabuyalingana Local Municipality based on Stats SA Census 2022, along with a ready-to-use table you can include in your Annual Report. These data reflect the most recent authoritative source, though municipal/ward breakdowns by all water sources are not publicly disaggregated in all Census tables

Table 33: Distribution of Households in the Province and District by Source of Water

Name	Frequency	%
Piped (tap) water inside the dwelling	9 179	26,5%
Piped (tap) water inside the yard	9 737	28,1%
Piped (tap) water on community stand	3 755	10,8%
No access to piped water	12 015	34,6%

- 6.5 % of households in uMhlabuyalingana have piped water inside their dwelling, reflecting considerable improvement in basic service access.
- Average household size in the municipality is approximately 5.5 persons per household (Census 2022 estimate).

Water Service Delivery Levels

Water and sanitation backlogs in uMhlabuyalingana are driven by:

- Dispersed rural settlements increasing per-household infrastructure costs
- Funding constraints and reliance on national grants
- Ageing and vandalised infrastructure
- Limited technical and operational capacity



- Climate variability and recurring drought conditions

These factors continue to slow progress towards universal access to basic services.

Planned Interventions and Funding

Despite the absence of a current WSDP, the district municipality has planned and budgeted for water and sanitation infrastructure projects during the 2024/2025 financial year, with committed funding aimed at:

- Expanding access to basic water services
- Refurbishing and upgrading existing infrastructure
- Addressing high-priority backlog areas
- Reducing reliance on water tankering where feasible

Details of these projects are reflected in the district municipality's capital programme and are aligned with priority service delivery needs within uMhlabuyalingana.

While progress has been made in extending water services, significant backlogs remain within uMhlabuyalingana Local Municipality. Addressing these challenges will require:

- Finalisation of a current WSDP,
- Improved intergovernmental coordination,
- Sustained infrastructure investment, and
- Strengthened operation and maintenance capacity.

Water Service Targets by uMkhanyakude for uMhlabuyalingana

3.2 Sanitation (Waste Water) Provision

Sanitation services within uMhlabuyalingana are largely non-waterborne, with many households relying on:

- Ventilated Improved Pit (VIP) toilets



- Basic pit latrines
- In some cases, no formal sanitation facilities

Waterborne sanitation is limited to a small number of settlements where supporting infrastructure exists.

Key Challenges

- Ageing and poorly maintained sanitation infrastructure
- Limited operation and maintenance capacity
- Environmental risks, particularly in high water table and flood-prone areas
- Inadequate coverage in deep rural settlements

As a result, sanitation backlogs remain significant, with many households not meeting minimum basic sanitation standards.

Waste Water Service Targets by uMkhanyakude for uMhlabuyalingana

3.3 Electricity

uMhlabuyalingana Local Municipality is predominantly rural in nature, and electricity service delivery remains a significant development challenge. Although progress has been made over the years through national electrification programmes, a substantial number of households still lack access to reliable electricity services.

Approximately 80 per cent of households have access to electricity for lighting, while the remaining households continue to rely on alternative energy sources such as wood, candles, paraffin, and gas, particularly for cooking and heating purposes. This reflects an ongoing electricity service delivery backlog, especially in deep rural and dispersed settlement areas.

The municipality is not a licensed electricity service provider. Electricity supply and maintenance fall under the mandate of Eskom, while the municipality's role is limited to planning, facilitation, and implementation of electrification infrastructure projects.



Once projects are completed, the electrical infrastructure is formally handed over to Eskom for operation and maintenance.

uMhlabuyalingana has an approved Electrification/Energy Sector Plan, aligned with the Integrated Development Plan (IDP), which guides the prioritisation and rollout of electrification projects. The municipality continues to implement electrification initiatives largely funded through the Integrated National Electrification Programme (INEP), focusing on increasing household connections in underserved areas.

Despite these efforts, electricity backlogs remain high due to factors such as the municipality’s vast geographic area, low settlement densities, funding constraints, and dependence on Eskom-led connections. The municipality therefore continues to engage national and provincial stakeholders to accelerate electrification delivery and improve access to electricity for all communities.

Table 34: Electricity Projects : 2022/2023, 2023/2024 and 2024/2025 comparison

Year	Project	Budget	Funder
2022/2023	NA	NA	N/A
	NA	N/A	N/A
2023/2024	200 households electrified - Oqondweni Phase 2	10 960 615.23	DRME
	300 households electrified - Siholwa Phase 2	12 663 000.00	DMRE
2024/2025	55 households electrified - Oqondweni Phase 2	3 067 276.00	DMRE
	28 households electrified - Mvelabusha Mahashi	3 015 375.00	DMRE
	133 households electrified - Ndlondlweni Mqhiyama	4 891 849.00	DMRE
	93 households electrified - Mazambane	2 558 502.00	DMRE
	200 households electrified -Oqondweni Phase1	759 858.46	DMRE

There are no employees in the Electricity Department within the municipality



3.4 Refuse (Waste Management)

uMhlabuyalingana Municipality is responsible for waste collection services. Sustainable waste management practises are more than often faced with challenges and need to be reviewed on a continuous basis to address these challenges and mitigate any risks. Waste minimisation and diversion initiatives are key to decreasing the amount of waste being disposed at the waste disposal facilities. The main objective of this section is to manage the waste generated in the municipal area, in compliance to the license conditions of its facilities and the National Norms and Standards.

Public open spaces in high density areas are more than often used as illegal dumping sites although basic refuse collection services are delivered in these areas. A lack of environmental, sanitation and waste awareness often influence the way communities manage their waste.

In terms of the National Environmental Management: Waste Act 59 of 2008, uMhlabuyalingana is doing its best to collect solid waste from 39 areas benefiting from free waste collection services. These businesses and households are situated in and around the three towns of uMhlabuyalingana Municipality namely Manguzi, Mbazwana and Skhemelele. Waste management projects that were implemented during the financial year are as follows:

- Review of waste management policies, plans, bylaws and tariffs;
- Signing of waste removal agreements for businesses and business waste removal on an annual basis; and
- Campaigns on Collection and Removal of Waste.

The area of uMhlabuyalingana Municipality is also very sandy, which hampers the will and capacity to collect waste in all areas that the municipality is expected to serve. In all three towns 2,5m² waste skips and 240 litre waste bins have been placed. In so far as the waste transport infrastructure is concerned, the municipality has two waste trucks and one tractor with a trailer which are used for the collection of refuse in the three towns. The collection of refuse is now carried out daily during working days.



Table 35: IDP Objectives

Objective	Strategy	KPI	Target	Actual
Provision/Subsidization of basic services to the community in a sustainable manner	Collection of waste from Areas benefiting from free basic waste disposal services	Number of areas benefiting from free basic waste collection services at least once a week	39 areas benefiting from free basic waste collection services at least once a week by 30 June 2025	39 areas benefited from free basic waste collection services at least once a week by 30 June 2025

Campaigns being conducted (clean up campaigns)

Four clean up campaigns were conducted during 2024/2025.

Table 36: Refuse employees

Job Level	2023/2024			2024/2025		
	Posts as per Structure	Employees (filled)	Vacancies (as a % of total posts)	Posts as per Structure	Employees (filled)	Vacancies (as a % of total posts)
	No.	No.	%	No.	No.	%
0 - 3						
4 - 6						
7 - 9	16	16	0%	16	16	0%
10 - 12						
13 - 15						
16 - 18						
19 - 20						
Total	16	16	0%	16	16	0%



3.5 Housing

uMhlabuyalingana Municipality is a developer for human settlements. The municipality co-ordinates its human settlement needs and activities with the Department of Human Settlements. The municipality has internal capacity to deal with human settlements and this task is managed by the Planning Manager. A council-approved Housing Sector Plan is in place and is being implemented.

The municipality has evenly scattered spatial patterns and there are no proclaimed townships in uMhlabuyalingana Municipality. Most community members are dependent on subsistence agriculture or income from migrant workers.

Housing Service Delivery Levels: The spatial pattern of the area has developed as a result of various factors including its settlement pattern, natural features and infrastructure. uMhlabuyalingana is generally rural in character. It is characterized by expansive low-density settlements occurring on Ingonyama Trust land. However, over the last few years there has been an increase in density in some areas along the main roads, with conurbation of commercial activities occurring in strategic points thus giving rise to development nodes. This pattern is a result of the unfortunate history of the area. The previous (apartheid) government discouraged development in the area as a means to control movement of the freedom fighters between South Africa and Mozambique in particular. Prevalence of malaria in the area also contributed to the lack of development. This is despite the area having received significant attention in terms of development planning since the 1990s (Vara, Wendy Force and Associates, etc.).

The Municipality has no challenges with informal settlements. By natural default the area of uMhlabuyalingana determined itself to be rural in character and as such 99% of the area is classified as rural. This is evident throughout the municipal area when you look at the housing typology and the dispersed rural settlements with poor road infrastructure that interlinks them.

Dwelling units made up of traditional material are still prevalent in the area. However, the municipality does not consider these to be “informal settlements” for the simple



reason that these communities often have some form of land tenure rights to settle where they are. Basically, the issue of affording decent housing is the cause and some erect such houses by choice.

Furthermore, what is often over-looked is the fact that most decent and modern houses are often erected without following due processes i.e. acquiring an approval of a building plan from the municipality in terms of the National Building Regulations and Building Standards Act 103 of 1977 as amended. This also boils down to the fact that in such areas the culture of ensuring as to which areas are best suitable for locating housing was never practiced and brings along challenges in terms of installing infrastructure in some of these areas.

In the context of uMhlabuyalingana Municipality it will be factually incorrect to consider the municipality as having a challenge with informal settlements but will be technically correct to make such a statement.

The uMhlabuyalingana Municipality constitutes 26.1% of formal dwellings in the uMkhanyakude district. According to the Community Survey, approximately 30% of housing is informal, traditional, or other types.

Household with Access to Basic Housing

Table 37: Main Dwelling Type

Dwelling Type	uMkhanyakude Municipality	District	uMhlabuyalingana Municipality
Formal	117 078		31 224
Informal	2 210		408
Traditional	9 228		2 904
Other	548		149

Source: Statistics South Africa, 2022

There is currently one housing project in the rural area that is under construction i.e. Mabaso. There are however plans for additional projects in the traditional authority areas. Refer to the housing chapter.



Housing Services Employee Statistics: Table 53 below indicates the total number of posts for the Housing Services Section is 3. All the three positions were filled and there are no vacancies identified.

No Housing employees withing the municipality. The service is provided by the Department

Population Growth Trends and Challenges

The municipality has an area of 3 621km² and a population of 191 660 people, with an average household size of 5, 5 people per household. As a gateway to Africa and as any border municipality, it has been noticed that there is a growing number of immigrants streaming into the area. The alarming fact is that it is not apparent if all these immigrants have entered the country legally or not and as such the numbers cannot be quantified.

In addition, the area also has a tendency of accommodating the working class from other areas which also adds to the local population. Often these people reside in rented cottages and are always keen for more decent housing options.

The challenges connected to this ranges from facts such as socio-economic status of this area is way below average to the HIV/AIDS epidemic, which also has a huge impact on the growth of the population. New settlements are emerging and seem to be bias in that they host certain ethic groups, which is a huge segregation era threat.

Table 38: Housing Projects: 2022/2023, 2023/2024 and 2024/2025 comparison

Year	Project	Budget	Funder
2022/2023			
2023/2024			



Year	Project	Budget	Funder
2024/2025			

3.6 Free Basic Services And Indigent Support

The municipality developed an indigent policy which seeks to provide financial relief to the citizens of the communities who are unable to afford basic services. The indigent policy is approved by Council. An indigent register has been developed as a result and is updated on an annual basis to re-assess the existing beneficiaries' affordability and extend to those that are needy.

During the financial year 2024/2025, the Municipality updated and approved an Indigent Register. The municipality's category of indigent support is Free Basic Electricity

The municipality is not providing any other service except Property Rates and Refuse collection whereby the category of households or residential is not billed for Property rates and not yet billed for Refuse collection.

Table 39: Burial support

Year	2022/23	2023/24	2024/25
Amount (R)	768 888	462 506	580 000

Table 40: Indigent Support Per Year

Year	2022/23	2023/24	2024/25
Amount (R)	301 628	79 826	N/A

Component B : Road Transport

The uMhlabuyalingana Municipality Technical Services Department is responsible for the provision of local access roads and stormwater services (including all



pipelines, manholes, bridges for rivers and streams) and its activities. Within the budgetary constraints, the stormwater network must be kept free of obstructions to mitigate against possible flooding. Its focus is on the development and maintenance of infrastructure for the conveyance of people and goods in all its forms.

3.7 Roads

uMhlabuyalingana Municipality has a total of 346km of roads, and with exception of the road from Mbazwana to Manguzi (R22), the road network is poor to very poor in condition and is in dire need of upgrade. Most roads are sandy and difficult to drive on with a 4X2 vehicle.

The municipality largely depends on grants for the implementation of capital projects and due to financial constraints, this municipality has a huge backlog demand on its local roads. The municipality was able to construct a number of gravel roads that are believed to create economic benefit for the people of uMhlabuyalingana. These include the projects presented in the below:

Table 41: Gravel Roads Infrastructure Over a 3-Year Period

Year	Project	Budget	Funder
2022/2023	Masondo-Thelizolo re-Gravelling and Blading	R4 000 000	MIG
	Manzibomvu-Siyabonga- re-Gravelling and Blading	R5 000 000	MIG
	Madudula re-Gravelling and Blading	R5 000 000	MIG
	Kwashodi re-Gravelling and Blading	R4 800 000	MIG
2023/2024	2,2 km of Manguzi Internal gravel road upgraded to surfaced road (tarred road) by 30 Jun3 2024	R7 469 859	MIG
	3,9 km of Mbazwana Internal gravel road to be upgraded to surfaced road (tarred road) by 30 June 2024	R29 014 334	MIG
2024/2025	1,1Km Manzibomvu KwaZungu gravel road	R2, 639 807,36	MIG



Year	Project	Budget	Funder
	2,8Km Kwashodi-Mahlakwe gravel road	R4, 571 410,03	MIG
	2,8Km of Skhemelele Internal gravel road phase 2	R4, 651 237,86	MIG
	2,02Km of Manguzi Internal tarred road phase 2	RR37, 210 246,99	MIG
	3km regraveling of Mfihlweni-Mfakubheka Access road regravelled	R1,850 000	Cogta- MDRG
	2,5km regraveling of Mqobela Access road	R1, 850 000	Cogta- MDRG
	3km regraveling of Mbubeni-Majola Access	R1,575 000	Cogta- MDRGG

Roads Services Employee Statistics: None

3.8 Transport (Including Vehicle Licensing & Public Bus Operation)

Public Transport Provision

The primary means of transportation within the jurisdiction of uMhlabuyalingana Local Municipality is public transport, which caters for both long-distance and local travel. This mainly comprises buses and minibus taxis used for daily commuting. Private motor vehicles are also utilised, particularly in areas with limited public transport coverage.

The municipality does not provide public transport services directly. Bus and minibus taxi operations are privately owned and operated. The municipality's role in public transport is limited to the provision and maintenance of transport-related infrastructure, including taxi ranks, bus stops, shelters, and associated facilities.

Existing and Future Transport Infrastructure

Regional Road Connectivity



At a regional level, uMhlabuyalingana benefits from an established road network comprising national and provincial routes that connect different areas within the municipality and link it to surrounding regions. Key routes include R22, P522, P447, and P444.

These routes connect major settlements and emerging nodes such as Mbazwana, Manguzi, Somkhele, and Phelandaba. The R22 plays a particularly critical role, linking the municipality with Hluhluwe, the N2 corridor, and several towns to the south, while also providing a strategic connection to Mozambique to the north. The upgrading of the R22 and its declaration as a Lubombo Spatial Development Initiative (LSDI) route in the early 2000s significantly improved regional accessibility and connectivity, presenting opportunities for corridor-based economic development.

However, the same level of functionality is not evident on the remaining key connector routes. The P522, which links the municipality to Jozini, is a surfaced road that has deteriorated significantly, with extensive potholing over long distances. Current interventions appear to focus mainly on temporary patching rather than comprehensive rehabilitation. The route has exceeded its design lifespan and requires full resealing or reconstruction.

The P447 and P444 provincial roads, which connect settlements such as Mashabane with Mbazwana, remain gravel and sandy in nature. These roads require urgent upgrading, as light vehicles struggle to use them during periods of heavy rainfall, severely limiting access and mobility.

Local Road Network Conditions

At a local level, road infrastructure remains a major challenge. According to the Department of Transport's Municipal Road Network Assessment (2007), uMhlabuyalingana Municipality has an estimated 346 km of roads. This estimate is based on a ratio of 382 inhabitants per kilometre of paved and gravel road, with approximately 8 per cent classified as tracks.

Based on this assessment, the road network consists of:



- 152 km of paved roads
- 169 km of gravel roads
- 26 km of tracks

With the exception of the road between Mbazwana and Manguzi, most roads are in poor to very poor condition and require upgrading. A significant proportion of local access roads are informal and exist mainly as tracks, particularly those providing direct access to settlements.

Key Road Infrastructure Challenges

Poor Road Conditions

Key deficiencies identified within the road network include:

- Inadequate pedestrian signage, road markings, and designated off-loading areas, particularly in urban nodes;
- Absence of traffic lights at major intersections;
- Inadequate public transport facilities for persons with disabilities;
- Limited pedestrian and non-motorised transport infrastructure.

Interventions should prioritise improved signage, road markings, and off-loading areas in urban areas. Traffic-calming measures should be explored in accident-prone zones, and where feasible, traffic signals should be installed at major intersections.

Poor Road Linkages and Development Constraints

An efficient road network is essential to facilitate the movement of people and goods, unlock development opportunities, and support economic growth and job creation. However, uMhlabuyalingana experiences poor critical road linkages, including missing links and roads that are in poor or inaccessible condition.

A notable example is the gravel road between Madonela and Sikhemelele, which is poorly maintained despite serving a densely settled corridor running parallel to the Pongola River floodplains. The area supports intensive subsistence agriculture, yet the road becomes nearly impassable during heavy rainfall. This corridor connects to



the P522 provincial road between Ingwavuma and Manguzi, where the urbanised settlement of Sikhemelele has developed. This area represents the most densely populated part of the municipality.

Road linkages between Madonela and Tshongwe are also inadequate and fail to support a direct primary route through the agricultural development corridor towards Sikhemelele. This linkage is considered critical, as it would provide an alternative south–north route from Hluhluwe and a more cost-effective transport option for fresh produce and value-added agricultural products destined for Richards Bay and Durban markets.

East–west connectivity is currently concentrated in the northern and southern parts of the municipality via P522, P444, and P447. In the central-western areas, east–west linkages exist largely as tracks. To enhance overall network efficiency, particularly in support of the proposed Madonela–Sikhemelele upgrade, it is recommended that the Hlazane–Manaba–Mseleni road be upgraded to function as a centrally located east–west link.

Tourism and Environmental Access

To unlock tourism potential along the municipality’s eastern coastline, administered by the iSimangaliso Wetland Park Authority, the road from Mbazwana past Lake Sibaya (eastern shore), through Manzengwenya to Manguzi requires upgrading and improved public accessibility. Similarly, upgrading the road from the State Forest Road north of the Jikijela Node to Manzengwenya would strengthen west–east connectivity to coastal tourism areas.

Priority Road Upgrading Interventions

The following interventions are recommended to establish a well-developed road network and improve accessibility:

- Upgrade the Madonela–Sikhemelele road to a blacktop standard;



- Construct a blacktop road between Tshongwe and Madonela;
- Upgrade the Hlazane–Manaba road;
- Upgrade the Manaba–Mseleni road;
- Upgrade the road from Mbazwana past Lake Sibaya through Manzengwenya to Manguzi; and
- Upgrade the road from the State Forest Road north of Jikijela Node to Manzengwenya.

Rail Transport

uMhlabuyalingana Local Municipality does not have an established rail system for public or freight transport. The nearest railway line runs parallel to the N2 within the uMkhanyakude District, passing through Mtubatuba, Big Five False Bay, Hlabisa, and parts of Jozini towards Eswatini. This rail line falls outside the municipal boundary and appears to have been discontinued for some time.

Air Transport

The municipality does not have a formal or operational air transport system. Small airstrips exist at Mbazwana and Sodwana Bay, although the current operational status and condition of these facilities are unknown.

Transportation Analysis

According to the uMkhanyakude District Municipality IDP there are approximately 33 taxi facilities, comprising both formal and informal taxi ranks and routes within uMhlabuyalingana. Informal passenger transport using “bakkies”, although illegal, continues to operate in areas where minibus taxis are unwilling to travel due to poor road conditions. The municipality currently does not have formal bus terminal facilities.

3.9 Wastewater (Stormwater Drainage) Current Status

Water service delivery within uMhlabuyalingana remains a significant challenge due to the municipality’s predominantly rural settlement pattern, low settlement densities, and



vast geographic coverage. While progress has been made through bulk and reticulation projects, a large proportion of households still do not have access to reliable and adequate water services.

Water provision is delivered through a mix of:

- Regional and local water schemes
- Standpipes
- Boreholes
- Water tankering, particularly in remote and drought-prone areas

Many communities continue to experience intermittent supply, infrastructure breakdowns, and reliance on non-formal water sources, which affects service reliability and sustainability.

Service Levels

- Basic level of service: Predominantly communal standpipes and boreholes
- Intermediate level of service: Yard connections in selected settlements
- Full level of service: Limited to few urban or semi-urban nodes

The majority of households remain at basic or below basic service levels, resulting in a high water services backlog.

Water Services Development Plan (WSDP) Status

The Water Services Development Plan (WSDP) for uMkhanyakude District Municipality was last reviewed in 2009 and is therefore outdated, given the statutory five-year lifespan of the plan. The absence of a current WSDP limits effective long-term planning, prioritisation of investments, and alignment with municipal IDPs.

The review and adoption of a new WSDP has been identified as a critical priority for the district municipality. Once finalised, relevant elements will be incorporated into the uMhlabuyalingana IDP to ensure planning alignment and improved service delivery coordination.



Component C: Planning And Development

3.10 Planning

The Planning Department comprises the following functional areas:

- Building Control,
- Land Surveying,
- Land Use Planning,
- Spatial Planning,
- Heritage Management,
- Geographical Information Systems (GIS),
- Environmental Management,
- Rural Development,
- Economic Growth, and
- Tourism.

The department is responsible for sustainable, proactive planning and compliance monitoring of both the natural and built environment. It plays a central role in facilitating integrated physical, social, and economic development to support sustainable growth within uMhlabuyalingana Local Municipality.

Status of the Spatial Development Framework (SDF) and Land Use Management System

The primary purpose of spatial planning within uMhlabuyalingana is to provide a coherent framework that guides the spatial vision, form, and long-term development trajectory of the municipality. The Spatial Development Framework (SDF) sets out guidelines for future development and growth in a structured and predictable manner, with the objective of enhancing the quality of life for all residents.

The Spatial Planning Unit is responsible for:

- Compiling, reviewing, and amending the Spatial Development Framework;
- Preparing and implementing spatial plans and frameworks;



- Developing policies and strategies that guide the long-term spatial, social, and economic development of the municipality;
- Commenting on land use planning applications and environmental authorisation processes; and
- Providing inputs on local, provincial, and national spatial policies, legislation, and planning instruments.

Heritage Management

The unit is also responsible for the identification, protection, and management of heritage resources and cultural landscapes within uMhlabuyalingana Municipality. This includes providing comments on land use planning applications and building plan applications to ensure compliance with applicable heritage legislation and the preservation of significant cultural assets.

Land Use Management System (LUMS)

A municipal-wide Spatial Development Framework has been adopted by Council, together with Land Use Management Schemes (LUMS) for Mbazwana and Manguzi. These instruments provide statutory guidance for land use decision-making and development control within the respective areas.

The enforcement and implementation of the existing land use management tools remain a priority. Furthermore, the municipality intends to plan for and implement a municipal-wide Land Use Management Scheme, in order to comply with the requirements of the KwaZulu-Natal Planning and Development Act and related legislation. The municipality will therefore provide a comprehensive framework to guide the spatial distribution of current and future land uses across its entire jurisdiction.

Implementation of SPLUMA in uMhlabuyalingana Municipality



uMhlabuyalingana Municipality has made progress in implementing the Spatial Planning and Land Use Management Act (SPLUMA). While a standalone Municipal Planning Tribunal (MPT) has not yet been established, Council has adopted a Joint Municipal Planning Tribunal (JMPT) arrangement.

In compliance with SPLUMA Regulation 14, a Municipal Planning Authorised Officer was appointed during the 2024/2025 financial year to process and manage land use applications.

The municipality has not yet formally designated an Appeal Authority; this matter will be finalised during the review of the municipality’s delegations of authority. In addition, delegations have been amended to transition from the KwaZulu-Natal Planning and Development Act (KZNPDPA) to the SPLUMA by-law framework, and land use applications have been appropriately categorised.

The SPLUMA by-laws have been adopted by Council and gazetted, providing a legal basis for land use management and development control within the municipality.

Table 42: Building Regulation and Enforcement

Detail	2024/2025
Building Plans Received	55
Building Plans Approved	48
Building Plans Not Approved	7
Notices/Enforcement	36
Applications outstanding at year end	N/A

Table 43: Service Delivery Priorities and Impact

Service Objectives	Service Targets	2023/2024		2024/2025	
		Target	Actual	Target	Actual
To promote development of efficient and	Revision and approval of Spatial	1	1	1	1



Service Objectives	Service Targets	2023/2024		2024/2025	
		Target	Actual	Target	Actual
sustainable settlement pattern	Development Framework (SDF)				

Employees for Planning Services: Table below indicates the total number of 3 (three) posts for the Planning Services Unit. During 2024/2025 financial year, there were 3 employees, employed in the Planning Services Section and that there is 1 post that need to be filled.

3.11 Local Economic Development (Including Tourism & Market Places)

Local Economic Development (LED) Services Unit

The purpose of the Local Economic Development (LED) Services Unit is to create an enabling and conducive environment for economic growth, with the overarching objectives of job creation, poverty alleviation, and improved livelihoods. The unit exists to build the economic capacity of the local area, strengthen its economic resilience, and enhance the overall quality of life for all residents of uMhlabuyalingana Local Municipality.

The LED Services Unit facilitates collaborative processes through which the public sector, private sector, and non-governmental stakeholders work collectively to improve conditions for economic growth, enterprise development, and employment creation. The success of local economic development initiatives is therefore highly dependent on the strength of strategic partnerships and stakeholder alignment.

Structure and Focus Areas

The unit comprises Local Economic Development and Tourism functions, and focuses on the development of enabling policies, strategies, and plans that guide the implementation of key initiatives, projects, and programmes aimed at growing the local economy within the uMhlabuyalingana municipal area.



Strategic Alignment

The municipality's LED Strategy is aligned with the National Development Plan (NDP) and the KwaZulu-Natal Provincial Growth and Development Strategy (PGDS). The strategy seeks to position uMhlabuyalingana as a competitive, inclusive, and innovative local economy by 2035, capable of creating economic opportunities for all residents.

The essence of the LED Strategy is to:

- Chart uMhlabuyalingana's pathway towards inclusive economic growth;
- Promote a diversified and resilient local economy;
- Strengthen spatial connectivity and economic integration; and

Support environmentally sustainable and socially inclusive economic ecosystems.

Implementation Approach

Local Economic Development is one of the municipality's core developmental functions and is implemented through a range of programmes and support packages. The effectiveness of these initiatives is largely dependent on multi-stakeholder collaboration, including partnerships with government departments, the private sector, development agencies, and community-based organisations.

Short- and Long-Term Objectives

In the short term, the municipality aims to provide financial support, skills development, and capacity-building assistance to local enterprises, particularly small businesses, to enhance their stability and growth prospects.

In the long term, the municipality seeks to promote the sustainability of small economic drivers, expand local economic activities, and create sustainable employment opportunities, thereby contributing to long-term economic growth and poverty reduction within the municipal area.



Main Drivers of the Economy — uMhlabuyalingana Local Municipality

1. Government and Public Services

The largest share of the local economy is accounted for by the government and public services sector, which includes health, education, municipal administration, and social services. This sector is the single biggest contributor to local GDP due to the limited presence of large private sector enterprises.

2. Community, Social & Personal Services

Closely linked to government services, the community and social services sector (including education, healthcare, community care, and personal services) is a dominant employer and contributor to economic output within the municipality.

3. Wholesale & Retail Trade, Catering & Accommodation

Trade and hospitality services are significant, reflecting local retail activity, informal trade, and tourism-related accommodation and food services. This sector provides many **employment opportunities for residents**, despite being relatively small in overall GDP terms.

4. Agriculture, Forestry and Fishing

Agriculture is a key economic driver and livelihood activity in uMhlabuyalingana, particularly due to the region's flat fertile land in the Makhathini Flats area, which supports both commercial farming and subsistence agriculture. The sector includes crop production and livestock rearing, and many households depend on agriculture for food security and income.

Subsistence farming and small-scale agricultural activities also provide food, sustenance, and informal economic activity for many residents.

5. Tourism

Tourism is a growing economic driver for uMhlabuyalingana, given its proximity to the iSimangaliso Wetland Park (a World Heritage Site), coastal attractions such



as Sodwana Bay, rich biodiversity, and cultural heritage sites. Tourism supports local enterprises in hospitality, guiding, recreational services, and craft markets, and stimulates related sectors such as transport and retail.

6. Construction

The construction sector contributes to the local economy through public infrastructure projects, housing development, and road works, providing jobs and stimulating demand for local services.

7. Informal and Subsistence Economy

In addition to formal sectors, a substantial proportion of residents participate in the informal economy—including micro-enterprises, informal trading, local services, and smallholder farming—as a means of generating income and sustaining livelihoods in the rural setting.

Overview of Economic Dynamics

uMhlabuyalingana's economy is characterized by:

- High reliance on public services due to limited private sector development.
- Agriculture and tourism as key potential growth areas, both for livelihoods and future job creation.
- A large informal economy and subsistence sector supporting rural communities.
- Challenges of rurality, including limited industrial activity and infrastructure deficits, which constrain growth and employment opportunities.

The estimated GDP/GVA in 2019: approximately R3.24 billion (at constant prices).

The local economy grew at an average rate of about 1.58 % per year (2012-2019).

Based on trend projections, the local economy is expected to grow to around R3.4 billion by 2026 (estimate not an official forecast).



Note: More recent official GDP data for uMhlabuyalingana specifically is not published annually by Statistics South Africa or provincial sources. Most municipal profiles rely on modeled estimates from economic data services such as Quantec.

Table 44 : uMhlabuyalingana GDP by Sector — 2019 (R million and % share)

Sector	GVA (R million)	% of Total GDP
General government	R 928 m	28.6 %
Community, social & personal services	R 569 m	17.6 %
Wholesale & retail trade, catering & accommodation	R 404 m	12.5 %
Construction	R 357 m	11.0 %
Transport, storage & communication	R 245 m	7.6 %
Finance, insurance, real estate & business services	R 230 m	7.1 %
Manufacturing	R 204 m	6.3 %
Agriculture, forestry & fishing	R 181 m	5.6 %
Mining & quarrying	R 74 m	2.3 %
Electricity, gas & water	R 48 m	1.5 %
TOTAL	R 3,240 m	100 %

(Source: Quantec economic data profile)

Key Insights

- The largest contributor to the local economy is General Government (28.6 %), reflecting the importance of public services and administration in uMhlabuyalingana.
- Combined tertiary sectors (government, community & personal services, trade, finance) make up significant proportions of GDP, indicating a service-oriented economy.
- Construction contributes substantially, reflecting infrastructure activity.
- Agriculture, forestry & fishing still play a meaningful role, although smaller in relative share compared with services.

- Secondary sectors (manufacturing and electricity) together account for a smaller portion of total output.

Interpretation

The economy of uMhlabuyalingana is predominantly tertiary, with government and community services dominating economic output.

Sectors such as trade, construction, and transport also contribute notably to local GVA, reflecting local service activities and infrastructure investment.

Primary (agriculture) and secondary (manufacturing) sectors have smaller shares, though they remain important for employment and livelihoods.

Table 45: Jobs Created by LED Initiatives

Service Objectives	Service Targets	2022/2023		2023/2024		2024/2025	
		Target	Actual	Target	Actual	Target	Actual
To create job opportunities through Expanded Public Works Programme-EPWP	Creation of job opportunities	100	98	100	128	100	180
To create job opportunities through Community Works Programme-CWP	Creation of job opportunities	100	1 834	1500	1875	1500	1 824
To create an environment conducive for investment and economic growth	Review LED Strategy	1	1	1	1	N/A	N/A

Employees for LED Services Unit: Table below indicates a total number of 2 (two) post for the Local Economic Development (LED) Services Unit. During 2024/2025



financial year, there were 2 permanent employees who worked for the LED Services Unit.

Capital Expenditure for LED Services Unit:

The overall performance of the municipal Local Economic Development Unit has reflected an acceptable level of the municipal competency. This is informed by the growth in number of job opportunities created each year and implementation of responsive programmes towards economic development. Progressively, the municipality is working on a sustainable monitoring plan for each implemented programme or project that is within its powers. Furthermore, the council is establishing other new economically responsive platforms to engage on in order to advance its competency level.

Component D: Community And Social Services

3.12 Libraries, Archives, Museums, Galleries And Other Community Facilities

This component includes libraries and archives, museums arts and galleries, community halls, cemeteries and crematoria, childcare, aged care, and theatres. uMhlabuyalingana Municipality has 2 libraries: Manguzi and Mseleni as well as a modular library(SkHEMELELE). The following projects were pursued by the Libraries Unit:

Table 46: Libraries Projects

Service Objectives	Service Targets	2022/2023		2023/2024		2024/2025	
		Target	Actual	Target	Actual	Target	Actual
To enhance skills development and life-long learning	Circulation of Books	10 000	22 455	10 800	19 455	18000	21 398
	Library Users with access to internet	2 100	5 382	1500	5 465	3 500	5 827
	Training of People on	360	599	360	538	400	592



Service Objectives	Service Targets	2022/2023		2023/2024		2024/2025	
		Target	Actual	Target	Actual	Target	Actual
	Basic Computer Skills						
	Library promotions conducted	4	5	4	7	4	4
	Book exchange	0	0	4	4	4	4

Employees for Library Services Unit: The total number of employees for Library Services Unit is 12 (twelve) and there are no vacancies.

Table 47: Employees for Library Services

Employees: Libraries – 2024/2025					
Job Title	Number of Employees	Number of Posts	Number of Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
				No.	%
Library Manager	1	1	1	0	0%
Library Assistant (Manguzi = 2, Mseleni = 2) Skhemelele = 2	6	6	6	0	0%
Cyber Cadet Manguzi = 1 Skhemelele = 1	2	2	2	0	0%
Assistant librarian Manguzi = 1 Skhemelele = 1	2	2	2	0	0%



Employees: Libraries – 2024/2025

Job Title	Number of Employees	Number of Posts	Number of Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
				No.	%
General Worker	0	0	0	0	

3.13 Cemeteries And Crematoriums

Cemeteries — Current Status

There are *no formal registered municipal cemeteries* within the uMhlabuyalingana area at present. This means the municipality does not currently operate official graveyards.

Traditional burial practices remain widespread; however, due to settlement densification (for example around *Manguzi, Mbazwana*, and between *Mboza and Sikhemelele*), the use of homestead burial sites is becoming increasingly constrained, and poses potential environmental concerns such as groundwater contamination.

The Spatial Development Framework (SDF) identifies locations for proposed cemeteries in primary settlement nodes to address future burial needs.

The municipality has no dedicated staff unit or employees specifically assigned to manage cemetery or crematorium services.

Municipal by-laws *do provide for the establishment and regulation of cemeteries and crematoriums*, but in practice no such crematorium has been built or is operated by the municipality at this time.

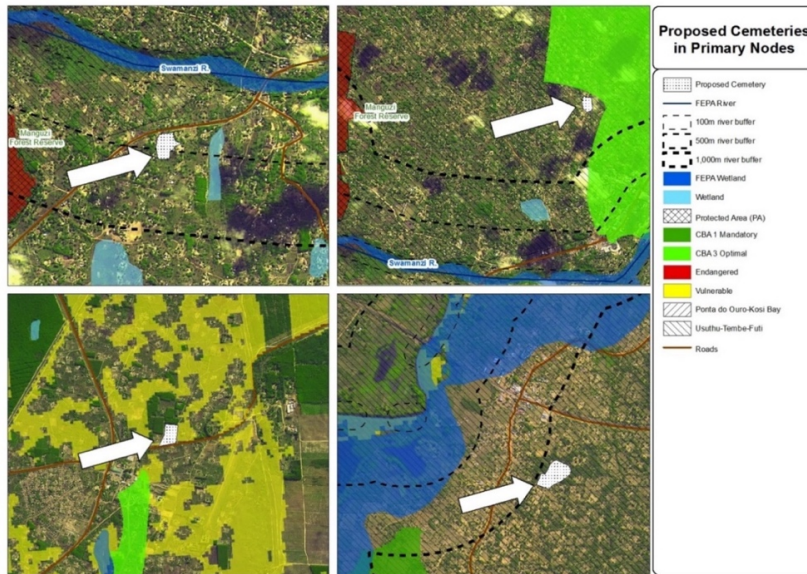
By-Laws and Planning

The municipality has cemetery and cremation by-laws that set out rules for establishment, management, and conduct related to burial grounds and related facilities. These by-laws provide authority for the local council to manage cemeteries and, if necessary, crematoria in the future.



Despite this legal framework, implementation has not yet translated into actual municipal burial facilities.

Map 11: Proposed Cemeteries in Primary Nodes



Source: UMhlabuyalingana SDF



3.14 Child Care and Special Programmes

The following services are provided for the social and special programmes.

Table 48: Policy Objectives for Child Care, Aged, Social and Special Programmes

Service Objectives	Service Targets	2022/2023		2023/2024		2024/2025	
		Target	Actual	Target	Actual	Target	Actual
To enhance programmes for special groups, arts and culture and heritage	Coordination of youth programmes	4 Youth commemoration	4 Youth commemoration	4 Youth programmes coordinated and implemented	4 Youth programmes coordinated and implemented	2 Youth programmes coordinated and implemented by 30 June 2025. a) Registration programme b) Career Expo	2 Youth programmes coordinated and implemented by 30 June 2025. a) Registration programme b) Career Expo
	Youth Festive season beach monitoring	Youth Festive season beach monitoring	Youth Festive season beach monitoring	Beach monitoring	Beach monitoring	N/A	N/A
	N/A	N/A	N/A	Matric Excellence Awards.	Matric Excellence Awards.	Matric Excellence Awards.	Matric Excellence Awards coordinated



Service Objectives	Service Targets	2022/2023		2023/2024		2024/2025	
		Target	Actual	Target	Actual	Target	Actual
To enhance programmes for special groups, women and youth	Number of special programs coordinated and implemented	N/A	N/A	2 special programmes coordinated and implemented a) Disability awareness campaign	2 special programmes coordinated and implemented a) Disability awareness campaign	2 special programmes coordinated and implemented by 30 June 2025. a) Local Aids Council Meeting b) HIV/AIDS Awareness campaign	2 special programmes coordinated and implemented by 30 June 2025. a) Local Aids Council Meeting b) HIV/AIDS Awareness campaign
		N/A	N/A	b) Gender awareness campaign	b) Gender awareness campaign	N/A	N/A



Table 49: Child Care and Special Programmes employees

Job Level	2023/2024			2024/2025		
	Posts as per Structure	Employees (filled)	Vacancies (as a % of total posts)	Posts as per Structure	Employees (filled)	Vacancies (as a % of total posts)
	No.	No.	%	No.	No.	%
0 - 3						
4 - 6						
7 - 9						
10 - 12	1	1	0%	1	1	0%
13 - 15	1	1	0%	1	1	0%
16 - 18						
19 - 20						
Total	2	2	0%	2	2	0%

Component E: Environmental Protection

3.15 Pollution Control

Pollution control within uMhlabuyalingana Municipality is primarily the responsibility of the Department of Agriculture and Environmental Affairs, with the municipality playing a supportive and collaborative role. Approximately 28% of the municipal area falls within formerly protected and conservation areas, including Tembe National Elephant Park, Manguzi Forest Reserve, Sileza Nature Reserve, as well as portions of Ndumo Game Reserve and the iSimangaliso Wetland Park.

These environmentally sensitive areas are increasingly under threat from land invasions, poaching, and illegal harvesting of natural resources, particularly medicinal plants. Such activities pose a serious risk to local biodiversity and undermine the ecological integrity of these conservation areas.

Several areas within the municipality are in the process of being declared protected areas in terms of the National Environmental Management: Protected Areas Act, 2003, which would provide enhanced protection against inappropriate development and



environmental degradation. However, the declaration process is complex and subject to stringent legislative requirements.

Environmental degradation within the municipality is largely driven by overgrazing, overharvesting, inappropriate burning practices, unregulated development, and pollution. These pressures are primarily linked to the short-term exploitation of natural resources, often without due consideration of long-term environmental sustainability and ecosystem services.

To address these challenges, the municipality aims to strengthen partnerships with the Department of Agriculture and Environmental Affairs through:

The implementation of environmental education programmes in schools;

Community awareness and education initiatives targeting areas where natural resources are over-exploited; and

Identification and enforcement actions against individuals or entities that deliberately pollute or degrade the natural environment.

Through these interventions, the municipality seeks to promote environmental stewardship, biodiversity conservation, and sustainable use of natural resources for the benefit of present and future generations.

Component F: Health

3.16 Public Clinics (Primary Health Care Facilities)

uMhlabuyalingana has a network of fixed public clinics providing basic health services (e.g., primary care, maternal and child health services, TB/HIV services, immunisations). There are about 36 clinics (including mobile clinics) distributed throughout the municipality to serve the rural population.

Clinics Operated under Mseleni Hospital

Several clinics that fall under the Mseleni Hospital catchment area serve residents of uMhlabuyalingana. Among these are:



Mbazwana Clinic – serves the Mbazwana area

Mabibi Clinic – located in the Mabibi area

Manaba Clinic – serves Manaba residents

Tshongwe Clinic – located in Tshongwe area

Oqondweni Clinic – serves Oqondweni community

These clinics provide general outpatient care, chronic disease treatment, preventive health services, and referrals to higher-level care when needed.

Other Clinic Locations (Reported in Health Directories)

In addition to the above, directories and community health resources list other public clinic facilities within the municipal area (note that some may be smaller satellite or rural clinics):

Bhekabantu Clinic – Bhekabantu area

Kwazibi Clinic – Kwazibi area

Mpembeni Clinic – Mpembeni area

Machibini Clinic – Machibini area

Macabuzela Clinic – Macabuzela area

Makhowe Clinic – Makhowe area

These facilities help expand access to primary healthcare services across remote wards.

Mobile Clinics

In addition to fixed facilities, mobile clinics regularly visit rural settlements that are distant from permanent clinics, helping extend basic health services to remote communities. uMhlabuyalingana has numerous mobile clinic points as part of district health service delivery.

Hospitals Serving the Area

While clinics provide first-contact care, more advanced or emergency services are available at district hospitals that serve the municipality:



Manguzi Hospital – 240-bed district hospital in Manguzi town (near KwaNgwanase).

Mseleni Hospital – rural hospital offering broader health services and supporting surrounding clinics.

These hospitals act as referral facilities for clinics and provide inpatient care, maternity services, emergency care, and specialist outreach programmes.

3.17 Ambulance Services

uMhlabuyalingana has the following public and private ambulance

KwaZulu-Natal Emergency Medical Services (KZN EMS)

KZN EMS is the primary public ambulance service in KwaZulu-Natal, operated by the KwaZulu-Natal Department of Health. It provides 24/7 emergency response, rescue, pre-hospital care, and patient transport services across the province — including rural areas like uMhlabuyalingana.

Public ambulances respond to medical emergencies, trauma, accidents, childbirth complications, and urgent transfers to hospitals or higher-level care.

Service Coverage in Rural Areas

KZN EMS aims to cover both urban and rural communities including remote settlements in uMhlabuyalingana, though response times can be longer in very remote locations.

The service includes different levels of care:

- Basic Life Support (BLS) ambulances with essential emergency care;
- Intermediate and Advanced Life Support capabilities depending on crew qualifications and vehicle type.

Inter-Facility and Patient Transport

In addition to emergency response, KZN EMS manages scheduled patient transport, such as moving stable patients between clinics and hospitals or to specialised care facilities.



Private Ambulance Providers

While public ambulances are free (government-funded), private services operate throughout KwaZulu-Natal and may be used where quicker response or specialised transport is required. These normally charge fees or require medical aid cover:

KwaZulu Private Ambulance Service – 24/7 emergency and inter-facility transport with Advanced Life Support.

Afromed Emergency Medical Service – Emergency response services across KZN.

Other national providers (if available locally) include ER24, Netcare 911, and Ambu-Link, which provide emergency and scheduled medical transport services across the province. Availability of specific private providers in uMhlabuyalingana itself can vary and depends on nearest service bases.

Operational Challenges

EMS in KwaZulu-Natal faces systemic challenges, including ambulance shortages, staff vacancies, and prolonged vehicle downtime, which can impact response times, especially in rural areas like uMhlabuyalingana.

To address these issues, the provincial health department is planning partnerships with private ambulance services to support emergency response and reduce turnaround times.

3.18 Health Inspection; Food And Abattoir Licensing And Inspection

Legal and Institutional Responsibility

The licensing, inspection and control of food outlets, abattoirs, and related health inspection functions are not municipal functions in uMhlabuyalingana.



These functions fall under the exclusive competence of the Provincial Government, specifically the KwaZulu-Natal Department of Health and Provincial Environmental Health Services.

This means that while the municipality may *support* or *facilitate* local compliance, the authority to issue licences and conduct official inspections for food safety and abattoirs rests with the province

The municipality itself does not issue food business licences or abattoir permits. Instead, Environmental Health Practitioners (EHPs) appointed by the province are responsible for inspection and enforcement in the local area.

What This Means for Residents and Businesses

- Businesses selling food (formal and informal) must comply with provincial health inspection standards.
- Abattoirs and meat processing facilities in the area must be licensed and inspected by provincial Environmental Health Services.
- The municipality does not issue these licences but may help in liaison and facilitation between provincial officials and local business owner

Component G: Security And Safety

Community Safety and Disaster Management

This component comprises policing support, fire services, disaster risk management, animal control, and the control of public nuisances. These functions contribute to ensuring the safety, security, and resilience of communities within uMhlabuyalingana Municipality.

Disaster Risk Management Unit

The Disaster Risk Management Unit is functionally structured into four key areas, namely:

- Operations
- Support Services



- Fire Safety
- Disaster Risk Management

Operations

The unit operates a 24-hour emergency response service, responding to fire, rescue, and disaster incidents across the municipal area within predetermined response times. Although the municipality does not yet have a dedicated fire station, operations are currently conducted from municipal buildings.

Fire Safety

The Fire Safety division focuses on:

- Fire safety inspections of business premises and government institutions; and
- Public fire safety education, delivered through awareness campaigns aimed at reducing fire risks and improving community preparedness.

Compliance

The unit ensures compliance with the:

- National Building Regulations and Building Standards Act; and
- Relevant municipal by-laws, through the inspection of premises and the issuance of Fire Safety Compliance Letters.

Disaster Risk Management

Disaster Risk Management activities focus on:

The annual review and implementation of the Municipal Disaster Management Plan, which has been reviewed and submitted for final approval; and

The provision of disaster relief services to affected communities, including the distribution of food parcels, blankets, lightning conductors, and temporary shelters.

Legislative Compliance and Coordination



In line with the Disaster Management Act (Act No. 57 of 2002), uMhlabuyalingana Municipality has prioritised disaster management by establishing a fully functional Disaster Management Unit staffed with trained personnel. The municipality has also established a Disaster Management Forum to ensure a coordinated and integrated approach to disaster risk reduction, preparedness, response, and recovery.

Through these interventions, the municipality remains committed to enhancing community safety, disaster resilience, and effective emergency response within the municipal area.

3.19 Traffic Police Services

The mission of the Traffic Services Section is to provide an effective, efficient, and high-quality traffic service to the residents and visitors of uMhlabuyalingana Municipality by ensuring the free flow of traffic and creating a safe environment for all road users.

Traffic Licensing and Law Enforcement

During the 2024/2025 financial year, the Traffic Services Section addressed a significant number of traffic offences. The primary objective of law enforcement activities is not only prosecution, but also education and awareness, aimed at improving road user behaviour and enhancing overall road safety.

Key enforcement activities included:

- Apprehension of drivers using cell phones while driving;
- Stop-street violations;
- Failure to wear seat belts;
- Excessive speeding;
- Red-light and yellow-line offences;
- Use of illegal number plates; and
- Driving under the influence of alcohol and/or illicit substances.

Corrective and Preventative Measures

Corrective measures implemented during the reporting period included:



- The commissioning of speed-violation cameras;
- Selective law enforcement operations targeting seat belt usage, cell phone use, number plates, and public transport vehicles; and
- Regular roadblocks conducted in collaboration with the South African Police Service (SAPS).

The introduction of roving law enforcement to address moving traffic violations has yielded positive results and contributed to improved compliance.

Road Safety Awareness

Traffic safety awareness campaigns are conducted on a regular basis in partnership with the Disaster Management Unit and other stakeholders. These initiatives focus on addressing irresponsible driving behaviour and promoting pedestrian safety across the municipal area.

Traffic Control Unit

The municipality has established a Traffic Control Unit within the Community Services Department, staffed by trained and experienced personnel. The unit is responsible for day-to-day traffic management operations, aimed at enhancing safety, security, and reducing road accidents within uMhlabuyalingana.

Table 50: Municipal Police Data

Municipal Police Service Data			
Details	2022/2023	2023/2024	2024/2025
Number of road traffic accidents during the year	38	29	32
Number of by-law infringements attended	Nil	Nil	Nil
Number of police officers in the field on an average day	6	6	6
Number of police officers on duty on an average day	6	6	6



Table 51: Employees – Police Officers

Employees: Police Officers 2024/2025					
Police	Number of Employees No.	Number of Posts	Number of Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Public Safety Manager	1	1	1	0	0%
Other Police Officers	7	7	7	0	0%
Superintendent	0	1	0	1	100%

3.20 Fire Services

Table 52: Fire Services

uMhlabuyalingana Fire Services Data		
Details	2024/2025	
	Estimate No.	Actual No.
Total fires attended in the year	80	157
Total of the other incidences	355	355
Average turnout time-urban areas	30mins	30mins
Average turnout time rural areas	1hour	1h30mins
Fire fighters in post at the year end		09



Table 53: Fire Services employees

Job Level	2023/2024			2024/2025		
	Posts as per Structure	Employees (filled)	Vacancies (as a % of total posts)	Posts as per Structure	Employees (filled)	Vacancies (as a % of total posts)
	No.	No.	%	No.	No.	%
0 - 3						
4 - 6						
7 - 9	10	10	0%	9	9	0%
10 - 12	1	1	0%	1	1	0%
13 - 15						
16 - 18						
19 - 20						
Total	11	11	0	10	10	0%

3.21 Other (Disaster Management, Animal Licensing And Control, Control Of Public Nuisances And Other)

Disaster Management Sector Plan

The Disaster Management Sector Plan (DMSP) is a core component of the Integrated Development Plan (IDP) of uMhlabuyalingana Municipality. In terms of Section 26(g) of the Local Government: Municipal Systems Act, No. 32 of 2000, a municipal IDP must reflect an applicable Disaster Management Sector Plan. Furthermore, Section 53(2)(a) of the Disaster Management Act, No. 57 of 2002, requires that a disaster management plan for a municipal area form an integral part of the municipality’s IDP.

In compliance with the above legislative prescripts, this Disaster Management Sector Plan has been prepared to mainstream disaster risk management into the municipal IDP and to ensure alignment with national, provincial, district, and local disaster management frameworks.

Municipal Disaster Management Institutional Capacity

The uMhlabuyalingana Municipality’s IDP is reviewed and updated annually to ensure its continued relevance and responsiveness to community needs. All municipal units,



sectors, and entities are required to contribute to the IDP through the identification of planned programmes, targets, and associated budgets for each financial year.

The Disaster Management Sector Plan outlines inputs from the uMhlabuyalingana Disaster Risk Management Centre, with a specific focus on Disaster Risk Reduction (DRR) programmes and strategies planned for the 2024/2025 financial year. The plan further provides for disaster response and post-disaster recovery mechanisms in line with legislative requirements.

Section 53 of the Disaster Management Act, No. 57 of 2002, requires each municipality to prepare a Disaster Management Plan appropriate to the circumstances prevailing within its area. In addition, Section 26(g) of the Municipal Systems Act, No. 32 of 2000, mandates that such a plan form an integral part of the municipal IDP.

Municipal Context and Risk Profile

uMhlabuyalingana Municipality is predominantly rural in nature, with informal settlements located mainly in Mbazwana and Manguzi. The area experiences significant population movement due to migration from neighbouring countries, particularly Eswatini and Mozambique.

The municipality's major structuring elements include the Pongola River along the western boundary, the east–west linkage road from Sikhemelele to Manguzi, and the MR22 road connecting Hluhluwe. The municipality comprises several District Management Areas (DMAs) under the jurisdiction of the uMkhanyakude District Municipality, as well as the urban settlements of Manguzi, Mbazwana, Mseleni, Sikhemelele, and Mboza. These DMAs are located along the northern, eastern, and southern boundaries of the municipality.

Legislative Responsibilities

In terms of the Disaster Management Act, No. 57 of 2002, the uMkhanyakude District Disaster Risk Management Centre is required to:



- Prepare a Municipal Disaster Risk Management Plan that reflects the circumstances prevailing within the district and incorporates all municipal entities and external role-players;
- Coordinate and align the implementation of the Municipal Disaster Risk Management Plan with those of other organs of state, institutions, and relevant stakeholders; and
- Regularly review and update the Municipal Disaster Risk Management Plan in accordance with Section 48 of the Act.

Purpose and Scope of the Disaster Management Sector Plan

The Municipal Disaster Risk Management Sector Plan is intended to:

- Form an integral part of the municipality's IDP to ensure that disaster risk reduction initiatives are incorporated into broader development programmes;
- Identify and anticipate potential disaster risks and hazards and their likely impact within the municipal area;
- Identify communities at risk at ward level;
- Provide for appropriate prevention, mitigation, and risk reduction strategies;
- Identify and address capacity gaps in disaster preparedness and response;
- Facilitate effective emergency preparedness and response through the establishment of Standard Operating Procedures (SOPs);
- Incorporate all hazard-specific, sectoral, and departmental disaster risk management plans and emergency procedures.

These provisions include:

- Clear allocation of roles and responsibilities among all stakeholders;
- Prompt and coordinated disaster response and relief;
- Disaster recovery and rehabilitation with an emphasis on risk reduction;
- Procurement of essential goods and services;
- Establishment of effective communication systems; and



- Dissemination of accurate and timely information.

Strategic Framework and Approach

This Disaster Risk Management Sector Plan establishes a framework for implementing the provisions of the Disaster Management Act, No. 57 of 2002, the National Disaster Risk Management Policy Framework of 2005, and relevant sections of the Municipal Systems Act, No. 32 of 2000.

Fundamentally, disaster risk reduction initiatives identified in this plan are integrated and aligned with the municipality's IDP priorities. The plan focuses on:

- Preventing or reducing the risk of disasters;
- Mitigating the severity and impact of disasters;
- Enhancing emergency preparedness;
- Ensuring rapid and effective disaster response; and
- Supporting post-disaster recovery and rehabilitation.
- The plan promotes multi-departmental, multi-agency, and multi-jurisdictional coordination in disaster risk management interventions.

Shift in Disaster Management Approach

Historically, disaster management approaches were largely reactive and relief-centred. However, a paradigm shift has occurred towards a holistic, integrated, and proactive approach that places greater emphasis on prevention, mitigation, and preparedness.

Since 1994, South Africa's disaster management framework has undergone significant transformation to align with international best practice and to systematically integrate disaster risk reduction into development planning at national, provincial, and municipal levels.

Institutional Arrangements

The uMhlabuyalingana Disaster Risk Management Centre is the custodian of the Municipal Disaster Risk Management Plan. Individual municipal services, directorates,



departments, and external role-players are responsible for developing, implementing, and maintaining their own disaster risk management plans, which collectively form integral components of the Municipal Disaster Risk Management Plan.

The Disaster Management Unit continues to provide coordination, oversight, and support in the implementation of disaster risk management services across the municipality.

Table 54: Disaster Management Unit Policy Objectives and Programmes

Service Objectives	Service Targets	2023/2024		2024/2025	
		Target	Target	Target	Target
To prevent and reduce the impact of disasters in uMhlabuyalingana	Conduct risk reduction awareness campaigns	Conduct 6 risk reduction awareness campaigns by 30 June 2024	6 risk reduction awareness campaigns conducted by 30 June 2024	Conduct 12 risk reduction awareness campaigns by 30 June 2025	12 risk reduction awareness campaigns conducted by 30 June 2025
	Review of Disaster Management Plan	Reviewed Disaster Management Plan by 30 June 2023	Reviewed Disaster Management Plan adopted council by 30 June 2024	30 June 2025(Reviewed Disaster Management Plan)	Disaster Management Plan reviewed and approved by council on 30 June 2025

Table 55: Disaster employees

Job Level	2023/2024			2024/2025		
	Posts as per Structure	Employees (filled)	Vacancies (as a % of total posts)	Posts as per Structure	Employees (filled)	Vacancies (as a % of total posts)
	No.	No.	%	No.	No.	%
0 - 3						
4 - 6						
7 - 9	10	10	0%	9	9	0%
10 - 12	1	1	0%	1	1	0%



Job Level	2023/2024			2024/2025		
	Posts as per Structure	Employees (filled)	Vacancies (as a % of total posts)	Posts as per Structure	Employees (filled)	Vacancies (as a % of total posts)
	No.	No.	%	No.	No.	%
13 - 15						
16 - 18						
19 - 20						
Total	11	11	0%	10	10	0%

Animal Licensing and Control, Control of Public Nuisances And Other

uMhlabuyalingana Municipality exercises its mandate to control public nuisances in terms of the Constitution of the Republic of South Africa, 1996, the Local Government: Municipal Systems Act, 32 of 2000, and applicable municipal by-laws, including Environmental Health, Public Safety, and Environmental Management by-laws.

Public nuisance control is primarily implemented through the Community Services Department, in collaboration with Environmental Health Practitioners (EHPs), Traffic and Law Enforcement, Disaster Management, and relevant external stakeholders.

Key Areas of Public Nuisance Control

1. Environmental Health and Sanitation

The municipality addresses public nuisances arising from poor environmental health conditions by:

- Monitoring and controlling illegal dumping of waste;
- Enforcing proper refuse storage and disposal practices;
- Addressing stagnant water, sewage spillages, and unsanitary conditions;
- Promoting hygienic practices in residential areas, informal settlements, and public spaces.

Environmental Health Practitioners conduct routine inspections, investigate complaints, and issue compliance notices where necessary.

2. Waste Management and Illegal Dumping



uMhlabuyalingana Municipality implements nuisance control through:

- Provision of refuse removal services in serviced areas;
- Community clean-up campaigns and environmental awareness programmes;
- Identification and monitoring of illegal dumping hotspots;
- Issuing warnings and penalties in terms of municipal by-laws.

Given the rural nature of the municipality, emphasis is placed on education and community cooperation, supported by enforcement where required.

3. Noise Control

Noise-related nuisances are managed through:

- Enforcement of municipal noise control by-laws;
- Monitoring excessive noise from taverns, events, religious gatherings, and vehicles;
- Responding to community complaints, particularly during night hours and weekends;
- Collaboration with SAPS and traditional leadership where applicable.

4. Informal Trading and Public Spaces

The municipality controls nuisances associated with informal trading and public spaces by:

- Regulating trading in designated areas;
- Preventing obstruction of sidewalks, roads, and public amenities;
- Ensuring compliance with health and safety requirements for food vendors;
- Maintaining order in taxi ranks, markets, and community facilities.

5. Animal Control

Public nuisances relating to animals are addressed through:

- Enforcement of animal control by-laws;
- Management of stray animals and livestock roaming in public areas;
- Collaboration with animal welfare organisations and traditional authorities;



- Community education on responsible animal ownership.

6. Community Education and Awareness

Recognising the rural and communal settlement patterns of uMhlabuyalingana, the municipality prioritises **preventative measures**, including:

- Public awareness campaigns on environmental health and cleanliness;
- Engagement through ward committees and traditional leaders;
- School and community outreach programmes promoting civic responsibility.

Enforcement and Complaint Handling

Public nuisance complaints are managed through:

- Reporting via ward councillors, ward committees, and municipal offices;
- Investigation by relevant officials;
- Issuing of notices, warnings, or fines in terms of by-laws;
- Escalation of serious or persistent cases for legal enforcement.

Challenges and Mitigation Measures

The municipality continues to face challenges such as:

- Limited enforcement capacity;
- Rural dispersion of communities;

Illegal dumping due to lack of formal waste facilities in some areas.

Mitigation measures include:

- Strengthening inter-departmental coordination;
- Enhancing community participation;
- Incremental by-law enforcement supported by education initiatives.

uMhlabuyalingana Municipality adopts a balanced approach to controlling public nuisances, combining by-law enforcement, environmental health interventions, community education, and stakeholder collaboration. This approach supports the creation



of a safe, clean, and healthy environment, consistent with the municipality's developmental mandate.

Component H: Sport And Recreation

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

3.22 Sports and Recreation

Sports and recreation form an important part of community development, youth engagement, and social cohesion within uMhlabuyalingana Municipality. The municipality recognises the value of sport not only for physical well-being and healthy lifestyles, but also as a vehicle for social development, talent identification, community mobilisation, and structured leisure activities.

Sport and Recreation Facilities

uMhlabuyalingana Municipality has invested in the development of sports fields and recreational spaces across various wards to support structured sport and community use. While facilities are relatively limited in comparison with larger urban areas, efforts have been made to provide sporting grounds that can be used for multiple codes of sport. According to past municipal reporting on sports infrastructure:

The municipality has constructed several sports fields, with some still under development and requiring ongoing maintenance and upgrades.

Community parks and outdoor spaces serve as venues for informal soccer, netball, and other activities.

These facilities contribute to community recreation and help promote sports participation among youth and adults alike.

Local Sports Councils and Community Engagement



To strengthen sport development, the municipality has established a Local Sports Council, which operates across several wards to support sport programmes and serve as a coordination platform for sport activities. This council helps with planning, identification of community sport needs, and liaison with local sport clubs and stakeholders.

The municipality also supports participation in broader sport events, including participation in the South African Local Government Association (SALGA) Games, which provide an opportunity for athletes and teams to showcase talent and engage with peers from other municipalities.

Sporting Codes and Programmes Supported

While formal programme documentation is limited, previous municipal reports note support for a range of sporting codes, including:

- Soccer (SAFA domestic leagues) — particularly in several wards including football for males and engagement with community clubs (e.g., netball and volleyball).
- Netball and Volleyball — participation reported across gender categories and several wards.

The municipality's sport development focus includes both competitive and mass participation programmes aimed at broad involvement.

Recreational Activities and Outdoor Spaces

In addition to sport fields, the municipal area offers recreational spaces and natural attractions that support outdoor activities, such as:

- Beaches and coastal recreational areas near Kosi Bay and Kwangwanase, which provide opportunities for swimming, social engagement, and community leisure.

These attractions complement formal sport facilities and support tourism and community well-being.

The municipality has supported SAFA in domestic male soccer leagues, in female netball and volleyball (male and female) in three wards, namely Wards 2, 3 and 15.

Challenges and Opportunities



Challenges

- Limited formal sport facilities and infrastructure compared with urban municipalities.
- Need for ongoing maintenance, upgrades, and expansion of fields and multi-purpose courts.
- Resource constraints affecting the number and scope of sport programmes implemented in recent years.

Opportunities

- Strengthening partnerships with provincial sport bodies and clubs to support programmes and infrastructure development.
- Expansion of sport leadership and coaching clinics to build local capacity.
- Integration of sport with youth development, wellness, and education initiatives.

Strategic Priorities Going Forward

To enhance sport and recreation, the municipality aims to:

- Upgrade existing sports fields and develop new multi-purpose courts where feasible.
- Promote participation in local and district sport events to encourage healthy lifestyles and talent development.
- Strengthen the Local Sports Council and community sport forums to coordinate programmes and optimize facility use.
- Integrate sport development with broader community health, youth empowerment, and social cohesion strategies.

Sports and recreation are integral to the social fabric of uMhlabuyalingana Municipality. While facilities and organised programmes are still developing, the municipality's investment in sports fields, community engagement through Local Sports Councils, and support for sport participation contributes significantly to community well-being, youth engagement, and social development outcomes.



Table 56: Summary of Sports and Recreation Facilities by Ward: uMhlabuyalingana Municipality

Ward No.	Main Settlement / Area	Type of Facility	Sporting Codes Supported	Ownership	Condition	Remarks / Challenges
Ward 1	Kosi Bay Area	Community Sports Field	Soccer, Netball	Municipal	Fair	Informal field; requires fencing and basic amenities
Ward 2	Manguzi / KwaNgwanase	Sports Field	Soccer, Netball	Municipal	Good	Regularly used for local leagues and community events
Ward 3	Nkonjane Area	Sports Ground	Soccer	Community	Fair	No change rooms; maintenance required
Ward 4	Mseleni Area	Sports Field	Soccer, Volleyball	Municipal	Fair	Drainage and turf improvements required
Ward 5	Mabibi Area	Open Recreational Space	Informal Soccer	Community	Poor	Informal facility; no formal infrastructure
Ward 6	Mbazwana Area	Sports Field	Soccer, Netball	Municipal	Good	High usage by youth clubs
Ward 7	Manqakulane Area	Community Sports Field	Soccer	Community	Fair	Needs goal posts and grass cutting
Ward 8	KwaDapha Area	Open Field	Soccer	Community	Poor	Requires formalisation and basic services



Ward No.	Main Settlement / Area	Type of Facility	Sporting Codes Supported	Ownership	Condition	Remarks / Challenges
Ward 9	Bhambanana Area	Sports Field	Soccer, Netball	Municipal	Fair	Partial fencing; requires upgrading
Ward 10	Ndumo Area	Sports Ground	Soccer	Community	Fair	Shared with school sports activities
Ward 11	Mbangweni Area	Sports Field	Soccer, Volleyball	Municipal	Fair	Requires resurfacing and seating
Ward 12	Makhane Area	Open Recreational Space	Informal Sports	Community	Poor	No formal sports infrastructure
Ward 13	Bhekabantu Area	Sports Field	Soccer, Netball	Municipal	Good	Suitable for tournaments
Ward 14	Nsingweni Area	Community Sports Field	Soccer	Community	Fair	Maintenance and equipment required
Ward 15	Mshudu Area	Sports Ground	Soccer	Community	Poor	Needs upgrading and formal demarcation

Table 2: Sport and Recreation Unit Policy Objectives and Programmes

Service Objectives	Service Targets	2021/2022		2022/2023		2023/2024	
		Target	Actual	Target	Actual	Target	Actual
To provide and improve access to community/public facilities to	Refurbishment of Manguzi Sport field	N/A	N/A	N/A	N/A	100 %	100 %



minimum standards							
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Table 58: Sports & Recreation employees

Job Level	2023/2024			2024/2025		
	Posts as per Structure	Employees (filled)	Vacancies (as a % of total posts)	Posts as per Structure	Employees (filled)	Vacancies (as a % of total posts)
	No.	No.	%	No.	No.	%
0 - 3						
4 - 6						
7 - 9						
10 - 12	1	1	0%	1	1	0%
13 - 15						
16 - 18						
19 - 20						
Total	1	1	0%	1	1	0%

Component I: Corporate Policy Offices And Other Services

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

3.23 Executive And Council

The Executive Committee convenes on a monthly basis to consider and deliberate on reports submitted by the various Portfolio Committees. uMhlabuyalingana Municipality comprises thirty-four (34) Councillors representing the respective wards, who are allocated to internal portfolios and functional committees in order to enhance oversight, accountability, and effective service delivery.

Table 59 : Employees for the Executive and Council



Job Level	2023/2024			2024/2025		
	Posts as per Structure	Employees (filled)	Vacancies (as a % of total posts)	Posts as per Structure	Employees (filled)	Vacancies (as a % of total posts)
	No.	No.	%	No.	No.	%
0 - 3						
4 - 6						
7 - 9	3	3	0%	3	3	0%
10 - 12						
13 - 15						
16 - 18						
19 - 20						
Total	3	3	0%	3	3	0%

3.24 Financial Services

The Financial Services Department is responsible for the:

- Budget and Treasury Office,
- Revenue Management,
- Expenditure Management,
- Asset Management, and
- Supply Chain Management functions.

In addition, the Department oversees the implementation and management of the Municipal Valuation Roll.

During the financial year under review, the municipality's debt recovery rate declined by 12 per cent compared to the previous financial year. Detailed information on the activities, performance, and financial outcomes of this Department is contained in Chapter 5: Financial Performance of this Annual Report.

Table 60: Debt Recovery



Details	2023/2024			2024/2025		
	Billed	Collected	% Collected	Billed	Collected	% Collected
Property rates	21 750 716	18 182 385	84%	23 814 769	17 794 380	75%
Refuse removal	469 953	401 141	86%	469 953	959 120	204%
Rental of facilities	495 921	468 713	95%	421 690	227 897	54%
Traffic fines	1 335 550	244 350	18%	1 417 750	189 521	14%

The collection rate on property rates has declined from 84% in 2023/2024 to 75% in 2024/2025 due to failure of Public Works in settling their accounts. Collection rate on refuse removal and rental of facilities has improved from 86% in 2023/2024 to 204% in 2024/2025 because of collection on long outstanding debt from Shoprite supermarket, while rental of facilities has declined from 95% in 2023/2024 to 54% in 2024/2025 financial year. Traffic fines also declined from 18% in 2023/2024 to 14% in 2024/2025 financial year.

Table 61: Financial Services Programmes

NO	IDP / SDBIP NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	CURRENT YEAR		Status (Achieved / Not Achieved)
				2024/2025 (TARGET)	2024/2025 (ACTUAL)	
59	MFVM 1/FS/23/24 (IDP/TL)	Compliance with financial legislation and policies	Approved 2024/2025 budget by Council in terms of Sec.24 (1) of the MFMA	Table 2024/2025 budget to Council for approval by 31 May 2024 in terms of Sec.24 (1) of the MFMA	2024/2025 Final budget tabled to Council for approval on 17 May 2024	Target achieved
60	MFVM 2/FS/23/24 (IDP/TL)		Approved 2024/2025 Mid-Year Financial review conducted in terms of S.72 of the MFMA	Table 2024/2025 Mid-Year Financial Review conducted in terms of S.72 of the MFMA to council by 25 Jan 2025	2024/2025 Mid-Year Financial Review tabled to council on 24 Jan 2025	Target achieved



NO	IDP / SDBIP NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	CURRENT YEAR		Status (Achieved / Not Achieved)
				2024/2025 (TARGET)	2024/2025 (ACTUAL)	
61	MFVM 3/FS/23/24 (IDP/TL)		Approved Adjustment budget in terms of Section 28 of the MFMA	Table 2024/2025 Adjustment budget in terms of Section 28 of the MFMA to council for approval by 28 February 2025	2024/2025 Adjustment budget approved by council on 28 Feb 2025	Target achieved
62	MFVM 4/FS/23/24 (IDP/TL)		Number of Unauthorized, Irregular or fruitless and wasteful expenditure Reports tabled to council	4 Unauthorized, Irregular or fruitless and wasteful expenditure Reports tabled to council by 30 June 2025	4 Unauthorized, Irregular or fruitless and wasteful expenditure Reports tabled to council by 30 June 2025	Target achieved
63	MFVM 6/FS/23/24 (IDP/TL)		Percentage of municipality's budget spent on implementing Workplace Skills Plan	1% of the Municipality's Budget spent on implementing the Workplace Skills Plan by 30 June 2025	0,24% spent by 30 June 2025	Target not achieved
64	MFVM 8/FS/23/24 (IDP/TL)		2024/2025 Procurement Plan submitted to Provincial Treasury	Submission of 2024/2025 Procurement Plan to Provincial Treasury by 30 June 2024	2024/2025 Procurement Plan submitted to Provincial Treasury by 30 June 2024	Target achieved
65	MFVM 1/PLID/23/24 (IDP/TL)		Percentage Capital Infrastructure expenditure of approved projects	100% capital Infrastructure expenditure on approved projects by 30 June 2025	89% expenditure by 30 June 2025	Target not achieved
66	MFVM 1.1/CORP/23/24 (IDP/TL)		Percentage of municipality's budget spent on implementing Workplace Skills Plan	1% of the Municipality's Budget spent on implementing the Workplace Skills Plan by 30 June 2024	0,24% spent by 30 June 2024	Target not achieved



NO	IDP / SDBIP NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	CURRENT YEAR		Status (Achieved / Not Achieved)
				2024/2025 (TARGET)	2024/2025 (ACTUAL)	
67	MFVM 14/FS/23/24 (IDP/TL)		2024/2025 Procurement Plan submitted to Provincial Treasury	Submission of 2024/2025 Procurement Plan to Provincial Treasury by 30 June 2024	2024/2025 Procurement Plan submitted to Provincial Treasury by 30 June 2024	Target achieved
Financial ratios						
68	MFVM 20/FS/23/24 (IDP/TL)	To measure municipality's operational efficiency, liquidity and stability	Ratio of months Cash/Cost coverage ratio	3 months cost coverage ratio	4 months cost coverage ratio at 30 June 2025	Target achieved
Revenue Collection						
69	MFVM 12/FS/23/24 (IDP/TL)	To improve revenue and all possible revenue streams applicable to KZN271	Percentage of collection Rate	95% Revenue collection rate as a percentage of billed amount per quarter up to 30 June 2025	42%	Target not achieved

Table 3: Financial Performance for the Financial Services Unit

Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance Budget
Total Operating Revenue	387 690 614	319 912 636	307 726 513	307 999 685	(273 172)



Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance Budget
Total Operating Expenditure	348 466 666	291 425 563	320 493 988	318 223 657	2 270 331

Operating revenue indicated in the above table includes revenue collected from service charges, rental of facilities, agency services, licences and permits, commission received, interest received from investments, property rates, government grants, fines and public contributions and donations.

Operating expenditure indicated in the above table as well includes employee related costs, remuneration of councillor's, costs for depreciation and amortisation, impairment loss, finance costs, operating lease rentals, debt impairment, inventory consumed, contracted services, transfers and subsidies, and operational costs.

3.25 Human Resource Services

Human Resources as a component deal mainly with recruitment and selection, which includes staffing, human resources development, health, and safety, maintaining healthy and sound employer-employee relations, human resources administration and benefits management. The Human Resources Strategy is in place and drives programmes and projects to deploy capable municipal staff to achieve service delivery objectives.

The Strategy is aligned to organisational objectives, through IDP and organisational scorecard on how to address human resources challenges and to strengthen the human resource's role and visibility within the organisation. The Municipality has Council-approved Employment Equity Plan and Workplace Skills Plan in place. The subject plans' key focus is on organisational development and change management. Furthermore, the



municipality has taken initiative to cascade Individual Performance System to all employee levels and as part of Personal Development Plan (PDP). Employees identify their skills gap which assist in identifying training needs. An annual skills audit is conducted to identify the skills gap and ensure training to bridge the gaps. Municipal officials have gained skills capacity through this process.

Table 63: Objectives and Targets of Human Resources Management Services

NO	IDP / SDBIP NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	CURRENT YEAR		Status (Achieved / Not Achieved)
				2024/2025 (TARGET)	2024/2025 (ACTUAL)	
1.	MTID 5/CORP/ 24/25 (IDP/TL)	To attract, capacitate, retain qualified and experienced staff across the staff establishment	Number of WSP submitted to LGSETA	1 WSP submitted to LGSETA by 30 April 2025	1 WSP submitted to LGSETA by 30 April 2025	Target achieved
2.	MTID 6/CORP/ 24/25 (IDP/TL)		Number of Employment Equity Reports submitted to Department of Labour	1 Employment Equity Report submitted to Department of Labour by 15 January 2025	1 Employment Equity Report submitted to Department of Labour on 14 January 2025	Target achieved
3.	MTID 7/CORP/ 24/25 (IDP/TL)		Number of employees and Section 79 council committees trained as per Workplace Skills training Programs/ Training Plan	38 employees and 7 Sec 79 council committees trained as per Workplace Skills training Programs/ Training Plan by 30 June 2025	14 employees and 5 Sec 79 council committees trained as per Workplace Skills training Programs/ Training Plan by 30 June 2025	Not achieved
4.	MTID 8/CORP/ 24/25 (IDP/TL)	To create an appropriate organizational climate that will attract and ensure	Reviewed organizational structure approved by council	Review organizational structure and table to council for approval by 30 June 2025	Reviewed Organizational structure tabled and adopted by council on 30 June 2025	Target achieved



NO	IDP / SDBIP NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	CURRENT YEAR		Status (Achieved / Not Achieved)
				2024/2025 (TARGET)	2024/2025 (ACTUAL)	
		retention of staff				
5.	GGPP 3/CORP/ 24/25 (IDP/TL)	To ensure effective and efficient administration complying with its Legal Mandates	Percentage of Councillors who have declared their financial interests	100% of Councillors have declared their financial interest by 30 June 2025	100% of Councillors declared their financial interest by 30 June 2025	Target achieved
6.	GGPP 4/CORP/ 24/25 (IDP/TL)		Number of HR and ICT policies reviewed and adopted	5 HR Policies and 18 ICT Policies reviewed by 30 June 2025	5 HR Policies reviewed (Termination Policy, Placement Policy, Probation Policy, Education Training & Development Policy and Employment Practice Policy) and 18 ICT Policies reviewed by June 2025	Target achieved
7.	GGPP 5/CORP/ 24/25 (IDP/TL)		Number of HR Strategies, Frameworks and HR plans reviewed and adopted	a) 3 Strategies reviewed and adopted (Retention Strategy, HR Strategy and ICT Strategy) by 30 June 2025 b) 1 HR plan reviewed and adopted (Human Resource Training Plan) by 30 June 2025 c) 1 Framework reviewed and adopted (IT Governance Framework) by 30 June 2025	a) 3 strategies reviewed (Retention Strategy, HR Strategy and ICT Strategy) by 30 June 2025 b) 1 HR plan reviewed and adopted (Human Resource Training Plan) by 30 June 2025 c) 1 Framework reviewed and adopted (IT Governance Framework) by 30 June 2025	Target achieved



NO	IDP / SDBIP NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	CURRENT YEAR		Status (Achieved / Not Achieved)
				2024/2025 (TARGET)	2024/2025 (ACTUAL)	
				reviewed and adopted (IT Governance Framework) by 30 June 2025		

The trainings as per WSP were not all held because the budget was too limited, therefore the finance section requested that we prioritise the trainings. The SCM processes were done although there were delays and the appointment of Service providers were in July 2025 which was a new financial year.

The finance advised that the new system for procurement was not inactive in July 2025, therefore employee trainings that were planned for per the training schedule to take place in Q2 of 2025/2026 financial year. 53 and 39 councillors will be trained. The Director Corporate Services to engage Finance to provide a budget for training for the rest of the training plan

3.26 Information And Communication Technology (ICT) Service

UMhlabuyalingana Municipality has since stopped using outsourced ICT Services and appointed IT personnel in order to ensure the IT service management practice and culture is stable and available, including but not limited to, Helpdesk Management, Change Management, Service Level Management, etc. for effective implementation and management of IT governance. This includes the implementation of IT policies and supporting processes, management, and transparent reporting on IT related risks.



Table 4: Objectives and Targets of ICT Services

Service Objectives	Service Targets	2024/2025	
		Target	Actual
To ensure effective governance through regular meeting of Council structures	Number of IT Steering Committee meetings held	4 IT Steering Committee meetings by 30 June 2025	4 IT Steering Committee meetings by 30 June 2025

3.27 Property, Legal, Risk Management And Procurement Services

The Revenue Enhancement Strategy was reviewed by the municipality. The municipality prepared and submitted the 2024/2025 Procurement Plan to Provincial Treasury by 30 June 2025. Risk Management committee is in place and meeting as per requirements.

Component J: Miscellaneous

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises. This section is not applicable in uMhlabuyalingana Municipality area of jurisdiction.

Component K: Organisational Performance Scorecard



uMhlabuyalingana MUNICIPALITY



2024/2025

ANNUAL PERFORMANCE REPORT

Prepared by uMhlabuyalingana Municipality

R22 Main Road

MANGUZI

Tel: 035 592 0680

Fax: 035 592 0672



Website: www.umhlabuyaligana.gov.za

Date: 31 August 2025

Legislative requirements

The Municipal Systems Act, 2000 (Act no. 32 of 2000) places an obligation on municipalities to develop a Performance Management System that is commensurate with their resources and best suited to their activities.

Performance Management is central to organizational strategic management and equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques for regular planning, continuous monitoring, and periodic measurement and review of the performance of the Municipality in terms of key performance indicators stipulated in the Integrated Development Plan (IDP).

As outlined in Section 40 of the Municipal Systems Act of 2000 and the Municipal Planning and Performance Management Regulations (2001), the Municipality must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organizational, departmental and employee levels.

Section 46 (1) (a) of the Municipal Systems Act (Act 32 of 2000), inter alia stipulates that a municipality must prepare for each financial year an annual report consisting of a performance report reflecting the following, among other things;

the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;

(ii) the development and service delivery priorities and the performance targets set by the municipality for the following financial year;



(iii) measures that were or are to be taken to improve performance; ”

The guiding document in the Performance Management System (PMS) process is the approved PMS Framework and Policy which are aligned to the Planning and Performance Management Regulations as well as the Appointment and Conditions of Employment of Senior Managers Regulation. The MFMA circular number 13 issued by National Treasury in January 2005 is also used as a guiding document in the planning and development of the service delivery and budget implementation plan.

The PMS processes implemented are meant to give a clear picture to all stakeholders on how the strategic objective of the organisation and resources allocated were able to yield the desired output which will improve the lives of community. Key to the PMS process is the monitoring and reporting on shortcomings and making public, service delivery achievement.

The report on financial performance and non-financial performance that are made public include the following:

Quarterly Performance (Non-financial) Reports

S71 & S72 Reports (financial)

Annual Performance Report

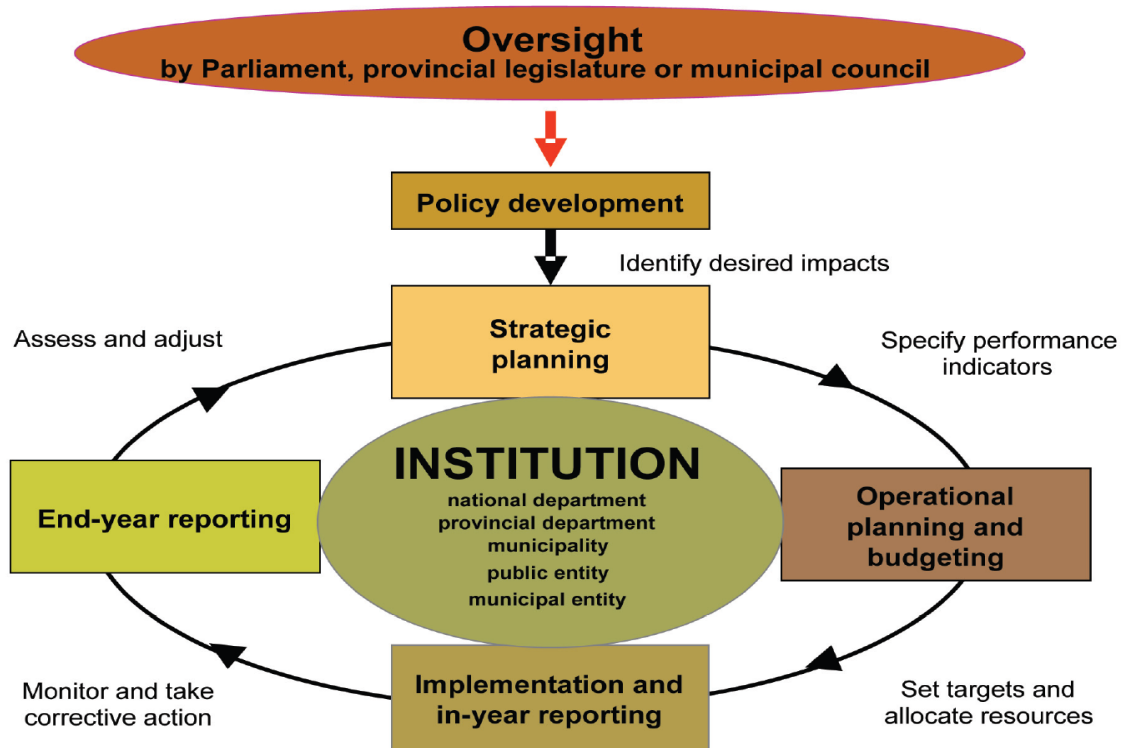
Annual Financial Statements

Annual Report

The high-level process cycle of the Performance Management System can be summarised in a form of the diagram that follows:



FIGURE 1: PMS DIAGRAM



The Municipality has a PMS Unit which acts as the support structure for the 6 Departments (Municipal Manager’s Office, Budget and Treasury Unit (Finance), Planning and Local Economic Development, Technical Services, Corporate Services, Community Services) by collecting, verifying, and reporting on their performance against targets prior to sending the performance report to Internal Audit section to be audited.

It is a norm to hold quarterly Performance Audit Committee meetings after the internal audit had finalised their reports. For the year under review, Five Audit/Performance Audit Committee meetings took place during 24/25 financial year. Similarly, the audit of performance information by the Internal Audit was for two quarters by 30 June 2025.

The performance report is prepared and audited on the quarterly basis as per the requirement of section 45 of the Municipal Systems Act. The Annual Performance report is also prepared and is audited by the Auditor General as part of their year-end audit.



The Audit/Performance Audit Committee has been established in terms of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001.

The Audit/Performance Audit Committee met quarterly during the 2024/2025 financial year as follows:

Current Audit/Performance Audit Committee effective from 01 February 2024

Mr L. Hlengwa	Audit Committee Chairperson
Ms C. Jugnarayan	Performance Audit Committee Chairperson
Mr M. Magwaza	Member
Mr M. Simelane	Member

The Audit/Performance Audit Committee has met five times during the 2024/2025 financial year as follows:

Period	Date
Quarter 1	23,28 August 2024
Quarter 2	07 November 2024
Quarter 3	24 March 2025
Quarter 4	29 June 2025

Performance Evaluation Panels

Performance Evaluation Panels have initially been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager.

Performance Assessment Panels for the assessment of Section 54/56 employees were established as follows:



A) For purposes of evaluating the annual performance of the Municipal Manager (section 54A), an Evaluation Panel constituting of the following persons was established

- (i) Executive Mayor or Mayor;
- (ii) Chairperson of the Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council;
- (iv) Mayor and/or Municipal Manager from another Municipality; and

Member of a Ward Committee as nominated by the Executive Mayor or Mayor

Cllr T.S Khumalo	Mayor/Chairperson
Miss C Jugnarayan	Chairperson of the Performance Audit Committee
Cllr X.H Gumede	Member of the Executive Committee
Cllr M Mthethwa	Mayor from another Municipality (iNkosi Mtubatuba)
Mr P.M Ngubane	Ward Committee member

B) For purposes of evaluating the annual performance of managers directly accountable to the Municipal Manager (Section 56 managers), an Evaluation Panel constituted of the following persons was established:

- (i) Municipal Manager;
- (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council; and

Municipal Manager from another Municipality.”

Mr N.P.E Myeni	Chairperson
Miss C Jugnarayan	Chairperson of the Performance Audit Committee



Cllr X.H Gumede	Member of the Executive Committee
Mr T.V Xulu	Municipal Manager from another Municipality (Inkosi Mtubatuba Municipality)

Performance Evaluation sessions are conducted quarterly. The first and the third quarter assessment are informal assessments. Formal assessments are conducted for the mid-year (quarter two) and Full year (quarter four). The final (fourth quarter) and formal performance evaluation sessions of the Municipal Manager and Managers Directly accountable to the Municipal Manager covering the 2024/2025 financial year will be performed once the Auditing of the Annual Financial Statements and the Predetermined Objective has been finalised by the Auditor General. The final performance evaluation will commence once the Annual Report 2024/2025 has been adopted by the Council for consideration of possible performance bonuses in terms of the Regulations.

Performance Monitoring underpins the Municipality’s Integrated Development Plan in terms of reviewing progress regularly in achieving the priorities and delivering value for money services. Early investigation into variances enables remedial action taken where appropriate.

The performance targets contained in the TOP Layer SDBIPP was approved by the mayor and also adopted by Council for implementation. During the year, the performance targets were revised as part of the adjustment budget and Mid-year review and all such changes to the performance targets were also approved by Council.

Analysis of reported achievements

On 30 June 2025, 78% of organisational performance targets (Top Layer of Service Delivery Targets set in Service Delivery Budget Implementation Plan for 2024/2025 have been met reflecting a 6% decline when compared with the 2023/2024 financial year where 84% of the targets were met.

Areas for improvement are reflected in the relevant column directly in the Organisational Performance Scorecard for 2024/2025 (OPMS Scorecard/ Top Layer of Service Delivery Targets set in the Service Delivery Budget Implementation Plan). Accountable managers have provided commentary to put performance into context and identified actions that they are taking to address instances where under performance are reported.

The traffic light system used to report performance is as follow



Table 5: The Traffic Light System used in reporting performance as follows:

COLOUR	REPORT OF PERFORMANCE
Blue	Performance indicators
Green	Performance target met as planned (Achieved)
Red	Performance target Not Achieved

The following graph illustrates the overall organisational performance for the 2024/2025 financial year in relation to performance achieved during the previous financial years, 2022/2023, 2023/2024.



The following high level dashboard score for all key performance indicators on the Organisational Performance Scorecard 2024/2025 (Top Layer of Service Delivery Targets set in the Service Delivery Budget Implementation Plan) (has been achieved on 59 key performance indicators (KPI's) with annual targets set.

The Performance Management System analysis has scored the achievement of individual key performance areas as follows:







Key Performance Areas	2023/2024					2024/2025				
	Total No. of KPI's Planned	KPI's Achieved	% Targets Achieved	% KPI's Not Achieved	KPI's Not Achieved	Total No. of KPI's Planned	KPI's Achieved	% Targets Achieved	% KPI's Not Achieved	KPI's Not Achieved
Municipal Transformation and Institutional Development	11	9	82%	18%	2	11	9	82%	18%	2
Good Governance and Public Participation	9	7	78%	22%	2	9	8	89%	11%	1
Cross Cutting Issues/Interventions	4	3	75%	25%	1	4	4	100%	0%	0
Basic Services Delivery and Infrastructure Development	28	24	86%	14%	4	35	24	69%	31%	11

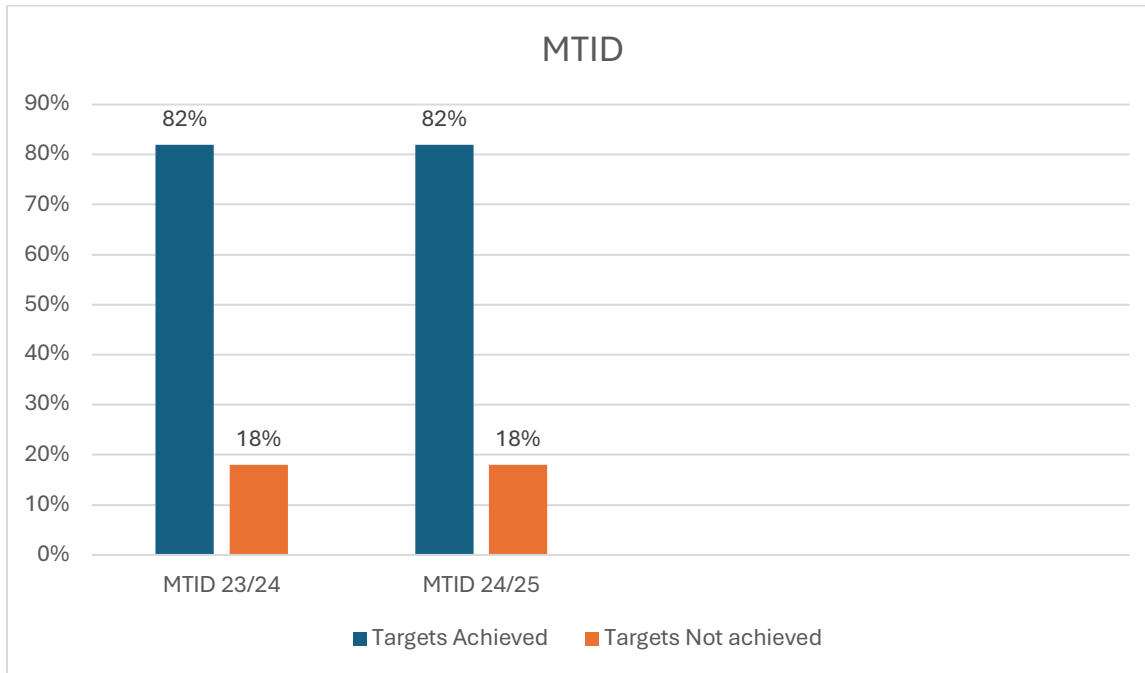


Local and Economic Development	3	3	100%	0	0	2	2	100%	0%	0
Financial Viability and Management	14	12	86%	14%	2	15	12	80%	20%	3
TOTAL	69	58	84%	16%	11	76	59	78%	22%	17



6.1 Municipal Transformation and Institutional Development

(82% achieved in 2024/2025 on KPI's, no movement when compared against 82% achieved in 2023/2024)



Performance highlights for 2024/2025

Implemented Performance Management System for Section 54/56 and cascaded it to middle managers and officers.

Held quarterly Local Labour Forum (LLF) meetings to strengthen stakeholder engagement.

Submitted all statutory reports, i.e. SDBIP, Mid-year report, Annual Report, and Oversight report within legislated time.

Section 54/56 managers signed performance agreements and quarterly reviews were held.

Challenges

Low training budget

Inadequate implementation of records management and electronic filing system

Delays in submission and signing of performance agreements and plans due to delayed reviews of job descriptions.



Training of employees and Sec 79 committees was not achieved

Performance information sometimes lacking supporting evidence during audits.

Measures taken to improve performance

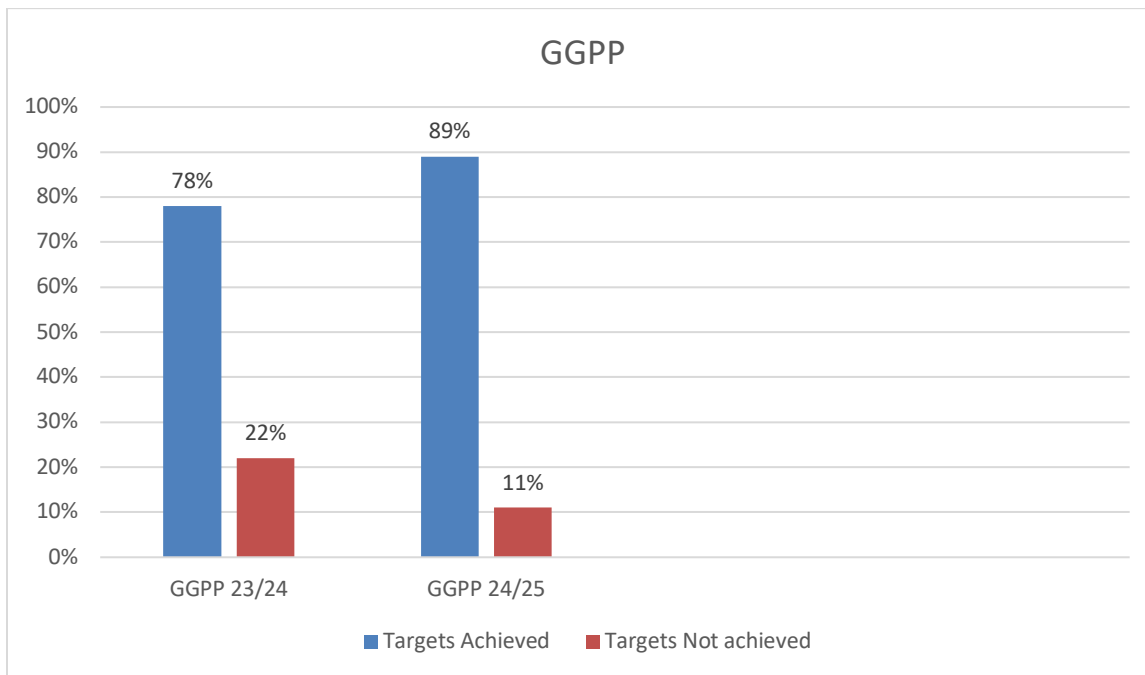
Roll-out accredited training and skills development programmes for employees.

Records management personnel have been provided with basic records management training.

Management has committed to ongoing job evaluation and updating of job descriptions.

Good Governance and Public Participation

(89% achieved in 2024/2025 on KPI's, an increase when compared against 78% achieved in 2023/2024)



Performance highlights for 2024/2025

Municipal Public Accounts Committee conducted oversight visits and submitted reports to council.

IDP and Budget Public participation meetings with community were held

5 HR and 18 ICT policies, Waste management policies and Indigent policies were reviewed.

All councillors declared their financial interest.



Challenges

Poor coordination with sector departments, limiting joint planning and programme alignment.

Delays in implementing Internal Audit report recommendation and Risk Committee recommendations.

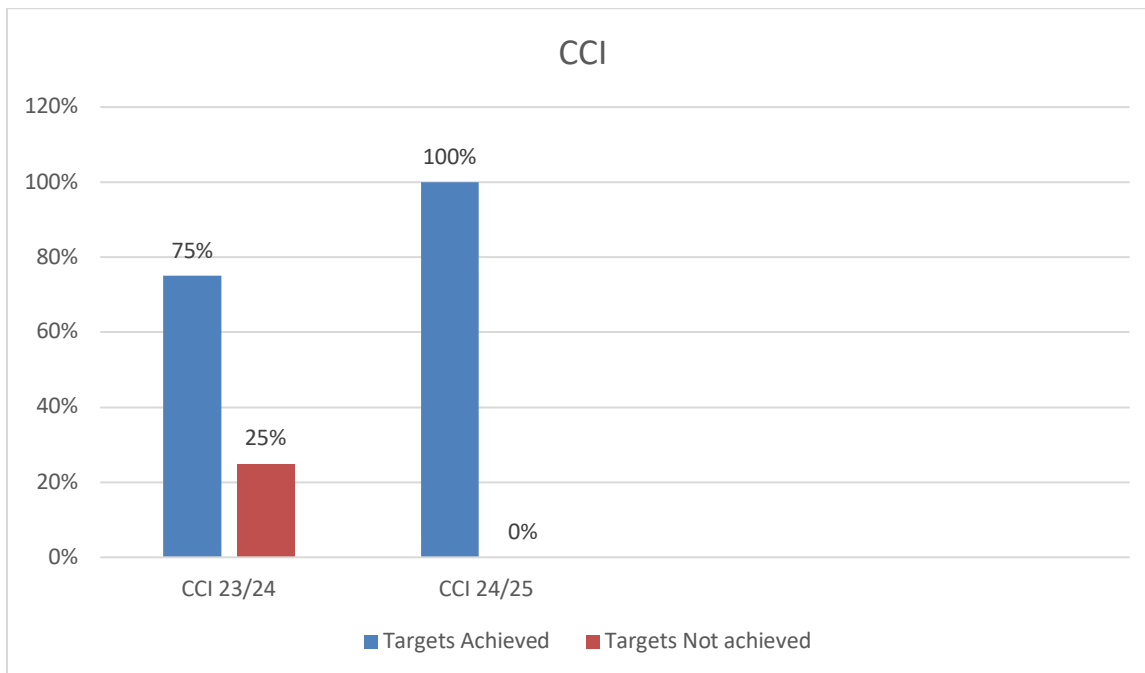
Measures taken to improve performance

Will strengthen Intergovernmental Relations (IGR) Forum to ensure regular dialogue between sector departments and municipality and improve communication channels.

Align audit and risk mitigation actions with strategic planning documents and present unresolved issues to Audit Committee and council oversight committees for escalation.

6.3 Cross Cutting Interventions

(100% achieved in 2024/2025 on KPI's, an increase when compared against 75% achieved in 2023/2024)



Performance highlights for 2024/2025

Reviewed Spatial Development Framework (SDF).

Updated the Disaster Management Plan and conducted disaster risk assessments.



The municipality successfully reviewed Business Continuity Plan

Risk assessment was conducted, and risk management implementation plans are tabled to Risk Management Committee and Council on quarterly basis.

Challenges

Inadequate budget for disaster risk response and disaster interventions.

Capacity constraints in Spatial Planning and LUMS enforcement.

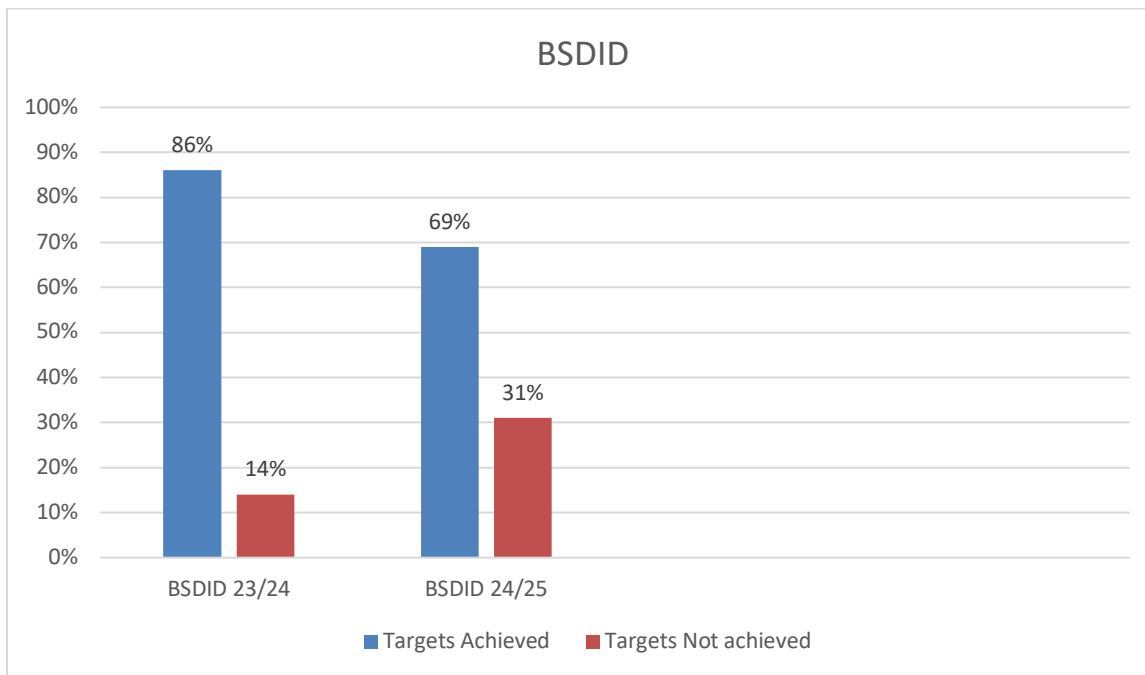
Measures taken to improve performance

The municipality has engaged with COGTA to secure technical and financial support and secured funding to rehabilitate roads that were damaged.

To appoint interns and EPWP to support town planning

6.4 Basic Service Delivery and Infrastructure Development

(69% achieved in 2024/2025 on KPI's, a decrease when compared against 86% achieved in 2023/2024)



Performance highlights for 2024/2025

Maintained/rehabilitated over 300 km of access roads.



Completed construction of 2,8 km of gravel road (Skhemelele)

Facilitated electrification of 93 households in partnership with Department of Energy.

Completed the refurbishment of Manguzi sports field.

Implemented environmental awareness campaigns

Challenges

Delays in electrification projects due to coordination challenges with Eskom.

Slow procurement processes and non-performance by some contractors leading to delays in infrastructure delivery.

Dependency on external funding sources for infrastructure projects.

Budget constraints and reprioritisation of budget for internally funded projects.

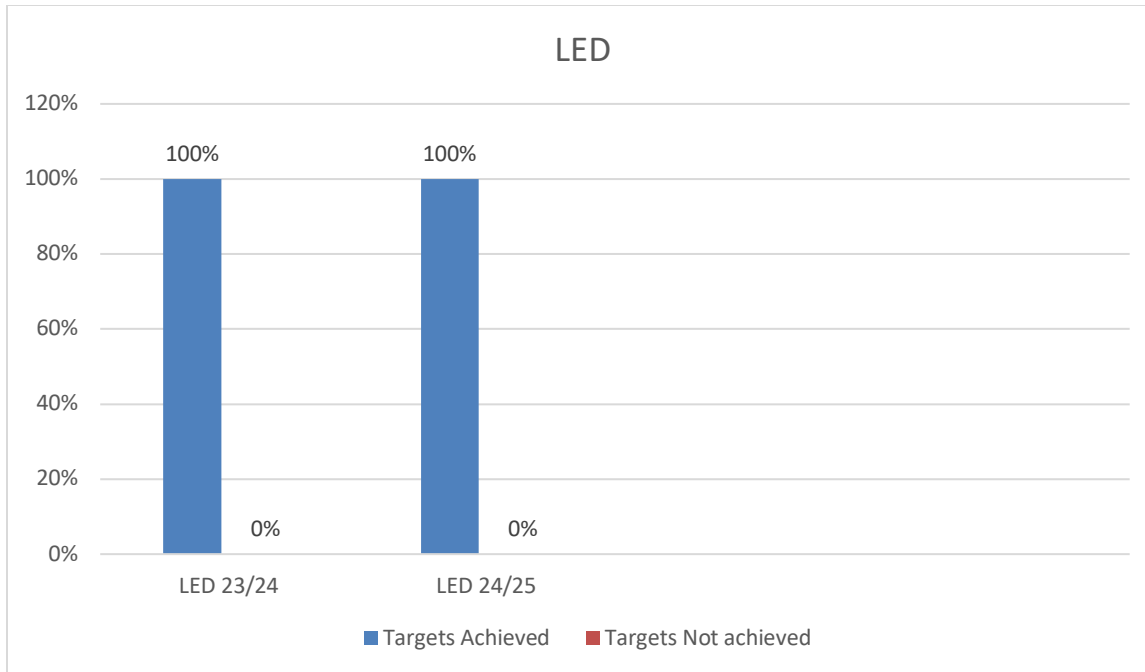
Measures taken to improve performance

Strengthened coordination with Eskom to plan the implementation of electrification projects and outage dates.

Municipality will prioritize infrastructure projects in the IDP and the SDBIP

6.5 Local Economic Development

(100% achieved in 2024/2025 on KPI's, no increase or decrease when compared against 100% achieved in 2023/2024)



Performance highlights for 2024/2025

Routine maintenance of critical municipal infrastructure through Expanded Public Works Programme (EPWP), creating 180 job opportunities and 1 824 CWP jobs were created.

23 local SMMEs/ cooperatives received business support (tools of trade) and through training and mentorship.

Training workshops were organised for informal traders.

Challenges

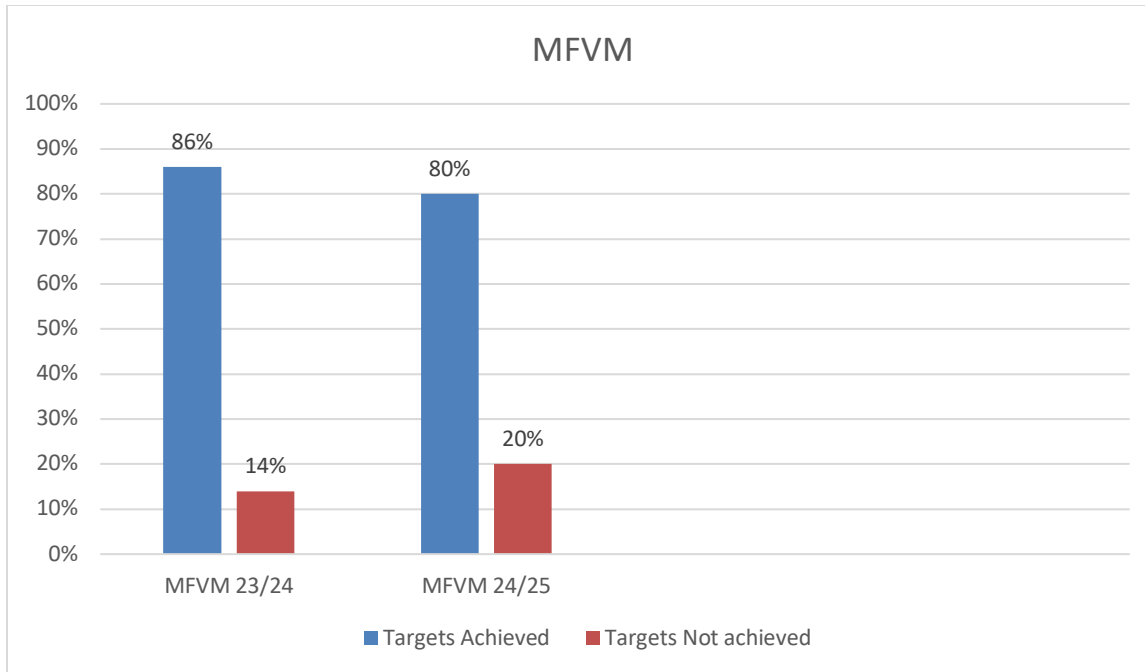
LED programmes compete with core service delivery needs, leading to budget constraints.

Limited access to funding for SMMEs and Cooperatives

Measures taken to improve performance

6.6 Financial Viability and Financial Management

(80% achieved in 2024/2025 on KPI's, a decrease when compared against 86% achieved in 2023/2024)



Performance highlights for 2024/2025

100% expenditure of MIG contributing to service delivery.

2024/2025 budget was adopted and approved withing legislated timeframes.

The municipality maintained a positive cash flow throughout the financial year.

Annual asset verification was conducted across all municipal facilities.

Challenges

The municipality remains highly dependent on grants (MIG, Equitable share) to fund operations and capital projects.

Limited economic activity in the area results in a small revenue base. (Most revenue collection is derived from government departments who pay municipal property rates.)

Inadequate enforcement of credit control leading to rising debtor accounts and reduced revenue collection.

Measures taken to improve performance

The municipality will strengthen billing for services and property rates to reduce dependence on grants.

Review and implement a Revenue Enhancement Strategy.

Implement performance management systems linked to collection targets.



The following are aligned to Unaudited Annual Financial Statement: The financial viability of the municipality is hereby reported based on the results of the year ended in 30 June 2025.

1. Debtors Collection rate: 42%
2. Current ratio: 4:1
3. Cost coverage ratio: 4 months
4. Employee related costs and Councillors remuneration:35%
5. Capital expenditure: 95%

Annual Organisational Performance Scorecard/ Top Layer Service Delivery Targets set in the Service Delivery Budget Implementation Plan

The following table (Table 3) reflects the organisational performance targets and achievements as reflected in in the Top Layer Service Delivery Targets set in the Service Delivery Budget Implementation Plan. It reflects consolidated performance indicators in relation to the achievements of the previous financial year and reflecting corrective measures in cases where targets were not achieved.

7.1 Improving Performance

In order to improve performance, uMhlabuyalingana Municipality, throughout the performance management phases, has analysed the contributory reasons for poor performance, through monthly departmental sessions from top to lower levels of the administration and appropriate response strategies have been developed in order to address areas of improvement. These will be included, inter alia:

Review of HR policies, strategies and plans

Institutionalisation/ cascading of performance management system to staff below Section 54/56

Training and sourcing additional capacity where skills and capacity shortages are identified;

Change management and diversity management education programmes to address organisational culture;

Development of appropriate departmental business plans and operational plans to guide performance in each department; and



Where results show no chance of improvement through internal measures, alternative service delivery

The table below indicate the areas of underperformance as reported on in the municipal scorecard, including the necessary measures taken to improve performance (corrective measures).



Table 3

Indicator	Annual target	Actual Achievement	Reasons for Under-achievement	Corrective Measure
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				
Number of employees and Section 79 council committees trained as per Workplace Skills training Programs/ Training Plan	38 employees and 7 Sec 79 council committees trained as per Workplace Skills training Programs/ Training Plan by 30 June 2025	14 employees and 5 Sec 79 council committees trained as per Workplace Skills training Programs/ Training Plan by 30 June 2025	The trainings as per WSP were not all held because the budget was too limited, therefore the finance section requested that we prioritise the trainings. The SCM processes were done although there were delays and the appointment of Service providers were in July 2025 which was a new financial year.	The finance advised that the new system for procurement was not inactive in July 2025, therefore employee trainings that were planned for per the training schedule to take place in August 2025. The Director Corporate Services to engage Finance to provide a budget for training for the rest of the training plan
Number of ordinary ExCo meetings held	12 ordinary ExCo meetings held by 30 June 2024	11 Ordinary and 2 Special ExCo meetings held by 30 June 2025	1 Ordinary ExCo meeting did not quorate	Two Exco special meetings were organised to ensure that Agenda items for one ordinary exco meeting are discussed and resolutions are taken. Exco Special committee meetings took place as follows: 1. 28 March 2025 2. 30 March 2025 which constitutes 13 Executive Committee meetings held in 2024/2025.



Indicator	Annual target	Actual Achievement	Reasons for Under-achievement	Corrective Measure
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
Percentage of Internal Audit Findings resolved on quarterly basis	100% Resolution of Internal Audit findings due within the financial year by 30 June 2025	29% of Internal Audit findings due within the financial year resolved by 30 June 2025	Underachievement on internal audit findings was due to delays in implementing recommendations and inadequate monitoring.	The municipality will strengthen quarterly management accountability sessions and follow-up audits. The target will be included in the 2025/26 scorecard
BASIC SERVICE AND INFRASTRUCTURE DEVELOPMENT				
Number of households electrified	55 households electrified by 30 June 2025 (Oqondweni Phase 2)	0 households electrified by 30 June 2025 (Oqondweni Phase 2) (Site established, excavation of poles and stays done, pole planting and conductor stringing done, boards mounting and house connections 98,5%, Transformer mounting 100%) (Overall project progress was 98,5% at end of June 2025)	ESKOM outages not approved yet	Engaging Eskom to fast-track outages and provide dates The KPI will be carried over into the 2025/26 scorecard
Number of households electrified	28 households electrified by 30 June 2025 (Mvelabusha Mahashi)	0 households electrified by 30 June 2025. (Mvelabusha Mahashi) (Site established, Excavation and pole planting done, stay	ESKOM outages not approved yet	Engaging Eskom to fast-track outages and provide dates The KPI will be carried over into the 2025/26 scorecard



Indicator	Annual target	Actual Achievement	Reasons for Under-achievement	Corrective Measure
		<p>assembling done, LV and MV conductor stringing done, MV Transformer installation 20%) (Overall project progress was 95% as at the end of June 2025)</p>		
<p>Number of households electrified</p>	<p>133 households electrified by 30 June 2025 (Ndlondlweni Mqhiyama)</p>	<p>0 households electrified by 30 June 2025. (Ndlondlweni Mqhiyama)</p> <p>(Site established, Pole planting and planting MV done, MV conductor stringing 97%, MV structure dressing done, Pole excavations and LV planting done, LV structures and stays done, LV conductor stringing done, Installation of poles done Installation of ready boards done) (Overall project progress was 95% as at the end of June 2025)</p>	<p>ESKOM outages not approved yet</p>	<p>Engaging Eskom to fast-track outages and provide dates The KPI will be carried over into the 2025/26 scorecard</p>
<p>Number of renovated market stalls</p>	<p>55 market stalls renovated by 30 June 2025</p>	<p>22 market stalls renovated by 30 June 2025 (Overall project progress/renovation was 48% as at end of June 2025)</p>	<p>Access to stalls limited due to on-site occupants and transitional model.</p>	<p>The Municipality will engage the occupants to fast track the access to the remaining market stall during 2025/26 Target included in the 2025/2026 SDBIP</p>



Indicator	Annual target	Actual Achievement	Reasons for Under-achievement	Corrective Measure
Number of Kilometres of gravel and tarred roads constructed	1,1Km Manzibomvu KwaZungu gravel road completed by 30 June 2025	0 km Manzibomvu KwaZungu gravel road completed by 30 June 2025. (The site was established, cleared, services were relocated, bulk earthworks were done, drainage and layer works at base layer was done, wearing course road signage was completed and finishing the road and reserve was at 50%) Overall project progress was at 94% as at end of June 2025)	Challenges by contractor to access G7 material which is outside of umhlabuyalingana municipal boundaries	The contractor to increase number of tipper trucks to speed up production and complete the project in Q1 of 2025/2026
Number of Kilometres of gravel and tarred roads constructed	2,8Km Kwashodi-Mahlakwe gravel road completed by 30 June 2025	0 km of Kwashodi-Mahlakwe gravel road completed by 30 June 2025. (The site was established, cleared, services were relocated, bulk earthworks were done, drainage 80% completed, and layer works at base layer was done, wearing course 90% completed (Overall construction progress at 74,0% as at end of June 2025)	Slow progress by the contractor due to challenges in accessing G7 material that is outside of umhlabuyalingana municipality.	Increase of resources number (Addition of trucks to haul material) by the contractor to fast track the progress and the project.
Number of Kilometres of gravel and tarred roads constructed	2,02Km of Manguzi Internal tarred road phase 2 constructed by 30 June 2025	0 Km of Manguzi Internal tarred road phase 2 completed by 30 June 2025. (Site established, cleared, culvert bridge completed, relocation of	Slow progress by the contractor due to financial constraints	Remaining work to be completed by the sub-contractor through cession in line with GCC and target included in the 2025/2026 SDBIP.



Indicator	Annual target	Actual Achievement	Reasons for Under-achievement	Corrective Measure
		water piped completed, relocation of fences 50%, Asphalt 85% (Overall construction progress was 80% as at end of June 2025)		
Number of Kilometres of gravel roads regravelled	3km regravelling of Mfihlweni-Mfakubheka Access road regravelled by 30 June 2025	0 km of Mfihlweni-Mfakubheka Access road regravelled by 30 June 2025. (Site establishment, clearing and grubbing done, drains 10% and gravel wearing course 30% completed) (Overall construction progress was 40% as at end of June 2025)	Challenges by contractor to access G5 material which is outside of umhlabyalingana municipal boundaries	The contractor to increase number of tipper trucks to speed up production and complete the project in Q1 of 2025/2026
Number of Kilometres of gravel roads regravelled	2,5km regravelling of Mqobela Access road by 30 June 2025	0km of Mqobela Access road regravelled by 30 June 2025. (Site established, clearing and grubbing done, drains 10% gravel wearing course 30%, (Overall construction progress at 40% as at end of June 2025)	Challenges by contractor to access G5 material which is outside of umhlabyalingana municipal boundaries	The contractor to increase number of tipper trucks to speed up production and complete the project in Q1 of 2025/2026
Number of Kilometres of gravel roads regravelled	3km regravelling of Mbubeni-Majola Access road by 30 June 2025	0km of Mbubeni-Majola Access road regravelled by 30 June 2025.	The contractor abandoned the site, and the municipality terminated the contract.	The municipality to re-advertise for the contractor in Q1 of the 2025/2026 financial year.



Indicator	Annual target	Actual Achievement	Reasons for Under-achievement	Corrective Measure
				KPI to be included in the 2025/26 SDBIP
Number of metres of sewer line constructed	400m of sewer line constructed at Manguzi Market Stalls by 30 June 2025	0m of sewer line completed by 30 June 2025	The project was advertised and the bids received far exceeded the budgeted amount, hence it was not considered in the 2025/26 budget	The budget proposal will be considered during 2025/2026 mid-year budget adjustment and then the Project will be readvertised or deferred
MUNICIPAL FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT				
Percentage Capital Infrastructure expenditure of approved projects	100% capital Infrastructure expenditure on approved projects by 30 June 2025	93% spent on capital Infrastructure projects by 30 June 2025	The municipality did not achieve the target of 100% on capital expenditure because some infrastructure projects were not completed	Incomplete projects will be rolled over to 2025/2026 financial year with clear timelines and completion targets.
% of municipality's budget spent on implementing Workplace Skills Plan	1% of the Municipality's Budget spent on implementing the Workplace Skills Plan up to 30 June 2025	0,03% of the Municipality's Budget spent on implementing the Workplace Skills Plan up to 30 June 2025	The trainings as per WSP were not all held because the budget was limited, therefore the finance section requested that we prioritise the trainings. The SCM processes were done although there were delays and the appointment of Service providers	The finance advised that the new system for procurement was not inactive in July 2025, therefore employee trainings that were planned for per the training schedule to take place in August 2025. The Director Corporate Services to engage Finance to provide a



Indicator	Annual target	Actual Achievement	Reasons for Under-achievement	Corrective Measure
			were in July 2025 which was a new financial year.	budget for training for the rest of the training plan
Percentage of collection Rate	95% Revenue collection rate as a percentage of billed amount per quarter up to 30 June 2025	49%	<p>The norm for collection ratio is 95% of all billable income. There has been a decline in payment trend from government departments which is a contributing factor for lower collection rate</p> <p>The second aspect of the decline is traffic fines collection which has been declining over the years. The reason for the decline in this category is that there are some delays and other challenges in the court system to process all road traffic offences submitted to Manguzi Magistrate Court by the municipality.</p>	The municipality will engage government departments with regards to the payment of their properties. Manguzi Magistrate court will be engaged to get a working system that will enable them speed up the processes to issue warrants and collection of traffic fines issued by our traffic officers.





2024/2025 ANNUAL PERFORMANCE REPORT

NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT															
1	MTID 5/CORP/24/25 (IDP/TL)	Municipal Transformation and Institutional Development	Improved administrative and human resources management practices	To attract, capacitate, retain qualified and experienced staff across the staff establishment	Compile WSP and submit to LGSETA	Number of WSP submitted to LGSETA	1 WSP submitted to LGSETA by 30 April 2024	1 WSP submitted to LGSETA by 30 April 2024	1 WSP submitted to LGSETA by 30 April 2025	N/A	1 WSP submitted to LGSETA by 30 April 2025	Target achieved	N/A	N/A	a) WSP b) Proof of submission to LGSETA (Acknowledgement of receipt from LGSETA) c) Council Resolution
2	MTID 6/CORP/24/25 (IDP/TL)				Submission of employment equity report to Department of Labour	Number of Employment Equity Reports submitted to Department of Labour	1 Employment Equity Report submitted to Department of Labour by 15 January 2024	1 (Employment Equity Report was submitted to Department of Labour) by 15 January 2024	1 Employment Equity Report submitted to Department of Labour by 15 January 2025	N/A	1 Employment Equity Report submitted to Department of Labour on 14 January 2025	Target achieved	N/A	N/A	a) Employment Equity Plan (Council Resolution) b) Draft Employment Equity report c) Council resolution (Draft and Final) d)



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence	
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)					
																Acknowledgement of receipt from Department of Labour/Proof of submission
3	MTID 7/CORP/24/25 (IDP/TL)					Training of councillors and staff as per the WSP/Training plan	Number of employees and Section 79 council committees trained as per Workplace Skills training Programs/ Training Plan	74 employees and 42 councillors trained as per Workplace Skills training Programs/ Training Plan by 30 June 2024	10 employees trained and 0 Councillors trained by 30 June 2024	20 employees and 20 councillors trained as per Workplace Skills training Programs/ Training Plan by 30 June 2025	38 employees and 7 Sec 79 council committees trained as per Workplace Skills training Programs/ Training Plan by 30 June 2025	14 employees and 5 Sec 79 council committees trained as per Workplace Skills training Programs/ Training Plan by 30 June 2025	Target not achieved	The trainings as per WSP were not all held because the budget was too limited, therefore the finance section requested that we prioritise the trainings. The SCM processes were done although there were delays and the appointment of Service providers were in July 2025	The finance advised that the new system for procurement was not inactive in July 2025, therefore employee trainings that were planned for per the training schedule to take place in Q2 of 2025/2026 financial year. 53 and 39 councillors	a) Attendance registers for trainings provided b) Report on the trainings held (Training list with courses)



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
													which was a new financial year.	will be trained. The Director Corporate Services to engage Finance to provide a budget for training for the rest of the training plan	
Council and ExCo meetings															
4	MTID 1/CORP/24/25 (IDP/TL)	Municipal Transformation and Institutional Development	Improved administrative and human resources management practices	To ensure effective Governance through regular meetings of Council structures	Hold Council Meetings	Number of ordinary council meetings held	4 ordinary council meetings held by 30 June 2024	4 ordinary council and 8 special council meetings held by 30 June 2024	4 ordinary council meetings held by 30 June 2025	N/A	4 ordinary council held by 30 June 2025 (and 7 special council meetings held by 30 June 2025)	Target achieved	7 special council meetings were held to address legislative requirements.	N/A	Signed off minutes and attendance registers
5	MTID 2/CORP/24/25 (IDP/TL)				Hold ExCO Meetings	Number of ordinary ExCo meetings held	12 ordinary ExCo meetings held by 30 June 2024	9 ordinary ExCo meetings held by 30 June 2024	12 ordinary ExCo meetings held by 30 June 2025	N/A	11 Ordinary and 2 Special ExCo meetings held by 30 June 2025	Target not achieved	1 Ordinary ExCo meeting did not quorate	Two Exco special meetings were organised to ensure that Agenda items for one	Signed off minutes and attendance registers



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
														ordinary exco meeting are discussed and resolutions are taken. Exco Special committee meetings took place as follows: 1. 28 March 2025 2. 30 March 2025 which constitutes 13 Executive Committee meetings held in 2024/2025.	
Organogram and filling of vacant posts															
6	MTID 8/CORP/24/25 (IDP/TL)	Municipal Transformation and Institutional Development	Improved administrative and human resources management practices	To create an appropriate organizational climate that will attract and ensure	Review the Organogram	Reviewed organizational structure approved by council	Review organizational structure and table to council for approval by 30 June 2024	Organizational structure reviewed and adopted by council on 17 May 2024	Review organizational structure and table to council for approval by 30 June 2025	N/A	Reviewed Organizational structure tabled and adopted by council on 30 June 2025	Target achieved	N/A	N/A	a) Signed Job descriptions b) Reviewed organogram c) Council resolution



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence	
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)					
				retention of staff												
Performance Management and Reporting																
7	MTID 3/MM/24/25 (IDP/TL)	Municipal Transformation and Institutional Development	Improved administrative and human resources management practices	To manage and enhance the performance of the municipality	Compiling and submission of quarterly reports	Number of signed off Quarterly Top Layer SDBIP reports submitted to council within 30 days of the last day of each quarter.	4 signed off Quarterly Top Layer SDBIP reports submitted to council within 30 days after the end of the quarter by 30 June 2024	4 signed off Quarterly Top Layer SDBIP reports submitted to council within 30 days after the end of the quarter by 30 June 2024	4 quarterly progress report on Top Layer SDBIP submitted to council within 30 days of the last day of each quarter by 30 June 2025	N/A	4 quarterly progress report on Top Layer SDBIP submitted to council within 30 days of the last day of each quarter by 30 June 2025	Target achieved	N/A	N/A	a) Copy of signed off Top Layer SDBIP quarterly report b) Copy of council resolution	
8	MTID 4/MM/24/25 (IDP/TL)				Approval of Annual Performance Report	Number of Annual Performance reports tabled to Council	Table 1 Annual Performance Report to council for approval by 31 August 2023	1 Annual Performance Report to council for approval on 30 August 2023	1 Annual Performance Report tabled to council by 31 August 2024	N/A	1 Annual performance report tabled to council on 28 August 2024	Target achieved	N/A	N/A	a) Annual Performance Report b) Council resolution	
9	MTID 5/MM/24/25 (IDP/TL)				Submission of Annual Performance Report to	Number of Annual Performance reports submitted to	Submit Annual Performance Report to Auditor	Annual Performance Report submitted to Auditor General	1 Annual Performance Report submitted to Auditor General	N/A	1 Annual performance report submitted to AG on 31 August 2024	Target achieved	N/A	N/A	Proof of submission to AG	



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
					Auditor General	Auditor General	General by 31 August 2023	on 31 August 2023	by 31 August 2024						
10	MTID 6/MM/24/25 (IDP/TL)				Approval of AR and Oversight Report by Council	Number of Final Annual reports (23/24) and oversight report submitted to council for adoption	(a) 1 Final Annual Report submitted to Council by 31 January 2024 (b) 1 Oversight report submitted to council by 31 March 2024	(a) 1 Final Annual Report submitted to Council by 31 January 2024 (b) 1 Oversight report submitted and approved by council on 27 March 2024	(a) 1 Final Annual Report submitted to Council by 31 January 2025 (b) 1 Oversight report submitted to council by 31 March 2025	N/A	(a) The 2023/2024 AR tabled to council on 24 Jan 2025 (b) Oversight report tabled to council on 31 Mar 2025	Target achieved	N/A	N/A	a) Annual Report and council resolution b) Oversight report and council resolution
11	MTID 7/MM/24/25 (IDP/TL)			To maintain an organizational performance management system as a tool to monitor progress on service delivery	(a) Signing of section 54/56 annual performance agreements (b) Submission of section 54/56 performance	a) Number of signed Section 54/56 Annual performance agreements b) Number of signed Section 54/56 Annual performance agreements submitted to Cogta c) Number of Sec 54/56 managers	a) 5 Signed Section 54/56 Annual performance agreements (b) Submit 5 signed performance agreements to MEC c) 3 Sec 54/56 performance reviews conducted	a) 5 Signed Section 54/56 Annual performance agreements signed (b) 5 signed performance agreements submitted to MEC c) 3 Sec 54/56 performance reviews conducted by 30 June 2024	a) 5 Signed Section 54/56 Annual performance agreements signed by 31 July 2024 (b) Submit 5 signed performance agreements to MEC by 14 August 2024 c) 3 Sec 54/56 performance	N/A	a) 5 Performance agreements signed by 30 July 2024 b) 5 Performance agreements submitted to MEC on 30 July 2024 c) 3 Sec 54/56 performance reviews conducted by 30 June 2025	Target achieved	N/A	N/A	a) Signed Performance agreements b) Proof of submission to CoGTA MEC c) Reports and attendance registers



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
						quarterly performance reviews conducted			reviews conducted by 30 June 2025						
GOOD GOVERNANCE AND PUBLIC PARTICIPATION															
INTEGRATED DEVELOPMENT PLANNING															
12	GGPP 1/MM/24/25 (IDP/TL)	Good Governance and Public Participation	Single Window of Coordination	To develop a credible IDP in terms of short medium-term guide for development and service delivery	(a) Review and adopt the IDP (b) Compile and approve IDP/Budget Process Plan (c) Holding of consultations	(a) Number of credible Integrated Development Plan (IDP) adopted by council in terms of the Municipal Systems Act (b) Number of IDP consultation meetings conducted	(a) 1 IDP Process plan (b) 4 IDP consultation meetings (c) 1 credible Integrated Development Plan (IDP) adopted by council in terms of the Municipal Systems Act	(a) 1 IDP Process plan approved by council on 30 August 2023 (b) 5 IDP consultation meetings held by 30 June 2024 (c) 1 credible Integrated Development Plan (IDP) adopted by council in terms of the Municipal	(a) 1 IDP/Budget Process plan by 31 August 2024 (b) 4 IDP consultation meetings held by 31 December 2024 (c) 1 credible Integrated Development Plan (IDP) adopted by council in terms of the Municipal	N/A	(a) 1 IDP/Budget Process Plan developed and adopted by council on 28 Aug 2024 (b) 4 IDP consultation meetings held by 31 December 2024 (c) 1 credible Integrated Development Plan (IDP) adopted by	Target achieved	N/A	N/A	(a) IDP process plan and Council Resolution (b) Public Notice, Report and attendance registers (c) Council resolution for adoption of Draft and Final IDP



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence	
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)					
					ve engagements in respect of IDP	(c) Number of IDP/Budget Process plan	by 31 May 2024	Systems Act on 17 May 2024	Systems Act by 31 May 2025		council in terms of the Municipal Systems Act on 28 May 2025					
Internal Audit																
13	GGPP 6/MM/24/25 (IDP/TL)	Good Governance and Public Participation	Improved administrative and human resources management practices	Ensure reliability and maintain independence of Internal Audit Activities	To resolve Internal Audit findings	Percentage of Internal Audit Findings resolved on quarterly basis	100% Resolution of Internal Audit findings due within the financial year by 30 June 2024	51% of Internal Audit findings due within the financial year were resolved by 30 June 2024	100% Resolution of Internal Audit findings due within the financial year by 30 June 2025	N/A	29% of Internal Audit findings due within the financial year resolved by 30 June 2025	Target not achieved	Underachievement on internal audit findings was due to delays in implementing recommendations and inadequate monitoring.	The municipality will strengthen quarterly management accountability sessions and follow-up audits. The target will be included in the 2025/26 scorecard	(a) Internal audit action plan (b) Executive summary report on achievements by Internal Audit Manager	



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
14	GGPP 7/MM/24/25 (IDP/TL)				To resolve AG Findings	Percentage of Auditor General (AG) findings resolved within the financial year	100% resolution of Auditor General (AG) findings (2022/23) by 30 June 2024	100% of 2022/2023 Auditor General (AG) findings resolved by 30 June 2024	100% resolution of Auditor General (AG) findings (2023/24) by 30 June 2025	N/A	100% of Auditor General (AG) findings (2023/24) resolved by 30 June 2025	Target achieved	N/A	N/A	a) AG findings contained on the AG action plan b) Quarterly report (Quarterly Register of Findings from Internal Audit with status of progress on implementation plans) c) Council resolution d) Executive summary report on achievements by Internal Audit Manager
15	GGPP 8/MM/24/25 (IDP/TL)				Execution of internal audit plan	Percentage of internal audits performed/executed against the approved Internal Audit plan	100% of Internal Audit plan audits performed/executed by 30 June 2024	95% of audits performed/executed against approved plan by 30 June 2024	100% of Internal Audit plan audits performed/executed by 30 June 2025	N/A	100% of Internal Audit plan audits performed/executed by 30 June 2025	Target achieved	N/A	N/A	a) Report on the status of internal audits performed



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
Declarations, legal and policies															
16	GGPP 3/CORP/24/25 (IDP/TL)	Good Governance and Public Participation	Improved administrative and human resources management practices	To ensure effective and efficient administration complying with its Legal Mandates	Declaration of financial interest by councillors	Percentage of Councillors who have declared their financial interests	100% of Councillors have declared their financial interest by 30 June 2024	100% of Councillors declared their financial interest by 30 June 2024	100% of Councillors have declared their financial interest by 30 June 2025	N/A	100% of Councillors declared their financial interest by 30 June 2025	Target achieved	N/A	N/A	a) Signed declaration of interest forms
17	GGPP 4/CORP/24/25 (IDP/TL)				Review of HR and ICT policies	Number of HR and ICT policies reviewed and adopted	8 Council HR Policies, Records Management Policy and 18 ICT Policies reviewed by 30 June 2024	6 HR Policies reviewed, and 21 ICT Policies reviewed and adopted by council on 28 June 2024	Review 4 Council HR Policies and 18 ICT Policies by 30 June 2025	5 HR Policies and 18 ICT Policies reviewed by 30 June 2025	5 HR Policies reviewed (Termination Policy, Placement Policy, Probation Policy, Education Training & Development Policy and Employment Practice Policy) and 18 ICT Policies reviewed by June 2025	Target achieved	N/A	N/A	a) List of policies reviewed b) Council resolutions
18	GGPP 5/CORP/24/25 (IDP/TL)				Review of strategies, frameworks and plans	Number of HR Strategies, Frameworks and HR plans reviewed and adopted	a) 3 Strategies reviewed and adopted (Retention Strategy, HR Strategy and ICT Strategy)	a) 3 Strategies reviewed and adopted by council (Retention Strategy, HR Strategy and ICT Strategy)	a) 3 Strategies reviewed and adopted (Retention Strategy, HR Strategy and ICT Strategy) by	a) 3 Strategies reviewed and adopted (Retention Strategy, HR Strategy, HR Strategy, HR Strategy and ICT Strategy),	a) 3 strategies reviewed (Retention Strategy, HR Strategy and ICT Strategy) by 30 June 2025	Target achieved	N/A	N/A	a) List of reviewed Strategies/framework/plans b) Council resolution



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
						b) 1 HR plan reviewed and adopted (Human Resource Training Plan) c) 1 Framework reviewed and adopted (IT Governance Framework) by 30 June 2024	Strategy) b) 1 HR plan reviewed and adopted by council (Human Resource Training Plan) c) 1 Framework reviewed and adopted by council (IT Governance Framework) on 28 June 2024	30 June 2025 b) 1 HR plan reviewed and adopted (Human Resource Training Plan) by 30 June 2025 c) 1 Framework reviewed and adopted (IT Governance Framework) by 30 June 2025	HR Strategy and ICT Strategy) by 30 June 2025 b) 1 HR plan reviewed and adopted (Human Resource Training Plan) by 30 June 2025 c) 1 Framework reviewed and adopted (IT Governance Framework) by 30 June 2025	b) 1 HR plan reviewed and adopted (Human Resource Training Plan) by 30 June 2025 c) 1 Framework reviewed and adopted (IT Governance Framework) by 30 June 2025					



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence	
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)					
19	GGPP 3/CS/24/25 (IDP/TL)			To enhance municipality's waste management capacity	(a) Review integrated waste management plan (b) Review waste management By-laws	Number of Reviewed and Council approved waste management Policies/plans/by-laws	a) Reviewed integrated waste Management plan b) Reviewed waste management by laws by 30 June 2024	a) Reviewed integrated waste Management plan approved by council on 30 April 2024 b) Reviewed waste management by laws approved by council on 30 April 2024	2 Waste Management Policies/plans/by-laws reviewed by 30 June 2025. a) Reviewed integrated Waste Management plan and policy by 30 June 2025 b) Reviewed waste management by laws by 30 June 2025	N/A	2 Waste Management Policies/plans/by-laws reviewed by 30 June 2025 (a) Reviewed Integrated Waste Management plan and policy by 30 June 2025 (b) Reviewed Waste Management By-laws by 30 June 2025	Target achieved	N/A	N/A	a)Waste management by laws b) Integrated waste management plan c) Council resolution	
20	GGPP 4/CS/24/25 (IDP/TL)			Ensure effective and efficient administration complying with its legal mandate	Review of indigent policy	Number of Reviewed and Council approved Indigent policies	Review and table Indigent policy to council for approval by 30 June 2024	Reviewed Indigent policy approved by council on 28 June 2024	Indigent policy reviewed and adopted by council on 30 June 2025	N/A	Final indigent policy reviewed and adopted by council on 30 June 2025	Target achieved	N/A	N/A	Reviewed Indigent Policy and Council resolution	
Public Communication																
CROSS CUTTING INTERVENTIONS																



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
21	CCI 2/MM/24/25 (IDP/TL)	Cross Cutting Interventions	Single window of co-ordination	To bring the organization to an enabled risk maturity level	Mitigating risks identified in the risk register	Percentage completion of Action Plans relevant to the top 10 organisational risks	100% completion of Action Plans relevant to the top 10 organisational risks by 30 June 2024	95% of action plans completed by 30 June 2024	100% completion of Action Plans relevant to the top 10 organisational risks by 30 June 2025	N/A	100% action Plans relevant to the top 10 organisational risks completed by 30 June 2025	Target achieved	N/A	N/A	a.) Updated top 10 organisational risk register and Action Plan b.) Sign-off document as proof of endorsement by MM c.) Executive summary report on achievements by Risk Manager
22	CCI 3/MM/24/25 (IDP/TL)				Conduct risk assessments	Number of Risk assessments conducted	1 Risk assessment conducted	1 risk management assessment was conducted on the 29-30 April 2024	1 Risk assessment conducted by 30 June 2025	N/A	1 Risk Assessment was conducted on the 02-06/06/2025 and 10-12/06/2025	Target achieved	N/A	N/A	a) Risk register (OFMM) b) Attendance Register



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							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
23	CCI 4/MM/24/25 (IDP/TL)				(a) Review Business Continuity Plan (BCP) (b) Compile reports on the implementation of the Business Continuity Plan (BCP)	a) Number of Business Continuity Plans reviewed b) Number of reports on implementation of Business Continuity Plan (BCP)	a) 1 BCP reviewed b) 1 Report on the implementation of Business Continuity Plan (BCP) by 30 June 2024	a) 1 BCP reviewed and tabled to Council on the 28 June 2024 b) 1 report on the implementation of BCP is prepared by 30 June 2024	a) 1 BCP reviewed by 30 June 2025 b) 1 Report on the implementation of Business Continuity Plan (BCP) by 30 June 2025	N/A	a) 1 BCP reviewed and tabled to Council on the 28/05/2025 b) 1 Report on the implementation of Business Continuity Plan (BCP) by 30 June 2025 tabled to Council	Target achieved	N/A	N/A	a) Reviewed Business Continuity Plan b) Council resolution adopting BCP c) Report on implementation of BCP
Spatial Development															
24	CCI 2/PLID/24/25 (IDP/TL)	Cross Cutting Interventions	Single window of coordination	To promote development of efficient and sustainable settlement pattern	Review of SPLUMA compliant SDF	Reviewed and council approved SPLUMA compliant SDF for 2025/2026	Review and table to council SPLUMA compliant SDF for 2024/2025 by 30 June 2024	2024/2025 SDF adopted by council by 30 June 2024	Review and table to council SPLUMA compliant SDF for 2025/2026 by 30 June 2025	N/A	SPLUMA compliant SDF for 2025/2026 reviewed and adopted by council on 30 June 2025	Target achieved	N/A	N/A	a) IDP/SDF/Budget Process Plan (b) Progress Report on SPLUMA compliant SDF to PLID and Portfolio Resolution/Recommendation



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							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)					
																(c) Draft SDF and Council Resolutions) Adopted final SDF for 2025/2026 together with IDP and Council resolution
KPA: BASIC SERVICE DELIVERY																
Waste collection																
25	BSDID 1/CS/24/25 (IDP/TL)	Basic Service and Infrastructure Development	Improve access to basic service delivery	Provision/Subsidization of basic services to the community in a sustainable manner	Collection of waste from Areas benefiting from free basic waste disposal services	Number of areas benefiting from free basic waste collection services at least once a week	39 areas benefiting from free basic waste disposal services by 30 June 2024	39 areas benefited from waste collection services by 30 June 2024	39 areas benefiting from free basic waste collection services at least once a week by 30 June 2025	N/A	39 areas benefited from free basic waste collection services at least once a week by 30 June 2025	Target achieved	N/A	N/A		a) list of areas b) Daily collection schedule / register
Indigent Register and support																
26	BSDID 3/CS/24/25 (IDP/TL)	Basic Service and Infrastructure	Improve access to basic service delivery	Provision/Subsidization of basic services to the community in	Update Indigent Register	Number of Updated and Council approved	Update Indigent Register and table to council for	Final Indigent register tabled and approved by	1 Updated and Council approved Indigent	N/A	1 updated indigent register tabled and approved by	Target achieved	N/A	N/A		Updated indigent register and



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							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
		Development		a sustainable manner		Indigent Register	approval by 30 June 2024	council on 28 June 2024	Register by 30 June 2025		council on 30/06/25				Council Resolution
Traffic															
27	BSDID 4/CS/24/25 (IDP/TL)	Basic Service and Infrastructure Development	Improve access to basic service delivery	Provision of efficient and effective security services and promotion of road safety	Execution of law enforcement operations	Number of Vehicles Stopped and Checked	18 000 Vehicles Stopped and Checked by 30 June 2024	26 713 Vehicles Stopped and Checked by 30 June 2024	18 000 Vehicles Stopped and Checked by 30 June 2025	24 000 Vehicles Stopped and Checked by 30 June 2025	27 788 Vehicles Stopped and Checked by 30 June 2025	Target achieved	The target was to stop and check 24 000 vehicles, but due to more road blocks that were conducted during festive season and easter holidays, we managed to achieved more than what was planned.	N/A	Daily/Monthly crime returns
28	BSDID 5/CS/24/25 (IDP/TL)					Number of vehicles screened for speed	9000 vehicles screened for speed by 30 June 2024	10 908 vehicles screened for speed by 30 June 2024	9000 vehicles screened for speed by 30 June 2025	10 500 vehicles screened for speed by 30 June 2025	11 527 vehicles screened for speed by 30 June 2025	Target achieved	The target was to stop and check 10 500 vehicles, but due to more road blocks that were conducted during festive	N/A	Daily/Monthly crime returns



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							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
													season and easter holidays, we managed to achieved more than what was planned.		
29	BSDID 6/CS/24/25 (IDP/TL)					Number of Multi-Disciplinary Roadblocks	24 Multi-Disciplinary Roadblocks by 30 June 2024	34 Multi-Disciplinary Roadblocks conducted by 30 June 2024	24 Multi-Disciplinary Roadblocks by 30 June 2025	30 Multi-Disciplinary Roadblocks by 30 June 2025	45 Multi-Disciplinary Roadblocks by 30 June 2025	Target achieved	We achieved more than what was planned because more Multi-Disciplinary road blocks were conducted during major holidays.	N/A	Reports and Attendance registers
30	BSDID 7/CS/24/25 (IDP/TL)					Number of Direct Charges issued for Drunken driving	12 Direct Charges issued for Drunken driving by 30 June 2024	44 Direct Charges issued for Drunken driving by 30 June 2024	12 Direct Charges issued for Drunken driving by 30 June 2025	24 Direct Charges issued for Drunken driving by 30 June 2025	44 Direct Charges issued for Drunken driving by 30 June 2025	Target achieved	More arrests or direct charges for drunken driving happened during festive season and easter holidays due to more roadblocks	N/A	Direct Charge forms



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
													that were conducted.		
31	BSDID 8/CS/24/25 (IDP/TL)					Number of Routine roadside roadblocks conducted	720 Routine roadside roadblocks conducted by 30 June 2024	878 Routine roadside roadblocks conducted by 30 June 2024	720 Routine roadside roadblocks conducted by 30 June 2025	800 Routine roadside roadblocks conducted by 30 June 2025	1 104 Routine roadside roadblocks conducted by 30 June 2025	Target achieved	The strategy of changing target areas while doing routine roadside roadblocks during the year assisted in us achieving more than what was planned	N/A	Daily/Monthly crime returns
32	BSDID 9/CS/24/25 (IDP/TL)					Number of Speed operations conducted	240 Speed operations conducted by 30 June 2024	424 Speed operations conducted by 30 June 2024	240 Speed operations conducted by 30 June 2025	400 Speed operations conducted by 30 June 2025	576 Speed operations conducted by 30 June 2025	Target achieved	The over achievement of speed operation was due to the strategy of changing spots while doing operation during the year	N/A	Daily/Monthly crime returns



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							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
33	BSDID 10/CS/24/25 (IDP/TL)					Number of road safety awareness campaign conducted	12 road safety awareness campaigns conducted by 30 June 2024	14 road safety awareness campaigns conducted by 30 June 2024	12 road safety awareness campaigns conducted by 30 June 2025	N/A	20 road safety awareness campaigns conducted by 30 June 2025	Target achieved	8 more road safety awareness campaigns with SAPS / RTI were conducted during the year	N/A	Reports and Attendance registers
Licensing															
34	BSDID 11/CS/24/25 (IDP/TL)	Basic Service and Infrastructure Development	Improve access to basic service delivery	Provision of efficient and effective vehicle licencing services and promotion of road safety	Conduct motor vehicle, driver licencing and registration operations	Number of Learners Driver's Licences booked	1 260 Learner's Licences booked by 30 June 2024	2 542 Learner's Licences booked by 30 June 2024	1 260 Learners Driver's Licences booked by 30 June 2025	2000 Learners Driver's Licences booked by 30 June 2025	2 333 Learners Driver's Licences booked by 30 June 2025	Target achieved	More learners applied for Learners Drivers licences than anticipated	N/A	System generated report (License-pro report)
35	BSDID 12/CS/24/25 (IDP/TL)					Number of Applicants tested for driving licenses	1 800 Applicants tested for driving licenses by 30 June 2024	2 764 Applicants tested for driving licenses by 30 June 2024	1 800 Applicants tested for driving licenses by 30 June 2025	2 500 Applicants tested for driving licenses by 30 June 2025	2 762 Applicants tested for driving licenses by 30 June 2025	Target achieved	More people applied for Learners Drivers licences than anticipated	N/A	System generated report (e-natis report)
36	BSDID 13/CS/24/25 (IDP/TL)					Number of Temporary Driving Licenses issued	800 Temporary Driving Licenses issued	1 240 Temporary Driving Licenses issued by 30 June 2024	1 200 Temporary Driving Licenses issued by 30 June 2025	N/A	1 437 Temporary Driving Licenses issued by 30 June 2025	Target achieved	More people applied for and were issued temporary driving	N/A	System generated report (eNatis report)



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							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
							issued by 30 June 2024						licences than anticipated		
37	BSDID 14/CS/24/25 (IDP/TL)					Number of PrDP issued	480 PrDP applications by 30 June 2024	920 PrDP applications by 30 June 2024	480 PrDP issued by 30 June 2025	850 PrDP issued by 30 June 2025	996 PrDP issued by 30 June 2025	Target achieved	More people applied for and were issued PrDP's than anticipated	N/A	System generated report (eNatis report)
38	BSDID 15/CS/24/25 (IDP/TL)					Number of vehicle licenses renewed	720 vehicle licenses renewed by 30 June 2024	3 983 vehicle licenses renewed by 30 June 2024	1 400 vehicle licenses renewed by 30 June 2025	2000 vehicle licenses renewed by 30 June 2025	4 576 vehicle licenses renewed by 30 June 2025	Target achieved	This target was over achieved due the public having to change their ZN registration number.	N/A	System generated report (eNatis report)
39	BSDID 16/CS/24/25 (IDP/TL)					Number of Drivers Licenses renewed	1 200 Drivers Licenses renewed by 30 June 2024	2 040 Drivers Licenses renewed by 30 June 2024	1 200 Drivers Licenses renewed by 30 June 2025	1 800 Drivers Licenses renewed by 30 June 2025	1 975 Drivers Licenses renewed by 30 June 2025	Target achieved	More people applied for and were issued Drivers licences than anticipated	N/A	System generated report (eNatis report)
Library Services															
40	BSDID 17/CS/24/25 (IDP/TL)	Basic Service and Infrastructure	Improved Access to Basic Services	To enhance skills development	Conduct library outreach programs	Number of Books circulated	10 800 books circulated by 30 June 2024	19 455 books circulated by 30 June 2024	12 800 books circulated by 30 June 2025	18 000 books circulated	21 398 books circulated by 30 June 2025	Target achieved	The target was over achieved due to more learners accessing the	N/A	System Generated Report



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							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
		Development		and life-long learning						by 30 June 2025			library as a result of promotions		
41	BSDID 18/CS/24/25 (IDP/TL)					Number of library services promotion conducted	4 promotions conducted by 30 June 2024	7 promotions conducted by 30 June 2024	4 promotions conducted by 30 June 2025	N/A	4 promotions conducted by 30 June 2025	Target achieved	N/A	N/A	Reports and Attendance Registers
42	BSDID 19/CS/24/25 (IDP/TL)					Number of Library Users with access to internet	1 500 people access internet by 30 June 2024	5 465 people access internet by 30 June 2024	2 500 people access internet by 30 June 2025	3 500 people access internet by 30 June 2025	5 827 people had access internet by 30 June 2025	Target achieved	We had more Matric students coming to utilise the internet access and also submit their CAO applications online.	N/A	Daily signed register
43	BSDID 20/CS/24/25 (IDP/TL)					Number of book exchange	4 Book exchange by 30 June 2024	4 Book exchange by 30 June 2024	4 Book exchange by 30 June 2025	N/A	4 Book exchange by 30 June 2025	Target achieved	N/A	N/A	Report, List of books exchanged
44	BSDID 21/CS/24/25 (IDP/TL)					Number of People trained on basic computer skills	360 people trained on basic computer by 30 June 2024	538 people trained on basic computer by 30 June 2024	360 people trained on basic computer by 30 June 2025	400 people trained on basic computer by 30 June 2025	592 people trained on basic computer by 30 June 2025	Target achieved	We have achieved more than what was planned because of schools	N/A	Daily signed register



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							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
													coming to the library with their learners for assistance in basic computer skills.		
Electrification															
45	BSDID 3/PLID/24 /25 (IDP/TL)	Basic Service and Infrastructure Development	Improved Access to Basic Services	To facilitate the provision of reliable source of energy to uMhlabuyalingana municipality	Electrification of households (Oqondweni Phase 2 electrification)	Number of households electrified	200 households electrified (Oqondweni Phase 2) by 30 June 2024	0 households electrified by 30 June 2024 Transformers installed Electrical infrastructure installed and completed in 200 household units Quality inspection completed	112 households electrified by 30 June 2025 (Oqondweni Phase 2)	55 households electrified by 30 June 2025 (Oqondweni Phase 2)	0 households electrified by 30 June 2025 (Oqondweni Phase 2) (Site established, excavation of poles and stays done, pole planting and conductor stringing done, boards mounting and house connections 98,5%, Transformer mounting 100%) (Overall project progress was	Target not achieved	ESKOM outages not approved yet	Engaging Eskom to fast-track outages and provide dates The KPI will be carried over into the 2025/26 scorecard	a) Progress reports b) PCS File (55 connections list) c) Close out Report



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							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)					
											98,5% at end of June 2025)					
46	BSDID 4/PLID/24 /25 (IDP/TL)					Electrification of households (Mvelabusha Mahashi)	Number of households electrified	N/A	N/A	110 households electrified by 30 June 2025 (Mvelabusha Mahashi)	28 households electrified by 30 June 2025 (Mvelabusha Mahashi)	0 households electrified by 30 June 2025. (Mvelabusha Mahashi) (Site established, Excavation and pole planting done, stay assembling done, LV and MV conductor stringing done, MV Transformer installation 20%) (Overall project progress was 95% as at the end of June 2025)	Target not achieved	ESKOM outages not approved yet	Engaging Eskom to fast-track outages and provide dates The KPI will be carried over into the 2025/26 scorecard	a) Progress reports b) PCS File (28 connections list) c) Close out Report



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							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
47	BSDID 5/PLID/24 /25 (IDP/TL)				Electrification of households (Ndlondlweni Mqhiyama)	Number of households electrified	N/A	N/A	178 households electrified by 30 June 2025 (Ndlondlweni Mqhiyama)	133 households electrified by 30 June 2025 (Ndlondlweni Mqhiyama)	0 households electrified by 30 June 2025. (Ndlondlweni Mqhiyama)(Site established, Pole planting and planting MV done, MV conductor stringing 97%, MV structure dressing done, Pole excavations and LV planting done, LV structures and stays done, LV conductor stringing done, Installation of poles done Installation of ready boards done) (Overall project progress was 95% as at the end of June 2025))	Target not achieved	ESKOM outages not approved yet	Engaging Eskom to fast-track outages and provide datesThe KPI will be carried over into the 2025/26 scorecard	a) Progress reports b) PCS File (133 connections list)c) Close out Report
48	BSDID 6/PLID/24				Electrification of households	Number of households electrified	N/A	N/A	93 households electrified by 30	NEW	93 households electrified by 30	Target achieved	N/A	N/A	a) Progress reports b) PCS File (93)



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							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
	/25 (IDP/TL)				(Mazambane)				June 2025 (Mazambane)		June 2025 (Mazambane)				connections list)
49	BSDID 7/PLID/24 /25 (IDP/TL)				Electrification of households (Oqondweni Phase 1)	Number of households electrified	N/A	N/A	200 households electrified by 30 June 2025 (Oqondweni Phase1)	NEW	200 households electrified by 30 June 2025 (Oqondweni Phase1)	Target achieved	N/A	N/A	a) PCS File (200 connections list)
Buildings and Structures															
50	BSDID 2/PLID/24 /25 (IDP/TL)	Basic Service and Infrastructure Development	Improved Access to Basic Services	To provide and improve access to community/public facilities to minimum standards	Renovation of market stalls	Number of renovated market stalls	N/A	N/A	55 market stalls renovated by 30 June 2025	NEW	22 market stalls renovated by 30 June 2025 (Overall project progress/renovation was 48% as at end of June 2025)	Target not achieved	Access to stalls limited due to on-site occupants and transitional model.	The Municipality will engage the occupants to fast track the access to the remaining market stall during 2025/26 Target included in the 2025/2026 SDBIP	a) Progress report b) Completion certificate
Roads and Sewer lines															



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							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
51	BSDID 8/PLID/24 /25	Basic Service and Infrastructure Development	Improved Access to Basic Services	To provide access and facilitate vehicular movement in uMhlabuyalingana	Construction of gravel road (Manzibomvu-KwaZungu gravel road)	Number of Kilometres of gravel and tarred roads constructed	N/A	N/A	Appointment of contractor and site establishment for 1,1Km Manzibomvu KwaZungu gravel road by 30 June 2025	1,1Km Manzibomvu KwaZungu gravel road completed by 30 June 2025	0 km Manzibomvu KwaZungu gravel road completed by 30 June 2025. (The site was established, cleared, services were relocated, bulk earthworks were done, drainage and layer works at base layer was done, wearing course road signage was completed and finishing the road and reserve was at 50%) Overall project progress was at 94% as at end of June 2025)	Target not achieved	Challenges by contractor to access G7 material which is outside of umhlabuyalingana municipal boundaries	The contractor to increase number of tipper trucks to speed up production and complete the project in Q1 of 2025/2026	a) Appointment letter b) Progress reports c) Engineer's completion certificate



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
52	BSDID 9/PLID/24/25				Constructi on of gravel road (Kwashodi - Mahlakwe gravel road)		N/A	N/A	Appointment of contractor and site establishment for 2,8Km Kwashodi-Mahlakwe gravel road by 30 June 2025	2,8Km Kwashodi-Mahlakwe gravel road completed by 30 June 2025	0 km of Kwashodi-Mahlakwe gravel road completed by 30 June 2025. (The site was established, cleared, services were relocated, bulk earthworks were done, drainage 80% completed, and layer works at base layer was done, wearing course 90% completed (Overall construction progress at 74,0% as at end of June 2025)	Target not achieved	Slow progress by the contractor due to challenges in accessing G7 material that is outside of umhlabuyaling ana municipality.	Increase of resources number (Addition of trucks to haul material) by the contractor to fast track the progress and the project.	a) Appointment letter b) Progress reports c) Engineer's completion certificate
53	BSDID 10/PLID/24/25 (IDP/TL)				Constructi on of gravel road (Skhemelele Internal gravel		3,2Km of Skhemelele Internal gravel road phase 1 completed by 30 June 2024	4 Km's of Skhemelele internal gravel road phase 1 completed by 30 June 2024	2,8Km of Skhemelele Internal gravel road phase 2 completed by 30 June 2025	2,8Km of Skhemelele Internal gravel road phase 2 constructed	2,8 km of Skhemelele Internal gravel road Phase 2 constructed by 30 June 2025	Target achieved	N/A	N/A	a) Appointment letter b) Progress reports c) Engineer's



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
					road phase 2)					by 30 June 2025					completion certificate
54	BSDID 11/PLID/24/25 (IDP/TL)				Construction of tarred road (Manguzi Internal tarred road phase 2)	2,1 km of Manguzi Phase 1 Internal Road tarred by 30 June 2024	2.1 km 's of Manguzi Phase 1 internal roads completed by 30 June 2024	2,54Km of Manguzi Internal tarred road phase 2 completed by 30 June 2025	2,02Km of Manguzi Internal tarred road phase 2 constructed by 30 June 2025	0 Km of Manguzi Internal tarred road phase 2 completed by 30 June 2025. (Site established, cleared, culvert bridge completed, relocation of water piped completed, relocation of fences 50%, Asphalt 85% (Overall construction progress was 80% as at end of June 2025)	Target not achieved	Slow progress by the contractor due to financial constraints	Remaining work to be completed by the sub-contractor through cession in line with GCC and target included in the 2025/2026 SDBIP.	a) Progress reports b) Engineer's completion certificate	



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
55	BSDID 12/PLID/24/25 (IDP/TL)				Regravelling of Access Road (Mfihlweni - Mfakubheka Access road)	Number of Kilometres of gravel roads regravelled	N/A	N/A	3km regravelling of Mfihlweni-Mfakubheka Access road regravelled by 30 June 2025	New	0 km of Mfihlweni-Mfakubheka Access road regravelled by 30 June 2025. (Site establishment, clearing and grubbing done, drains 10% and gravel wearing course 30% completed) (Overall construction progress was 40% as at end of June 2025)	Target not achieved	Challenges by contractor to access G5 material which is outside of umhlabuyalingana municipal boundaries	The contractor to increase number of tipper trucks to speed up production and complete the project in Q1 of 2025/2026	a) Progress reports b) Engineer's completion certificate
56	BSDID 13/PLID/24/25 (IDP/TL)				Regravelling of Access Road (Mqobela Access road)		N/A	N/A	2,5km regravelling of Mqobela Access road by 30 June 2025	New	0km of Mqobela Access road regravelled by 30 June 2025. (Site established, clearing and grubbing done, drains 10% gravel wearing course 30%, (Overall construction progress at 40%	Target not achieved	Challenges by contractor to access G5 material which is outside of umhlabuyalingana municipal boundaries	The contractor to increase number of tipper trucks to speed up production and complete the project in Q1 of 2025/2026	a) Progress reports b) Engineer's completion certificate



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
											as at end of June 2025)				
57	BSDID 14/PLID/24/25 (IDP/TL)				Regravelling of Access Road (Mbubeni-Majola Access road)		N/A	N/A	3km regravelling of Mbubeni-Majola Access road by 30 June 2025	New	0km of Mbubeni-Majola Access road regravelled by 30 June 2025.	Target not achieved	The contractor abandoned the site, and the municipality terminated the contract.	The municipality to re-advertise for the contractor in Q1 of the 2025/2026 financial year. KPI to be included in the 2025/26 SDBIP	a) Progress reports b) Engineer's completion certificate
58	BSDID 16/PLID/24/25 (IDP/TL)			Improving sewer disposal on municipal buildings	Improving sewer disposal on municipal buildings	Number of metres of sewer line constructed	N/A	N/A	400m of sewer line constructed at Manguzi Market Stalls by 30 June 2025	New	0m of sewer line completed by 30 June 2025	Target not achieved	The project was advertised and the bids received far exceeded the budgeted amount, hence it was not considered in the 2025/26 budget	The budget proposal will be considered during 2025/2026 mid-year budget adjustment and then the Project will be	a) Progress reports b) Project closeout report c) Termination letter



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							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)					
														readvertised or deferred		
Sports Field																
59	BSDID 17/PLID/24/25 (IDP/TL)	Basic Service and Infrastructure Development	Improved Access to Basic Services	To provide and improve access to community/public facilities to minimum standards	Refurbish Manguzi sport field	Percentage of Refurbished sports field	17680 m2 of Manguzi Sport field refurbishment	96% refurbishments completed at Manguzi sports field by 30 June 2024	100 % Refurbishment of Manguzi Sport field 30 June 2025	New	100 % Refurbishment of Manguzi Sport field completed by 30 June 2025	Target achieved	N/A	N/A	a) Progress report b) Completion certificate	
LOCAL ECONOMIC DEVELOPMENT																
60	LED 5/PLID/24/25 (IDP/TL)	Local Economic Development	Single window of coordination	To implement and coordinate expanded public works program, and community works program in a manner that enhances skills development and optimizes decent employment	Creation/maintenance of jobs through EPWP	Number of Jobs created/maintained through EPWP	100 job opportunities created/maintained by 30 June 2024 (non-cumulative quarterly target)	128 Jobs created/maintained through EPWP by 30 June 2024	100 Jobs created/maintained through EPWP by 30 June 2025	N/A	180 Jobs created/maintained through EPWP by 30 June 2025	Target achieved	The minimum target of 100 is set by the National Department of Public Works in line with the Integrated EPWP Grant. 80 more job opportunities were created. The municipality core-funds the programme and also	N/A	EPWP Employees data	



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
													reports on number of opportunities created by projects that are EPWP compliant		
61	LED 6/PLID/24/25 (IDP/TL)				Creation/maintenance of jobs through CWP	Number of Jobs created/maintained through CWP	1 500 job opportunities created/maintained by 30 June 2024(non-cumulative quarterly target)	1 875 Jobs created/maintained through CWP by 30 June 2024	1500 Jobs created/maintained through CWP by 30 June 2025	N/A	1 824 Jobs created/maintained through CWP by 30 June 2025	Target achieved	CWP opportunities are accumulative, some participants vacate the programme for various reasons and new ones replace those but all the jobs are reported as opportunities created.	N/A	CWP Employees data
KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT															
Budget Approval, Adjustment budget, Mid-year review, Expenditure															



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
62	MFVM 1/FS/24/25 (IDP/TL)	Municipal Financial Viability and Management	To improve Municipal Finance and Administrative Capability	Compliance with financial legislation and policies	Approval of annual budget	Approved 2025/2026 budget by Council in terms of Sec.24 (1) of the MFMA	Table 2024/2025 budget to Council for approval by 31 May 2024 in terms of Sec.24 (1) of the MFMA	2024/2025 Draft budget tabled to Council for approval on 17 May 2024	Table 2025/2026 budget to Council for approval by 31 May 2025 in terms of Sec.24 (1) of the MFMA	N/A	2025/2026 budget tabled and approved by Council on 28 May 2025 in terms of Sec.24 (1) of the MFMA	Target achieved	N/A	N/A	a) 2025/2026 IDP/Budget Process plan b) 2025/26 Draft and Final budget c) Council resolutions
63	MFVM 2/FS/24/25 (IDP/TL)				Conduct mid-year financial and performance review	Approved 2024/2025 Mid-Year Financial review conducted in terms of S.72 of the MFMA	Table 2023/2024 Mid-Year Financial Review conducted in terms of S.72 of the MFMA to council by 25 Jan 2024	2023/2024 Mid-Year Financial Review tabled to council on 25 Jan 2024	Table 2024/2025 Mid-Year Financial Review conducted in terms of S.72 of the MFMA to council by 25 Jan 2025	N/A	2024/2025 Mid-Year Financial Review conducted in terms of S.72 of the MFMA tabled and approved by council on 24 Jan 2025	Target achieved	N/A	N/A	a) 2024/2025 mid-year financial review report b) Council resolution
64	MFVM 3/FS/24/25 (IDP/TL)				Approval of adjustment budget	Approved Adjustment budget in terms of Section 28 of the MFMA	Table 2023/2024 Adjustment budget in terms of Section 28 of the MFMA to council for	23/24 Adjustment budget approved by council on 26 Feb 2024	Table 2024/2025 Adjustment budget in terms of Section 28 of the MFMA to council for approval by 28 February 2025	N/A	2024/2025 Adjustment budget in terms of Section 28 of the MFMA tabled and approved by council on 28 February 2025	Target achieved	N/A	N/A	a) 2024/2025 Adjustment Budget b) Council resolution



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							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)					
							approval by 28 February 2024									
65	MFVM 4/FS/24/25 (IDP/TL)					Compile reports on Unauthorized, irregular, fruitless and wasteful expenditure Reports tabled to council	Number of Unauthorized, Irregular or fruitless and wasteful expenditure Reports tabled to council	4 Unauthorized, Irregular or fruitless and wasteful expenditure Reports tabled to council by 30 June 2024	4 Unauthorized, Irregular or fruitless and wasteful expenditure Reports tabled to council by 30 June 2024	4 Unauthorized, Irregular or fruitless and wasteful expenditure Reports tabled to council by 30 June 2025	N/A	4 Unauthorized, Irregular or fruitless and wasteful expenditure Reports tabled to council by 30 June 2025	Target achieved	N/A	N/A	A) Unauthorized, Irregular or fruitless and wasteful expenditure reports b) Council resolution
66	MFVM 6/FS/24/25 (IDP/TL)					Compile and submit to council MFMA section 52 reports	Number of quarterly financial reports submitted to council within 30 days of the end of each quarter in terms of S.52 of the MFMA.	4 quarterly financial reports submitted to council within 30 days of the end of each quarter in terms of S.52 of the MFMA by 30 June 2024	4 quarterly financial reports submitted to council within 30 days of the end of each quarter in terms of S.52 of the MFMA by 30 June 2024	4 quarterly financial reports submitted to council within 30 days of the end of each quarter in terms of S.52 of the MFMA by 30 June 2025	N/A	4 quarterly financial reports submitted to council within 30 days of the end of each quarter in terms of S.52 of the MFMA by 30 June 2025	Target achieved	N/A	N/A	a) Sec 52 Quarterly report b) Council resolution
67	MFVM 7/FS/24/25 (IDP/TL)					Submission of AFS to Auditor General	2023/2024 approved Annual Financial Statements	Compile and submit approved 2022/2023 Annual	2022/2023 AFS submitted to AG on 31 Aug 2023	Compile and submit approved 2023/2024 Annual Financial	N/A	2023/2024 AFS compiled, approved by council and submitted to	Target achieved	N/A	N/A	2023/2024 AFS Proof of submission/Ac



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence	
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)					
						submitted to Auditor General	Financial Statements to Auditor General by 31 August 2023		Statements to Auditor General by 31 August 2024		council on the 31 Aug 2024				knowledge ment	
68	MFVM 10/FS/24/25 (IDP/TL)					Expenditure of allocated infrastructure budget	Percentage Capital Infrastructure expenditure of approved projects	100% capital Infrastructure expenditure on approved projects by 30 June 2024	92% expenditure by 30 June 2024	100% capital Infrastructure expenditure on approved projects by 30 June 2025	N/A	95% spent on capital Infrastructure projects by 30 June 2025	Target not achieved	The municipality did not achieve the target of 100% on capital expenditure because some infrastructure projects were not completed	Incomplete projects will be rolled over to 2025/2026 financial year with clear timelines and completion targets.	Spending report per quarter
69	MFVM 2/CORP/24/25 (IDP/TL)					Expenditure of allocated budget on implementing WSP	% of municipality's budget spent on implementing Workplace Skills Plan	1% of the Municipality's Budget spent on implementing the Workplace Skills Plan by 30 June 2024	0% spent by 30 June 2024	1% of the Municipality's Budget spent on implementing the Workplace Skills Plan up to 30 June 2025	N/A	0,24% of the Municipality's Budget spent on implementing the Workplace Skills Plan up to 30 June 2025	Target not achieved	The trainings as per WSP were not all held because the budget was limited, therefore the finance section requested that we prioritise the trainings. The SCM processes were done	The finance advised that the new system for procurement was not inactive in July 2025, therefore employee trainings that were planned for per the training	a) Copy of report



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
													although there were delays and the appointment of Service providers were in July 2025 which was a new financial year.	schedule to take place in August 2025. The Director Corporate Services to engage Finance to provide a budget for training for the rest of the training plan	
70	MFVM 14/FS/24/25 (IDP/TL)			To ensure the efficient, transparent and cost-effective acquisition of goods, services for an organisation	Compiling and submission procurement plan to financed department	2025/2026 Procurement Plan submitted to Provincial Treasury	Submission of 2024/2025 Procurement Plan to Provincial Treasury by 30 June 2024	2024/2025 Procurement Plan submitted to Provincial Treasury by 30 June 2024	Submission of 2025/2026 Procurement Plan to Provincial Treasury by 30 June 2025	N/A	2025/2026 Procurement Plan submitted to Provincial Treasury on 30/06/25	Target achieved	N/A	N/A	a) 2025/2026 Procurement plan b) Proof of submission
Financial ratios															



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
71	MFVM 21/FS/24/25 (IDP/TL)	Municipal Financial Viability and Management	To improve Municipal Finance and Administrative Capability	To measure municipality's operational efficiency, liquidity and stability	Calculation of ratio quarterly	Ratio of months Cash/Cost coverage ratio	3 months cost coverage ratio	5 months cost coverage ratio at 30 June 2024	3 months cost coverage ratio per quarter up to 30 June 2025	N/A	4 months cost coverage ratio at 30 June 2025	Target achieved	The ratio is higher than the norm which is 1-3 months, which then means the municipality is not at risk of not being able to meet its financial obligations monthly and to provide services to the community. The reason why the ratio is higher is because of high balances on cash and cash equivalents as well as receivables from non-exchange transactions. This higher ratio	N/A	a) Report on Financial Performance Ratio



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence	
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)					
													confidently demonstrates the Municipality's ability to manage its debts effectively while ensuring the continuous provision of essential services to the community.			
72	MFVM 22/FS/24/25 (IDP/TL)					Calculation of ratio quarterly	Current ratio (current assets/current liabilities)	2,1	3,34	2,1 a quarter up 30 June 2025	N/A	4,3	Target achieved	N/A	N/A	a) Report on Financial Performance Ratio
73	MFVM 23/FS/24/25 (IDP/TL)					Calculation of ratio quarterly	Capital Expenditure Budget Implementation ratio	10%	14%	95% by 30 June 2025	N/A	95% by 30 June 2025	Target achieved	N/A	N/A	a) Report on Financial Performance Ratio
74	MFVM 24/FS/24/25 (IDP/TL)					Calculation of ratio annually	Percentage of budget for repairs and maintenance as a % of	8%	11%	8% by 30 June 2025	N/A	8%	Target achieved	N/A	N/A	a) Report on Financial Performance



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)				
						Property, Plants and Equipment and Investment Property (Carrying Value)									Ratio
75	MFVM 25/FS/24/25 (IDP/TL)				Calculation of ratio annually	Debt written off as % of provision for debt impairment	N/A	N/A	100% by 30 June 2025	NEW	64%	Target achieved	N/A	N/A	a) Report on Financial Performance Ratio
Revenue Collection															
76	MFVM 12/FS/24/25 (IDP/TL)	Municipal Financial Viability and Management	To improve Municipal Finance and Administrative Capability	To improve revenue and all possible revenue streams applicable to KZN271	Percentage of collection Rate	Percentage of collection Rate	95% Revenue collection rate as a percentage of billed amount per quarter up to 30 June 2024	118%	95% Revenue collection rate as a percentage of billed amount per quarter up to 30 June 2025	N/A	42%	Target not achieved	The norm for collection ratio is 95% of all billable income. There has been a decline in payment trend from government departments which is a contributing factor for lower collection rate. The second	The municipality will engage government departments with regards to the payment of their properties. Manguzi Magistrate court will be engaged to get a working system that	Proof of revenue collected



NO	IDP / SDBIP NO.	NATIONAL KEY PERFORMANCE AREAS	OUTCOME 9	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATORS/ UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR			Status (Achieved / Not Achieved)	Reasons for Under-achievement and over achievement	Measures taken to improve performance	Audit Evidence/Portfolio of Evidence	
							2023/2024 (TARGET)	2023/2024 (ACTUAL)	2024/2025 (TARGET)	MID-YEAR AMENDED TARGET	2024/2025 (ACTUAL)					
													<p>aspect of the decline is traffic fines collection which has been declining over the years. The reason for the decline in this category is that there are some delays and other challenges in the court system to process all road traffic offences submitted to Manguzi Magistrate Court by the municipality.</p>	<p>will enable them speed up the processes to issue warrants and collection of traffic fines issued by our traffic officers.</p>		
		Municipal Manager: _____					Date: _____									





7.2 Audit Committee recommendations

The Audit/Performance Audit Committee meets on a quarterly basis during each financial year to ensure compliance with relevant legislation, procedures and to consider the quarterly performance achievements reported on the Top Layer SDBIP as well as the performance achievements reported in terms of the Departmental Service Delivery Budget Implementation Plans.

100% of 2024/2025 findings by the Auditor-General contained in the AG Action Plan were resolved by 30 June 2025.

The Audit Committee and Performance Audit committee met twice in (23 and 28) August 2025 to consider the 2024/2025 Annual performance report and gave input into recommendations and corrections which management committed to clear prior to submission. The Audit Committee recommended to council that the 2024/2025 Annual Performance Report be approved for submission to the Auditor General for auditing, in compliance with legislative prescripts.

7.3 Deteriorating performance

The effective implementation of the performance management regulations will serve as an early warning mechanism for uMhlabuyalingana Municipality to keep ahead in performance and to effect 2024/2025 corrective measures timeously in any of the weak functional areas identified by the performance management system.

Section 46(1)(a) of the Municipal Systems Act (No. 32 of 2000) require the Municipality to prepare a performance reports reflecting the municipality's, and any service provider's, performance during the financial year reported on.



The report herein below outlines the assessment of each contracted service that the municipality has with external service providers. The rating of service providers is based on the legend mentioned hereunder.

Table 4: Assessment Key for Performance of External Service Provider's

Assessment Key	
Good (G)	<i>The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract</i>
Satisfactory (S)	<i>The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract</i>
Poor (P)	<i>The service has been provided below acceptable standards</i>



Table 5: Assessment of Performance of External Service Provider's

Bid No	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Assessment of Service Providers Performance		
					G	S	P
UMHL01/2023/2024	MANGUZI INTERNAL ROAD PHASE 2 (MIL ENGINEERS PTY LTD)	03/07/2023	YES	R5 680 274.58		√	
UMHL02/2023/2024	MANGUZI INTERNAL ROAD PHASE 2 (QINISA CONSTRUCTION)	27/11/2023	YES	R40 573 389.89		√	
UMHL01-3/2023/2024	SKHEMELELE INTERNAL ROAD (SIYARORO TRADING) CONSTRUCTION	17/02/2025	YES	R3 814 965.24		√	
UMHL02/2022/2023-07	SKHEMELELE INTERNAL ROAD SIMPHULWAZI ENGINEERS (CONSULTANT)	01/07/2024	YES	R836 272.62		√	
UMHL13/2024/2025	KWASHODI MAHLAKWE GRAVEL ROAD (BLAQ 32 LOGISTIC SERVICES) CONSTRUCTION	17/02/2025	YES	R3 850 825.71		√	
UMHL 02/2022/2023-9	KWASHODI MAHLAKWE GRAVEL ROAD (BAV CONSULTING) CONSULTANT	01/11/2024	YES	R626 596.29		√	



Bid No	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Assessment of Service Providers Performance		
					G	S	P
UMHL12/2024/2025	MANZIBOMVU KWAZUNGU GRAVEL ROAD (SIYAMDUMISA TRADING AND PROJECT 70cc) CONSTRUCTION	17/02/2025	YES	R2 131 980.91		√	
UMHL02/2022/2023-8	MANZIBOMVU KWAZUNGU GRAVEL ROAD (BAV CONSULTING) CONSULTANT	01/11/2024	YES	R442 688.22		√	
UMHL01/2022/2023-1	OQONDWENI ELECTRIFICATION P1 (ODG TECHNOLOGY) CONSULTANT	01/08/2023	YES	R1433906.98		√	
UMHL 04/2023/2024	OQONDWENI ELECTRIFICATION P1 (SHANTIES ELECTRICAL) CONSTRUCTION	08/12/2023	YES	R10 242 192.74		√	
UMHL 03-01/2023/2024	OQONDWENI ELECTRIFICATION PHASE 2 (ODG TECHNOLOGY) CONSULTANT	01/07/2024	YES	R 868 995.43		√	
UMHL08/2024/2025	OQONDWENI ELECTRIFICATION P2 (ZIZAMELE ELECTRICAL) CONSTRUCTION	18/11/2024	YES	R6117730.22		√	



Bid No	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Assessment of Service Providers Performance		
					G	S	P
UMHL03-01/2023/2024	MAZAMBANE ELECTRIFICATION (ODG TECHNOLOGY) CONSULTANT	01/07/2024	YES	R502 918.43		√	
UMHL10/2024/2025	MAZAMBANE ELECTRIFICATION (IGODA PROJECTS) CONSTRUCTION	18/11/2024	YES	R2629090.30		√	
UMHL02/2022/2023	MVELABUSA MAHASHI ELECTRIFICATION (AFRILITICAL ENGINNERS) CONSULTANT	01/07/2024	YES	R485 475.38		√	
UMHL01-2022/2023	NDLONDLWENI MQHIYAMA ELECTRIFICATION PHASE (ODG TECHNOLOGY) CONSULTANT	01/07/2024	YES	R893 201.56		√	
UMHL09/2024/2025	NDLONDLWENI MQHIYAMA ELECTRIFICATION PHASE (NTSIKAYEZWE CONSTRUCTION) CONSTRUCTION	8/11/2024	YES	R4 440 147.50		√	



Bid No	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Assessment of Service Providers Performance		
					G	S	P
UMHL15/2024/2025	CONSTRUCTION OF MAINTENANCE OF MBUBENI-MAJOLA GRAVEL ROAD (LAMAZWIDE PROJECT 70cc	05/06/2025	YES	R 1 616 325.00		√	
UMHL02/2022/2023	CONSULTANT OF MAINTENANCE OF MBUBENI-MAJOLA GRAVEL ROAD (LAMAZWIDE PROJECT 70cc	04/05/2025	YES	R226 285.50		√	
UMHL16/2024/2025	CONSTRUCTION OF MAINTENANCE OF MFIHLWENI-MFAKUBHEKA- GRAVEL ROAD (EZINHLE SUPPLIERS & CONTRACTORS)	05/06/2025	YES	R 1 580 272.50		√	
UMHL02/2022/2023	CONSULTANT OF MAINTENANCE OF MFIHLWENI- MFAKUBHEKA- GRAVEL ROAD (LAMAZWIDE PROJECT 70cc (SIMPULWAZI ENGINEERING)	04/05/2025	YES	R221 238.15		√	
UMHL17/2024/2025	CONSTRUCTION OF MAINTENANCE OF MQOBELA GRAVEL ROAD(NOPRIMA TRADING cc (SIMPULWAZI ENGINEERING)	05/06/2025	YES	R 1 327 952.43		√	



Bid No	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Assessment of Service Providers Performance		
					G	S	P
UMHL02/2022/2023	CONSULTANT OF MAINTENANCE OF MQOBELA GRAVEL ROAD (SIMPULWAZI ENGINEERING)	04/05/2025	YES	R185 913.34		√	



The importance of proper planning to ensure that budget is provided to execute the service delivery plans. Lastly it is imperative that constant monitoring of targets and budget is done timeously to pick up on areas that need immediate intervention to meet the timeframes set out as per the service delivery targets. Continuous improvement of public participation and engagement processes with relevant stakeholders, transparency and accountability in all municipal programmes to speed up service delivery. Continuous improvement of PMS and SMART principles.

I, N.P.E. Myeni, the Municipal Manager of uMhlabuyalingana Municipality, hereby certify that:

The 2024/2025 Annual Performance Report

For the year ended 30 June 2025 has been prepared in accordance with the Municipal Systems Act.

Mr N.P.E. Myeni

Municipal Manager of uMhlabuyalingana Local Municipality



Chapter 4 | Organisational Development Performance (Performance Report Part II)

In this chapter, the information pertaining to the implementation of an effective performance management system, organisational development and performance of a municipality is provided. Such information is required to identify skills gaps and plans for the development of such skills.

Moreover, public sector information across all three spheres of government is required to improve service delivery across the public sector. Therefore, Public Service Regulations (2001), Chapter 1, Part III J.3: from 1 April 2001, require Annual Reports to include information on planning, service delivery, organisation, job evaluation, remuneration, benefits, personnel expenditure, affirmative action, recruitment, promotions, termination of services, performance management, skills development, injury on duty, labour relations, leave and discharge due to ill-health, etc.

In order to measure the outcome of effective organisational development the following is highlighted:

- organisational structure enhancement
- increased accountability
- Increased participation in problem solving, goal setting and new ideas; and
- identifying and development of skills needed to perform

In relation to the above, the content of this chapter includes:

Component A: Introduction to the municipal workforce

Introduction to the municipal workforce (Total Employment, to include staff turnover. This could indicate a stable or unstable institution).



Component B: Managing the municipal workforce Levels

Managing the municipal workforce Levels on reporting will be broken down to MM & Section 56, top management, assistant managers, supervisors.

Component C :Capacitating the municipal workforce.

Component D: Managing the municipal workforce expenditure.



Chapter 5 | Financial Performance

Sound financial management practices are essential to the long-term sustainability of municipalities. They underpin the process of democratic accountability. Weak or opaque financial management practices and reports result in misdirected and under-utilisation of resources. The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernise municipal financial management. Effective municipal financial management has interrelated components:

- ❖ planning and budgeting
- ❖ asset and liability management
- ❖ revenue and expenditure management
- ❖ supply chain management
- ❖ other financial management
- ❖ accounting and reporting, and
- ❖ oversight & operational continuity

Each of these components contribute to ensuring that government financial expenditure is developmental, effective and efficient and that municipalities / municipal entities are held accountable for the effective management of their funds.

The aim of this chapter is to provide an overview of the financial performance of the municipality / municipal entity through measuring of results. It further provides an opportunity for planning, to ensure that future budgetary allocations are brought in line with IDP and functional area activities and outputs.

Information included in this chapter is divided into the following framework:

Component A: Statement of Financial Performance

5.1 Statement of Financial Performance

During 2024/2025 financial year, the municipality collected a total revenue of R348 540 685, (2023/2024: R387 690 614). In 2024/2025 financial year, the municipality had operating expenses of R318 223 657 (2023/2024: R 348 466 666) and capital expenditure of R47 226 257 (2023/2024: R53 466 837).

Consultancy fees for 2024/2025 financial year amounts to R8 931 402 (2023/2024: R9 803 959) which is including legal fees, business and advisory services and infrastructure and planning services fees.



Table 65: Statement of Financial Performance

Description	Original Budget	Final Budget	Actual Income & Expenditure	Variance	Actual Income As % Of Final Budget
<u>Financial Performance</u>					
<u>Revenue from exchange transactions</u>					
Service charges	469 953	469 953	469 953	-	100%
Rental of facilities	467 680	465 657	421 690	(43 967)	91%
Agency services	175 326	353 563	353 563	-	100%
Licences and permits	2 685 262	2 484 393	2 574 720	90 327	104%
Operational revenue	323 874	1 869 201	1 869 201	-	100%
Interest received-investment	5 200 000	11 655 832	11 655 832	-	100%
Total revenue from exchange transactions	9 322 095	17 298 599	17 344 959	46 360	101%
Taxation revenue					
Property Rates	30 108 866	23 814 769	23 814 769	-	100%
Interest on consumer debtors	2 339 778	2 339 778	2 339 778	-	100%
Total taxation revenue	32 448 644	26 154 547	26 154 547	-	100%



Description	Original Budget	Final Budget	Actual Income & Expenditure	Variance	Actual Income As % Of Final Budget
Transfer revenue					
Government grants and subsidies	305 220 182	291 855 336	291 628 791	-	100%
Fines, penalties and forfeits	1 592 400	1 417 750	1 417 750	-	100%
INEP contract revenue	11 767 826	11 767 826	11 767 826	-	100%
Beach development	-	-	267	(267)	0%
Total revenue from non-exchange transactions	318 580 408	305 040 913	305 041 179	(267)	100%
TOTAL REVENUE	360 351 147	348 494 058	348 540 685	46 627	100%
Expenditure					
Employee Costs	(102 505 903)	(96 867 488)	(95 092 134)	(1 775 354)	99%
Remuneration of Councillors	(16 750 105)	(15 750 105)	(15 596 840)	(153 265)	99%
Depreciation and amortisation	(37 654 495)	(28 912 614)	(31 045 808)	2 133 194	108%
Impairment loss	-	(9 866 571)	(9 415 595)	(450 976)	96%
Finance costs	(995 202)	(3 079 252)	(3 079 252)	-	100%
Lease rentals on operating lease	(921 947)	(736 476)	(682 185)	(54 291)	93%
Debt Impairment	(9 013 021)	(8 657 955)	(9 624 084)	(966 129)	112%
Inventory consumed	(2 773 650)	(2 182 788)	(2 176 732)	(6 056)	100%



5.2 Financial Ratios For 2024/2025

5.2.1 Asset Management

Capital expenditure to total expenditure ratio is 13% in the 2024/2025 financial year; in the 2023/2024 financial year, it was also 13%. The ratio did not change when compared to the prior year. This indicates that the municipality is investing enough in assets since the ratio is above 10% and capital expenditure reported in the current year is largely directed towards service delivery infrastructure and not administrative assets, although it has not changed when compared to prior year performance, but it is not enough since it is not increasing.

5.2.2 Debtors Management

The collection ratio is 25% in the 2024/2025 financial year; in the 2023/2024 financial year, it was 66%. The collection rate has decreased by 46% compared to the prior year, due to the fact that the KZN Department of Public Works failed to settle its property rates accounts in the 2024/2025 financial year. The financial challenges in the country have caused other government departments to be unable to meet their financial obligations. This ratio indicates that the quality of credit control and the quality of revenue management need to be assessed properly, and corrective measures should be implemented in order to improve the collection rate in the future.

5.2.3 Liquidity Management

Liquidity Management: The cash /cost coverage ratio indicated the municipality's ability to meet its monthly fixed operational commitments from cash and short-term investments without collecting additional revenue during the month. Our ratio is 4 months, and the norm is 1- 3 months. This is the indication that the municipality is not at risk of not being able to meet its obligations to provide basic service delivery or that its financial commitment is not compromised. In the prior year, the ratio was 4 months, which then indicates that in the current year, there was no change.



The current ratio is 4,3 for the 2024/2025 financial year. In the prior year, the ratio was 3,08. This ratio is used to assess the municipality’s ability to pay back its short-term liabilities with its short-term assets, which are cash, inventory, and receivables.

Component B: Spending against Capital Budget

During the 2024/2025 financial year, the capital expenditure was 88 % of the Capital budget. 77% was grant-funded, and only 11% was funded by internal funds. Capital grants were received from the Municipal Infrastructure Grant (MIG) and Municipal Disaster Relief Grant.

5.3 Capital Expenditure

Table 67: Capital Expenditure Funding Sources

Descriptions	2023/24 Actual	Original budget 2024/2025	Adjustment budget 2024/2025	Actual spending 2024/2025	%
Source of Finance					
Grants and subsidies	46 010 383	39 129 818	44 464 101	40 767 545	92%
Internally generated funds	7 456 451	6 826 088	17 110 878	13 260 414	77%
Capital Expenditure					
Roads	42 480 915	39 129 818	44 464 101	40 767 545	92%
Community halls, markets and centres	3 529 467	-	3 924 559	3 711 764	94%
Sports fields	-	1 000 000	100 000	85 039	85%
Other assets	7 456 451	6 826 088	13 086 318	9 463 611	72%



Component C: Cash flow Management and Investments

5.4 Cash Flow

Table 68: Cashflow Outcomes

Cash Flow Statement	2024/2025	2023/2024
<u>Receipts</u>		
Sale of goods and services	28 234 665	29 692 744
Grants	293 829 424	287 254 000
Interest income	10 915 669	9 880 939
Receipts on INEP projects	13 533 000	24 760 000
	346 572 758	351 587 683
<u>Payments</u>		
Employee costs	(111 914 829)	(103 817 255)
Suppliers	(161 956 608)	(180 570 626)
Finance costs	(5 333)	(4 523)
Repayments grants	(5 168 897)	-
INEP expenditure	(11 767 826)	(23 037 532)
Net cash flows from operating activities	(290 813 493)	(307 429 937)
Cash flows from investing activities		
Purchases of property, plant, and equipment	(43 426 168)	(53 466 834)
Proceeds from the sale of property, plant, and equipment	2 177 332	-
Net cash flows from investing activities	(41 248 836)	(53 466 834)
Cash flow from financing activities		



Cash Flow Statement	2024/2025	2023/2024
Net increase / decrease in cash and cash equivalents	14 450 429	(9 308 088)
Cash and cash equivalents at the beginning of the year	98 943 798	108 252 886
Cash and cash equivalents at the end of the year	113 394 227	98 943 798

5.5 Borrowings and Investments

Table 69: Municipal and Entity -Investments

Municipal and Entity Investments	2024/2025	2023/2024	2022/2023
<u>Municipality</u>	-	-	-
Securities - National Government	-	-	-
Listed Corporate Bonds	-	-	-
Deposits – Bank	110 581 023	49 181 926	25 591 507
Deposits - Public Investment Commissioners	-	-	-
Deposits - Corporation for Public Deposits	-	-	-
Bankers’ Acceptance Certificates	-	-	-
Negotiable Certificates of Deposit – Banks	-	-	-
Repurchase Agreements – Banks	-	-	-
Municipal Bonds	-	-	-
Other	-	-	-
Municipality sub-total	110 581 023	49 181 926	25 591 507
Municipal Entities			
The municipality doesn’t have an entity	-	-	-
Consolidated total	110 581 023	49 181 926	25 591 507

The municipality did not have borrowings but only has short term investments. Short term investments are made to different banks in different types of investment accounts such as fixed deposits and money market accounts.

5.6 Public-Private Partnerships

Public-Private Partnerships: The municipality did not have partnership agreements during 2024/2025 financial year.



Component D: Other Financial Matters

5.7 Supply Chain Management

uMhlabuyalingana Municipality has a centralised SCM Unit which is under the management of the CFO. The unit has 4 officials, 3 of these officials have done training on the prescribed level of competency requirements. All the SCM Committees have been established and are functioning properly in the implementation of the SCM Policy.

5.8 Grap Compliance

The municipality has fully implemented the Standards of GRAP (Generally Recognised Accounting Practice) in accordance with the MFMA and Directive 5 issued by the Accounting Standards Board (ASB) and did not deviate from any standard.



Chapter 6 | Auditor-General Audit Findings

AUDITOR GENERAL'S REPORT 2024/2025



AUDITOR-GENERAL
SOUTH AFRICA



AUDIT REPORT

uMhlabuyalingana Local Municipality

2024-25

Date: 29 November 2025



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

Report on the audit of the financial statements

Opinion

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

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in notes 43 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.



Other matter

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

Unaudited disclosures

9. 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 for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and 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.

11. 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

12. 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.

13. 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

14. 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 development priority presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.



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

Development priority	Page numbers	Purpose
KPA 4 - Basic Service Delivery and Infrastructure Development	XX	Provision of basic services to the local community

16. I evaluated the reported performance information for the selected development priority 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.

17. I performed procedures to test whether:

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

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

19. I did not identify any material findings on the reported performance information for the selected development priority.



Other matter

20. I draw attention to the matters below.

Achievement of planned targets

21. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

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

Basic Service delivery and infrastructure development

<i>Targets achieved: 69%</i> <i>Budget spent: 100%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of households electrified -oqondweni phase 2	55 household electrified by 30 June 2025	0
Number of households electrified – Mvelabusha mahhashi	28 household electrified by 30 June 2025	0
Number of households electrified - Ndondlweni	133 household electrified by 30 June 2025	0
Number of renovated market stalls	55 market stalls renovated 30 June 2025	22
Number of kilometres of gravel and tarred roads constructed – kwashodi mahlakwe	2,8km kwashodi mahlakwe gravel road completed by 30 June 2025	0
Number of kilometres of gravel and tarred roads constructed – manzibomvu kwaZungu	1,1 km manzibombu kwazungu gravel road completed by 30 June 2025	0
Number of kilometres of gravel road and tarred roads constructed	2,02km of manguzi internal tarred road phase 2 constructed by 30 June 2025	0
Number of kilometres of gravel roads regavelled - mfihlweni mfakubheka access road	3km regravelling of mfihlweni mfakubheka by 30 June 2025	0
Number of kilometres of gravel roads regavelled – mqobela access road	2,5km regravelling of mqobela access road by 30 June 2025	0



<i>Targets achieved: 69%</i> <i>Budget spent: 100%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of kilometres of gravel road regravelled – mbubeni Majola access road	3km regravelling of mbubeni Majola access road by 30 June 2025	0
Number of metres of sewer line constructed	400m of sewer line constructed at manguzi market stalls by 30 June 2025	0

Material misstatements

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

Report on compliance with legislation

24. 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.

25. 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.

26. 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.

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

Annual Financial Statements and Annual Report

28. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of commitments, allowance for debtors impairment and the cash flow statement identified by the auditors in the submitted financial statement were subsequently corrected and the supporting



records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

29. Sufficient appropriate audit evidence could not be obtained that invitations for competitive bidding were advertised for a required minimum period of days, as required by SCM Regulation 22(1) and 22(2).
30. Some of the contracts were awarded through a competitive bidding processes that were not adjudicated by the bid adjudication committee as required by SCM Regulation 29(1)(a) and (b).
31. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM Regulation 5.
32. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.

Governance and oversight

33. I was unable to obtain sufficient appropriate audit evidence that the performance audit committee/audit committee reviewed the quarterly reports submitted by the internal auditors on the audits of performance measurement as required by regulation 14(4)(a)(i) on Municipal Planning and Performance Management.

Other information in the annual report

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



Internal control deficiencies

38. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
39. The matters reported below are limited to the significant internal control deficiencies that resulted from material findings on the annual performance report and the material findings on compliance with legislation included in this report
40. The accounting officer did not implement adequate internal controls to ensure the preparation of accurate financial statements as numerous material misstatements were identified that resulted in the non-compliance reported under compliance with legislation.
41. The accounting officer did not implement adequate internal controls over procurement and contract management as material non-compliance continues to be identified.

Auditor - General

Pietermaritzburg

29 November 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annexure to the auditor's report

The annexure includes the following:

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

Auditor general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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



Communication with those charged with governance

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

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



Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	<p>Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii),</p> <p>Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f),</p> <p>Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a),</p> <p>Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)</p>
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	<p>Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e),</p> <p>Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i),</p> <p>Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)</p>
Municipal Systems Act 32 of 2000	<p>Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b),</p> <p>Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a),</p> <p>Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1)</p>
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)



Legislation	Sections or regulations
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), Sections: 54A(1)(a),56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1),96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1),31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)



AG ACTION PLAN 2024-2025 FINANCIAL YEAR

Table 70 : AG Corrective Action Plan

Finding No.	Sub-component	Legislative prescript	Classification of Audit Finding	AGSA Finding Description	Root Cause	Corrective / Remedial Action Steps	Responsible Official	AG Finding 2023-24	AG Finding 2024-25	Target Completion Date	Progress Update	Status	Evidence Required for Closure
Supply Chain Management Component													
1	Appointment of Consultants through Panel	SCM Regulation 19: "A supply chain management policy must specify— (a) that goods or services above a transaction value of— (i) R300 000 (VAT included), in the case of a local municipality; (ii) R200 000 (VAT included), in the case of a district municipality; and (iii) R750 000 (VAT included), in the case of a metropolitan municipality, may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); A supply chain management policy must, subject to regulation 11(2), provide for the procurement of goods and services by way of a competitive bidding process for— (i) procurements above a transaction value of R300 000 (VAT included); and (ii) the procurement of long-term contracts	Non-compliance	During the audit of tender, it was noted that the below contracts were awarded to consultants without following the competitive bidding process. The municipality did not comply with the legislation and the SCM policy which also details that appointments from the panel should comply with the competitive bidding process. Further to this no deviation was completed and approved by the accounting officer to deviate from the competitive bidding process.	a) Appointment of civil and electrical engineers through IPW not following rotation plan that is aligned to normal SCM process b) Lack of management oversight to ensure compliance with legislation in procurement of goods and services.	a) Disclose irregular expenditure on the AFS note b) Appoint internal auditor to investigate irregular expenditure c) Report to MPAC the report of findings d) MPAC to table to council the investigation report	a) CFO to update the AFS note b) AO to appoint internal auditor to investigate c) AO to tabled to MPAC the investigation report d) MPAC chair to table the investigation report to council	No	Yes	a) 28 November 2025 b) 05 December 2025 c) 25 February 2026 d) 31 March 2026	a) AFS Note to disclose irregular expenditure b) Internal Audit has been appointed to start with investigations	In-progress	a) AFS Note Disclosure b) Appointment Letter for IA for irregular expenditure investigation c) MPAC Agenda and minutes and resolution d) Council Resolution
Contract Management Component													



Finding No.	Sub-component	Legislative prescript	Classification of Audit Finding	AGSA Finding Description	Root Cause	Corrective / Remedial Action Steps	Responsible Official	AG Finding 2023-24	AG Finding 2024-25	Target Completion Date	Progress Update	Status	Evidence Required for Closure
2	Contracts NOT monitored on a monthly basis	In terms of Municipal Finance Management Act 116 (2)(b) The accounting officer of a municipality or municipal entity must: (b) monitor on a monthly basis the performance of the contractor under the contract or agreement.	Poor Contract Management	During the audit it was noted that the contracts below were not monitored on a monthly basis as required by Municipal Finance Management Act. OQONDWENI ELECTRIFICATION: - Shantis - ODG NDLONDWENI MQHIYAMA MANGUZI MARKET STALLS - Asimzame Construction - SPK Engineers MANGUZI INTERNAL ROADS PHASE 2 - Qinisa Construction - MIL Engineers	a) Non-compliance with laws and regulations applicable to the municipality b) Non alignment of SDBIP with projects progress and signed contracts c) Inadequate monitoring of the SDBIP d) Inadequate project management	a) Submission of monthly progress reports to contracts management to assist with assessing of service providers. b) Schedule monthly meetings with service providers to report on the status of projects c) Monitor progress against project implementation plan and cashflow projections as per SDBIP	a) Manager Infrastructure b)DD PLID c)Director Technical Services	Yes	Yes	a) Monthly	To be reported 31 December 2025	In-progress	a) Monthly progress reports b) Project Steering Committee Minutes c) Monthly Performance Report



Finding No.	Sub-component	Legislative prescript	Classification of Audit Finding	AGSA Finding Description	Root Cause	Corrective / Remedial Action Steps	Responsible Official	AG Finding 2023-24	AG Finding 2024-25	Target Completion Date	Progress Update	Status	Evidence Required for Closure
3	Contract extension not in compliance with SCM regulations and MFMA	Per SCM regulation 2: Each municipality and each municipal entity must in terms of section 111 of the Act have and implement a supply chain management policy that—(a) gives effect to—(i) section 217 of the Constitution; and(ii) Part 1 of Chapter 11 and other applicable provisions of the Act;(b) is fair, equitable, transparent, competitive and cost effective.In terms of MFMA 116 (3) A contract or agreement procured through the supply chain management policy of the municipality or municipal entity may be amended by the parties, but only after-(a) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent municipality.	Non Compliance	During the audit it was noted that the contract below was extended, however auditor could not confirm if the extension was done in accordance with Supply chain management regulations and as required in terms of MFMA as no extension was provided for audit.- SHANTIS - ODG-MIL- QINISA	a) Inadequate project managementb) Non-compliance with section 116 of the MFMA	a) Strengthen project management by capacitating the project management unitb) Ensure adherence to project timelines in terms of project plan, project milestones and deliverablesc) Where a project has delayed, section 116 of the MFMA will be followed	a) Manager Infrastructureb) DD PLIDc)Director Technical Servicesd) Engineers'	No	Yes	a) 31 March 2026b) Monthlyc) 31 December 2025d) 31 January 2025	To be reported 31 December 2025	In-progress	a) Training Plan (Project Management)b) Report for motivation of extension b) Monthly project Reportc) b) Council Resolution
4	No penalty for suppliers assessed as poor performers	In terms of clause 22 of General Condition of Contracts (GCC) stipulates that if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using	Non-compliance with GCC	Contrary to the above it is stated that the following suppliers were monitored monthly for performance by the management and upon such monitoring it was established that the service provider was assessed as	a) This audit finding was due to management not penalizing and taking actions against service providers that do not deliver or perform in terms of the approved contract or agreement	a) Develop a standardised SLA that will clearly articulate the penalty clauses on poor performance b) Develop business processes for project management & monitoring. c) Ensure that engineers' report on underperformance timeously and action is	a)DD PLIDb)Director Technical Servicesc) PMU	No	Yes	a) 31 January 2025b) 28 February 2026c) Monthlyd) Ad-hoc	To be reported 31 December 2025	In-progress	a) Signed SLAs'b) SOP developed and workshoppedc) Monthly progress reportd) Ad hoc



Finding No.	Sub-component	Legislative prescript	Classification of Audit Finding	AGSA Finding Description	Root Cause	Corrective / Remedial Action Steps	Responsible Official	AG Finding 2023-24	AG Finding 2024-25	Target Completion Date	Progress Update	Status	Evidence Required for Closure
		the current prime interest rate calculated for each day of the delay until actual delivery or performance, The purchaser may also consider termination of the contract pursuant to GCC Clause 23In terms of clause 23.1 of General Condition of Contracts (GCC) stipulates that the purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part: (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2; (b) if the Supplier fails to perform any other obligation(s) under the contract; or (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.		not performing in accordance with the terms and conditions of the contract with the municipality of UMhlabuyalingana. These contracts were assessed, and management made the following comments and remarks on the performance of the service provider during the current financial year: • Poor communication with the municipality • Service level did not adhere to • set of targets not met • poor reporting	between the supplier and the municipality	taken as per the provisions of the signed SLAd) Implementation of consequence management							

Internal Audit and Performance management Committee Component



Finding No.	Sub-component	Legislative prescript	Classification of Audit Finding	AGSA Finding Description	Root Cause	Corrective / Remedial Action Steps	Responsible Official	AG Finding 2023-24	AG Finding 2024-25	Target Completion Date	Progress Update	Status	Evidence Required for Closure
5	Non-Compliance – Internal Auditors function	In terms of MFMA 165(2)(b)(ii) and MFMA circular 65 stipulates that the internal audit function of the municipality must advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to; (i) Internal audit (ii) Internal controls (iii) Accounting procedures and practices (iv) Risk and risk management (v) Performance management. (vi) Loss Control, and (vii) Compliance with this act, the annual Division of Revenue Act and any other applicable legislation.	Non-compliance	During the audit it was noted there is no evidence that the internal auditors advised accounting officer and report to the auditing & Performance committee on the following matters as these reports were not provided to auditors: • Internal control assessment • Risk management processes • Loss Control • Compliance with the act including Supply Chain Management legislation	The result of the audit finding was due to ineffectiveness of the internal audit unit of the municipality during the current financial year ended 30 June 2025.	a) Ensure implementation of Internal Audit Plan, that will be assessed on a quarterly basis b) Conduct Internal Audit performance assessment against Internal Audit Plan by the AC c) Table a quarterly report to AC on implementation of IA plan d) Ensure that risks identified in Internal Control Deficiencies, Loss Control, and Supply Chain Management (SCM) are properly mitigated, monitored, and reported on regularly to strengthen compliance and reduce exposure to financial and operational risks.	a) Accounting Officer b) Interna Auditor c) Performance Audit Committee d) Risk and Compliance Manager	No	Yes	a) 31 Jan 2026 b) 30 June 2026 c) Quarterly	To be reported 31 December 2025	In-progress	a) IA Plan b) IA Performance assessments by AC c) Quarterly reports
Governance													
6	Governance- Audit Committee did not review the quarterly	In terms of the Municipal Systems Act of 2000 (Act 32 of 2000) states that, in terms of section 57 The Municipal Planning and Performance Management Regulation 14(4)(a)(i), states that a performance audit committee must review the quarterly reports submitted to it in terms of sub regulation (1)(c)(ii).Regulation	Non-compliance	During the testing of the governance compliance for the municipality, it was noted that the audit committee reviewed the quarterly reports on performance from	a) The above will result in non-compliance with the Municipal Systems Act b) Minutes of the Performance Audit Committee (PAC) meetings	a) Implementation of Audit Committee charter and Plan b) To improve the minute-taking process to ensure that such information is accurately and comprehensively captured c) To develop PAC work plan and	a) Accounting Officer b) Interna Auditor c) Performance Audit Committee d) Risk and	No	Yes	a) On going b) 31 Dec 2025	To be reported 31 December 2025	In-progress	a) Detailed Minutes b) Approved PAC Work plan



Finding No.	Sub-component	Legislative prescript	Classification of Audit Finding	AGSA Finding Description	Root Cause	Corrective / Remedial Action Steps	Responsible Official	AG Finding 2023-24	AG Finding 2024-25	Target Completion Date	Progress Update	Status	Evidence Required for Closure
		14(1)(c)(ii) states that a municipality's internal auditors must submit quarterly reports on their audits to the municipal manager and the performance audit committee.		the internal auditors as required by the regulation and based on the internal audit reports received from the municipality (three reports for Q1, Q2 and Q3) there was evidence of the reports being reviewed by the audit committee, however, the audit committee did not make recommendations on the performance reports/result in the meeting. and there is no evidence that the report presented to audit committee covered the significant matters relating to performance of the municipality as this was not discussed in the minutes of meeting for audit committee.	do not adequately reflect resolutions, decisions, and actions taken, limiting accountability and follow-up.	ensure compliance with the pland) Table risk management report to council committees as per risk register	Compliance Manager						
Non Adherence to Leave Policy													



Finding No.	Sub-component	Legislative prescript	Classification of Audit Finding	AGSA Finding Description	Root Cause	Corrective / Remedial Action Steps	Responsible Official	AG Finding 2023-24	AG Finding 2024-25	Target Completion Date	Progress Update	Status	Evidence Required for Closure
7	Compliance with the annual leave policy of the Municipality	For the purposes of this section, "leave cycle" shall mean a period of 12 months immediately following an employee's commencement of employments with the municipality and each successive period of 12 months thereafter	Non-compliance	<p>During the testing of the leave pay provision for the year ended 30 June 2025, it was noted that the Municipality does not fully comply with their annual leave policy. Annual leave is approved when employees do not make applications three days prior to taking annual leave. Requirements of leave policy:</p> <p>- Application must be made three (3) days prior to taking annual leave</p>	<p>a) Sudden personal or family emergencies arise unexpectedly, causing employees to plan their leave at the last minutes instead of submitting applications in advance.</p> <p>b) Some employees may not be aware of the leave of absence policy</p> <p>c) Inadequate review and monitoring of employee's leave application process and approval in order to ensure compliance with the policy</p>	<p>a) Management will review the Leave of Absence policy to make provision for situations where employees experience emergency family matters or personal circumstances. In such cases, employees will be required to provide motivation or insert a detailed comment on the system to justify the late submission.</p> <p>b) Management will ensure the continuous reinforcement of the leave of absence through both email updates and in-person briefings.</p> <p>c) Workshop on Leave Policy to be conducted to all municipal employees</p>	<p>a) Director Corporate Services b) Manager: Human Resource</p>	No	Yes	<p>a) 30 June 2026 b) 31 March 2026</p>	<p>Management conducted an investigation with all employees who took leave without adhering to the three-day prior application requirement. The findings showed that most cases were due to emergency circumstances. As a result, management has identified the need to review the current policy.</p>	In-Progress	<p>a) Proof of Workshop conducted On Leave Policy attended by all Municipal Employees -Attendance Register)</p> <p>b) Proof of adherence to Leave Policy (Full Implementation of Leave Policy) - Exactly number of days when applying for leave has been intiniated</p> <p>c) Proof that Leave Policy has been reviewed -(Council Resolution)</p>
AOPO													



Finding No.	Sub-component	Legislative prescript	Classification of Audit Finding	AGSA Finding Description	Root Cause	Corrective / Remedial Action Steps	Responsible Official	AG Finding 2023-24	AG Finding 2024-25	Target Completion Date	Progress Update	Status	Evidence Required for Closure
8	Budget exhaustion on non-achieved performance indicators	<p>In terms of, Section 62(1)(c) of the MFMA stipulates that: “The Accounting Officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.”</p> <p>Furthermore, in terms of Section 65(2)(a) of MFMA stipulates that: “The accounting Officer must take all reasonable steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorization, withdrawal and payment of funds.</p> <p>Lastly, in terms of MFMA Circular No.13 for Service Delivery and Budget Implementation Plan (SDBIP) emphasizes the need for alignment between the budget, service delivery objectives and measurable performance targets.</p>	Non-achieved performance indicators	In contrary to the above, during the audit of performance information for Basic service Delivery for the financial year ended 30 June 2025 in relation to performance indicators that were not achieved, verified that although the indicators were not achieved, there was a misalignment between the overall status / progress of the project and the utilization of the budget as at the current reporting period.	<p>a) Non alignment between financial and non-financial information</p>	<p>a) Ensure alignment between a physical project progress and its financial progress by sound project management approach for tracking and monitoring.</p> <p>b) Submission of credible and approved projects progress reports to PMS for assessment</p>	<p>a) Manager Infrastructure b)DD PLID c)Director Technical Services d) PMS Manager</p>	No	Yes	Monthly	To be reported 31 December 2025	In-progress	<p>a) Monthly report reconciling physical progress versus financial progress</p> <p>b) Progress reports</p> <p>c) Assessment Report from PMS</p>



Finding No.	Sub-component	Legislative prescript	Classification of Audit Finding	AGSA Finding Description	Root Cause	Corrective / Remedial Action Steps	Responsible Official	AG Finding 2023-24	AG Finding 2024-25	Target Completion Date	Progress Update	Status	Evidence Required for Closure
9	Non-corroboration of reasons for not achieving and corrective measure	In terms of, Section 62(1)(c) of the MFMA stipulates that: "The Accounting Officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."	Performance indicators with reasons of non-achieving were determined to be unjustified	a) During the audit of performance information for Basic Service Delivery for the current year ended 30 June verified that reasons disclosed on the APR at 30 June 2025 for performance indicators that were not achieved could not be corroborated or substantiated with readily available evidence submitted by the municipality as at year end. The following are the affected performance indicators with reasons of non-achieving were determined to be unjustified. Refer to finding 9 sheet	a) Lack of adequate information to support documentation to substantiate the target reported as not achieved.	a) Ensure alignment and consistency on all reporting documentation for accuracy of information. b) submission of credible and signed reports to PMS for assessment. c) Held meetings to verify credibility of supporting evidence d) PMS must provide monthly assessment reports to ensure that identified gaps are addressed and closed timeously. e) Alignment of strategic documents (SDBIP)	a) Manager Infrastructure b)DD PLID c)Director Technical Services d) PMS Manager e) All HODs'	No	Yes	Monthly	To be reported 31 December 2025	In-progress	a) Monthly Performance Report b) SDBIP c) Minutes of committees d) Assessment Report



Finding No.	Sub-component	Legislative prescript	Classification of Audit Finding	AGSA Finding Description	Root Cause	Corrective / Remedial Action Steps	Responsible Official	AG Finding 2023-24	AG Finding 2024-25	Target Completion Date	Progress Update	Status	Evidence Required for Closure
			Indicators were identified as having the status that did not show improvement in the first quarter of 2025/2026 as promised by management	<p>a) Furthermore, during the audit for performance information for Basic Service Delivery in relation to the performance indicators that were not achieved verified that management's corrective measures to be taken in improving the results of the indicator as reported on the APR at year end could not be justified. Considering the specified period as when management intends to achieve the performance indicator post year end determined that during such time, there was no evidence which was indicating that management has been taking action to improve the performance indicator with the intention of achieving the</p>	<p>a) Delay in obtaining the approval of outage for connection households</p> <p>b) Ineffective project management</p> <p>c) The scope of work was inadequately assessed during the planning phase, resulting in inaccurate cost estimations</p>	<p>a) Identify and schedule all required outages during the early stages of the project to ensure timely planning and minimize delays.</p> <p>b) Strengthen project planning, assign accountable project managers, monitor progress regularly, and provide monthly reports to management</p> <p>c) Conduct thorough scope and cost assessments during project planning to ensure accurate budgeting and market-aligned pricing.</p> <p>d) Identify savings within the municipality to fund the completion of the project</p>	<p>a) Project Manager</p> <p>b) Director Technical</p> <p>c) Director Technical</p> <p>d) Director Technical</p>	No	Yes	<p>a) 31 January 2026</p> <p>b) Monthly</p> <p>c) Annually</p> <p>d) 31 January 2026</p>	To be reported 31 December 2025	In-progress	<p>a) Outage confirmation notice from ESKOM</p> <p>b) Monthly progress reports</p> <p>c) Project Steering Committee Minutes</p> <p>d) Proposed Budget adjustment tabled to Council for approval (Resolution)</p> <p>e) PMS IA quarterly report</p>



Finding No.	Sub-component	Legislative prescript	Classification of Audit Finding	AGSA Finding Description	Root Cause	Corrective / Remedial Action Steps	Responsible Official	AG Finding 2023-24	AG Finding 2024-25	Target Completion Date	Progress Update	Status	Evidence Required for Closure
				performance at that specified period of time. Based on the perusal of the readily available evidence utilized for the purpose of the audit, the following indicators were identified as having the status that did not show improvement in the first quarter of 2025/2026 as promised by management. Refer to finding 9 sheet									
10	Reporting on in-year changes of targets	In terms of MFMA Circular 129 issued on 10 December 2024 stipulates that the following: Only KPI targets may be adjusted due to under-collection of revenue or reprioritization of funds, in terms of the council-approved adjustments budget referred to in Section 28(2) (a, e & d) of the MFMA. Only KPI targets may be adjusted during the financial year, in line with Section 28(2)(b), to account for additional funding or resources that have become available during the financial year, enabling the revision or acceleration of spending programme already prioritized in the IDP. KPI description may be revised	Indicators were noted with the revised changes on the targets during the year	a) During the audit of performance information for the financial year ended 30 June 2025 for Basic Services Delivery verified that the SDBIP for indicators disclosed the initial target and the revised targets at mid-year without providing reasons to why there were changes made.	a) Market and survey is conducted after budget allocation b) Project designs are done after the budget allocation as the application based on a estimate	a) Conduct market surveys and pricing analysis before budget allocation to ensure realistic and accurate budget estimates , using the previous data for the similar projects	a) Project Manager / Director Technical	No	Yes	31-May-26	To be reported 31 December 2025	In-progress	a) Survey and Marketing Report b) Application report c) Project Allocation letter from DEE



Finding No.	Sub-component	Legislative prescript	Classification of Audit Finding	AGSA Finding Description	Root Cause	Corrective / Remedial Action Steps	Responsible Official	AG Finding 2023-24	AG Finding 2024-25	Target Completion Date	Progress Update	Status	Evidence Required for Closure
		to correct errors in the wording. An explanation for the correction must accompany the revision. KPIs may be adjusted to align with changes in municipal circumstances or emergencies, provided these adjustments remain consistent with the strategic objectives and priorities outlined in the IDP. The reasons for these changes must be clearly explained in the revised SDBIP.		Refer to Finding 10 sheet									



APPENDICES



APPENDIX A | Councillors; Committee Allocation and Council Attendance 2024/2025

This Appendix provides a compilation of a complete list of all Councillors, the party they belong to and the ward which they represent. Information pertaining to the number of Council meetings attended by each of the Councillors also needs to be provided.

Number	Initials and Surname	Gender	Affiliation	Ward/PR
1	Cllr. T.P Manzini	Female	ANC	WC 1
2	Cllr. J.P. Zikhali	Female	IFP	WC 2
3	Cllr. T. Mngomezulu	Male	ANC	WC 3
4	Cllr. L.D. Tembe	Male	ANC	WC 4
5	Cllr. S .M. Manukuza	Male	IFP	WC 5
6	Cllr. F. S Mpanza	Male	ANC	WC 6
7	Cllr. B.K Mbuyazi	Male	IFP	WC 7
8	Cllr. S.M. Tembe	Male	ANC	WC 8
9	Cllr. M.V. Mahamba	Male	IFP	WC 9
10	Cllr. S.J. Mabika	Male	ANC	WC 10
11	Cllr. L.S. Ntuli	Male	ANC	WC 11
12	Cllr. B.D. Mtshali	Male	ANC	WC 12
13	Cllr. I.T. Gwala	Male	IFP	WC 13



Number	Initials and Surname	Gender	Affiliation	Ward/PR
14	Cllr. P.V. Khathwane	Male	IFP	WC 14
15	Cllr. N.C. Mdletshe	Male	ANC	WC 15
16	Cllr. N.J. Khumalo	Male	IFP	WC 16
17	Cllr. K.A Buthelezi	Male	ANC	WC 17
18	Cllr. B.E Biyela	Male	IFP	WC 18
19	Cllr. A.T. Nxumalo	Male	ANC	WC19
20	Cllr. S.S. Mkhumbuzi	Male	ANC	WC 20
21	Cllr. Z.V Mthembu	Male	ABMM	PR
22	Cllr. N.P. Khumalo	Male	ACDP	PR
23	Cllr. Z.M. Mhlongo	Female	ANC	PR
24	Cllr. K.C. Mthembu	Male	ANC	PR
25	Cllr. T.N. Magagula	Male	ANC	PR
26	Cllr. N.P Mthembu	Female	ANC	PR
27	Cllr. W.N.O Nxumalo	Female	ANC	PR
28	Cllr. F.G Mlambo	Female	ANC	PR
29	Cllr. T.S. Myeni	Male	DA	PR
30	Cllr. D. Mlambo	Male	EFF	PR
31	Cllr. P.T. Vumase	Female	EFF	PR



Number	Initials and Surname	Gender	Affiliation	Ward/PR
32	Cllr. M.D. Mathenjwa	Female	IFP	PR
33	Cllr. S.M. Gumede	Female	IFP	PR
34	Cllr. M.Z. Mhlongo	Male	IFP	PR
35	Cllr. T.S. Khumalo	Male	IFP	PR
36	Cllr. H.K. Gumede	Female	IFP	PR
37	Cllr. H.N. Ntshangase	Female	IFP	PR
38	Cllr. K.A Kunene	Female	IFP	PR
39	Cllr. E.Z. Mtshali	Female	NFP	PR



RECORD OF ATTENDANCE AT COUNCIL MEETINGS FOR 2024/20245

Number	Initial and Surname	30 July 2024	28 Aug 2024	30 Oct 2024	18 Dec 2024	24 Jan 2025	28 Feb 2025	19 Mar 2025	31 March 2025	30 Apr 2025	28 May 2025	30 June 2025
1	Cllr. T.P Manzini	√	√	√	x	√	√	v	√	√	√	v
2	Cllr. J.P. Zikhali	√	√	√	x	√	√	√	√	√	√	√
3	Cllr. T. Mngomezulu	√	√	√	√	√	√	√	√	√	√	√
4	Cllr. L.D. Tembe	√	√	√	√	√	√	√	√	√	√	√
5	Cllr. S .M. Manukuza	√	√	√	x	√	√	√	√	√	√	√
6	Cllr. F. S Mpanza	v	√	√	x	√	√	√	√	√	√	√
7	Cllr. B.K Mbuyazi	√	√	√	x	√	√	√	√	√	√	√
8	Cllr. S.M. Tembe	√	√	√	x	√	√	√	√	√	√	√
9	Cllr. M.V. Mahamba	√	√	√	√	√	√	√	√	√	√	√
10	Cllr. S.J. Mabika	√	√	√	x	√	√	√	√	√	√	√
11	Cllr. L.S. Ntuli	√	√	√	x	√	√	√	√	√	√	√
12	Cllr. B.D. Mtshali	√	√	x	x	x	√	√	√	√	√	√



Number	Initial and Surname	30 July 2024	28 Aug 2024	30 Oct 2024	18 Dec 2024	24 Jan 2025	28 Feb 2025	19 Mar 2025	31 March 2025	30 Apr 2025	28 May 2025	30 June 2025
13	Cllr. I.T. Gwala	√	√	√	√	√	√	√	√	√	√	√
14	Cllr. P.V. Khathwane	√	√	√	√	√	√	√	√	√	√	√
15	Cllr. K.B. Mthembu	√	√	√	√	√	√	√	√	√	√	√
16	Cllr. N.J. Khumalo	√	√	√	x	√	√	√	√	√	√	√
17	Cllr. K.A Buthelezi	√	√	x	√	√	√	√	√	√	√	√
18	Cllr. B.E Biyela	√	√	√	√	√	√	√	√	√	√	√
19	Cllr. P.S. Mabika	√	√	√	√	√	√	√	√	√	√	√
20	Cllr. S.S. Mkhumbuzi	√	√	v	v	√	√	√	√	√	√	√
21	Cllr. Stella Mathenjwa	√	√	v	√	√	x	√	√	√	√	√
22	Cllr. N.P. Khumalo	√	√	√	√	√	√	√	√	√	√	√
23	Cllr. Z.M. Mhlongo	√	x	√	√	√	√	√	√	√	√	√
24	Cllr. K.C. Mthembu	√	√	√	v	√	√	√	√	√	√	√
25	Cllr. T.N. Magagula	√	√	v	v	√	√	√	√	√	√	√



Number	Initial and Surname	30 July 2024	28 Aug 2024	30 Oct 2024	18 Dec 2024	24 Jan 2025	28 Feb 2025	19 Mar 2025	31 March 2025	30 Apr 2025	28 May 2025	30 June 2025
26	Cllr. N.P Mthembu	√	√	x	v	√	√	√	√	√	√	√
27	Cllr. W.N.O Nxumalo	√	√	x	x	v	v	x	√	√	√	√
28	Cllr. F.G Mlambo	√	√	x	v	√	√	√	√	√	√	√
29	Cllr. T.S. Myeni	X	√	√	√	√	√	√	√	√	√	√
30	Cllr. D. Mlambo	√	√	√	√	√	√	√	√	v	√	√
31	Cllr. P.T. Vumase	√	√	√	v	√	√	√	√	√	√	√
32	Cllr. M.D. Mathenjwa	√	√	√	√	√	√	√	√	√	√	√
33	Cllr. S.M. Gumede	√	√	√	√	√	√	√	√	√	√	√
34	Cllr. M.Z. Mhlongo	√	√	v	√	√	√	√	√	√	√	√
35	Cllr. T.S. Khumalo	√	√	√	√	√	√	√	√	√	√	√
36	Cllr. H.K. Gumede	v	√	√	√	√	√	√	√	√	√	√
37	Cllr. H.N. Ntshangase	√	√	√	√	√	√	√	√	√	√	√
38	Cllr. K.E. Kunene	√	√	√	√	√	√	√	√	√	√	√



Number	Initial and Surname	30 July 2024	28 Aug 2024	30 Oct 2024	18 Dec 2024	24 Jan 2025	28 Feb 2025	19 Mar 2025	31 March 2025	30 Apr 2025	28 May 2025	30 June 2025
39	Cllr. E.Z. Mtshali	√	√	√	v	√	√	√	√	√	√	√



APPENDIX B | Committee and Committee Purpose 2024/2025

This Appendix provides a list of all Committees of Council, the purpose of each Committee and the names of Councillors serving on them. Provided below is also the information related to the attendance of each Councillor.

In uMhlabuyalingana municipality, the Executive Committee (EXCO) is responsible for exercising the executive authority of the municipal council by implementing council decisions, developing and recommending policies and by-laws, overseeing the municipal administration, and ensuring effective service delivery. It plays a key role in preparing and monitoring the municipal budget, driving the implementation of the Integrated Development Plan (IDP), coordinating development initiatives, and ensuring accountability by reporting to the council, while the final decision-making authority remains with the municipal council.

RECORD OF ATTENDANCE-EXCO MEETINGS FOR 2024/2025

Initials and Surname	24 July 2024	27 Aug 2024	30 Sep 2024	28 Oct 2024	21 Nov 2024	22 Jan 2025	26 Feb 2025	20 March 2025	28 Mar 2025	31 Mar 2025	29 Apr 2025	27 May 2025	24 June 2025	TOTAL 13
Cllr. T.S Khumalo (Mayor)	√	√	√	√	√	√	√	√	v	√	v	√	√	13
Cllr. E.Z. Mtshali (D. Mayor)	√	√	√	√	√	√	√	√	v	√	√	√	x	



Initials and Surname	24 July 2024	27 Aug 2024	30 Sep 2024	28 Oct 2024	21 Nov 2024	22 Jan 2025	26 Feb 2025	20 March 2025	28 Mar 2025	31 Mar 2025	29 Apr 2025	27 May 2025	24 June 2025	TOTAL
														12
Cllr. H.K. Gumede	√	v	√	√	√	√	√	√	v	√	√	√	√	13
Cllr. P.T. Vumase	√	√	√	√	√	√	√	√	v	√	√	v	√	13
Cllr. L.D. Tembe	√	√	v	√	√	√	√	√	v	√	√	√	√	13
Cllr. K.C. Mthembu	√	√	v	√	√	√	x	√	v	√	√	X	√	11
Cllr. Z.M. Mhlongo	√	√	√	√	√	√	√	√	√	√	√	√	√	13
Cllr. M.D. Mathenjwa (SPEAKER)	√	√	√	x	x	x	X	√	√	√	X	√	X	7



FINANCIAL SERVICE | Portfolio Committee

Municipal Finance Management Act (MFMA) 56 of 2003 – The primary legislation governing municipal financial management; mandates oversight of budgets, expenditure, revenue, supply chain management, internal controls, and audit outcomes.

The Finance Portfolio Committee in uMhlabuyalingana Municipality is responsible for overseeing the municipality’s financial management to ensure transparency, accountability, and compliance with legislation. Its role includes scrutinising the municipal budget and financial statements, monitoring revenue collection and expenditure, overseeing supply chain management and financial controls, reviewing audit reports, and making recommendations to the council to promote sound financial governance and effective use of public resources.

RECORD OF ATTENDANCE- FINANCE PORTFOLIO COMMITTEE MEETING FOR 2024/2025

Number	Councillor Initials and Surname	July 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	April 2025	May 2025	June 2025	TOTAL
1	Cllr TS Khumalo (Mayor)	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	11/12



Number	Councillor Initials and Surname	July 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	April 2025	May 2025	June 2025	TOTAL
2	Cllr. M.D. Mathenjwa (Speaker)	X	X	X	X	X	X	X	X	X	X	✓	X	1/12
3	Cllr SM Manukuza	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	10/12
4	Cllr MV Mahamba	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12
5	Cllr JP Zikhali	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12
6	Cllr KC Mthembu	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	10/12
7	Cllr WNO Nxumalo	X	X	X	✓	✓	✓	X	X	X	✓	X	X	4/12
8	Cllr SM Gumede	✓	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	10/12
9	Cllr PS Mabika	✓	✓	✓	X	X	X	X	✓	✓	X	X	✓	6/12
10	Cllr KA Buthelezi	X	X	✓	✓	X	✓	X	✓	✓	✓	✓	✓	8/12



THE PLANNING, LOCAL ECONOMIC DEVELOPMENT (LED), AND TECHNICAL SERVICES | Portfolio Committee

In uMhlabuyalingana, The Planning, Local Economic Development (LED), and Technical Services Portfolio Committee support the municipal council by providing political oversight, policy guidance, and strategic direction within their respective functional areas. Their roles include overseeing the development and implementation of the Integrated Development Plan (IDP) and spatial planning instruments, promoting local economic growth, job creation, and investment through LED initiatives, and monitoring the delivery and maintenance of municipal infrastructure and basic services such as roads, water, sanitation, electricity, and waste management. These committees review departmental plans and performance, ensure compliance with legislation and council policies, and make recommendations to council to improve service delivery, sustainable development, and the overall quality of life in the municipality

RECORD OF ATTENDANCE- PLANNING, LOCAL ECONOMIC DEVELOPMENT AND TECHNICAL SERVICES PORTFOLIO COMMITTEE MEETINGS FOR 2024/2025

Number	Councillor Details	July 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	April 2025	May 2025	June 2025	TOTAL YES	TOTAL NO
1	Cllr. E.Z Mtshali (Chairperson)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	12	0
2	Cllr. L.D Tembe	N	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	08	4



Number	Councillor Details	July 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	April 2025	May 2025	June 2025	TOTAL YES	TOTAL NO
3	Cllr. S.M Gumedede	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	11	1
4	Cllr. M.Z. Mhlongo	N	Y	Y	Y	Y	N	Y	Y	Y	N	Y	Y	09	3
5	Cllr. N.P Mthembu	Y	Y	N	Y	Y	Y	N	Y	N	Y	Y	N	08	4
6	Cllr. K.B MTHEMBU	N	N	N	N	N	N	N	N	N	N	N	N	0	12
7	Cllr. P.V Khathwane	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	12	0
8	Cllr. N.J Khumalo	Y	Y	Y	N	Y	N	Y	N	Y	Y	Y	N	08	4
9	Cllr. S.J Mabika	Y	N	Y	N	N	Y	N	Y	Y	Y	Y	Y	08	4



COMMUNITY SERVICES | Portfolio Committee

Amongst other responsibilities of the Community Services portfolio committee is overseeing the delivery of Municipal services for **waste management, parks and recreation, libraries, sports and cultural services, traffic and by-law enforcement, and disaster management**. The committee monitors service delivery performance, reviews policies and programmes aimed at social development and community safety, ensures compliance with relevant legislation, promotes community participation, and makes recommendations to the municipal council to improve the quality, accessibility, and sustainability of community services.

RECORD OF ATTENDANCE- COMMUNITY SERVICES PORTFOLIO COMMITTEE MEETING FOR 2024/2025

Number	Councillor Initials & Surname	17 July 2024	13 Aug 2024	03 Sep 2024	18 Sep 2024	16 Oct 2024	13 Nov 2024	19 Dec 2024	13 Jan 2025	17 Feb 2025	18 Mar 2025	16 April 2025	13 May 2025	19 June 2025	TOTAL
1	Cllr. H.K Gumede (Chairperson)	√	√	√	√	√	√	√	√	√	√	√	√	√	13
2	Cllr. B.E Biyela	√	√	√	√	√	√	N/A	√	√	√	N/A	√	√	11
3	Cllr. S.M. Tembe	N/A	√	√	√	N/A	√	√	√	N/A	N/A	N/A	√	N/A	07
4	Cllr. M.Z. Mhlongo	N/A	N/A	N/A	N/A	√	√	√	√	√	√	√	N/A	√	08



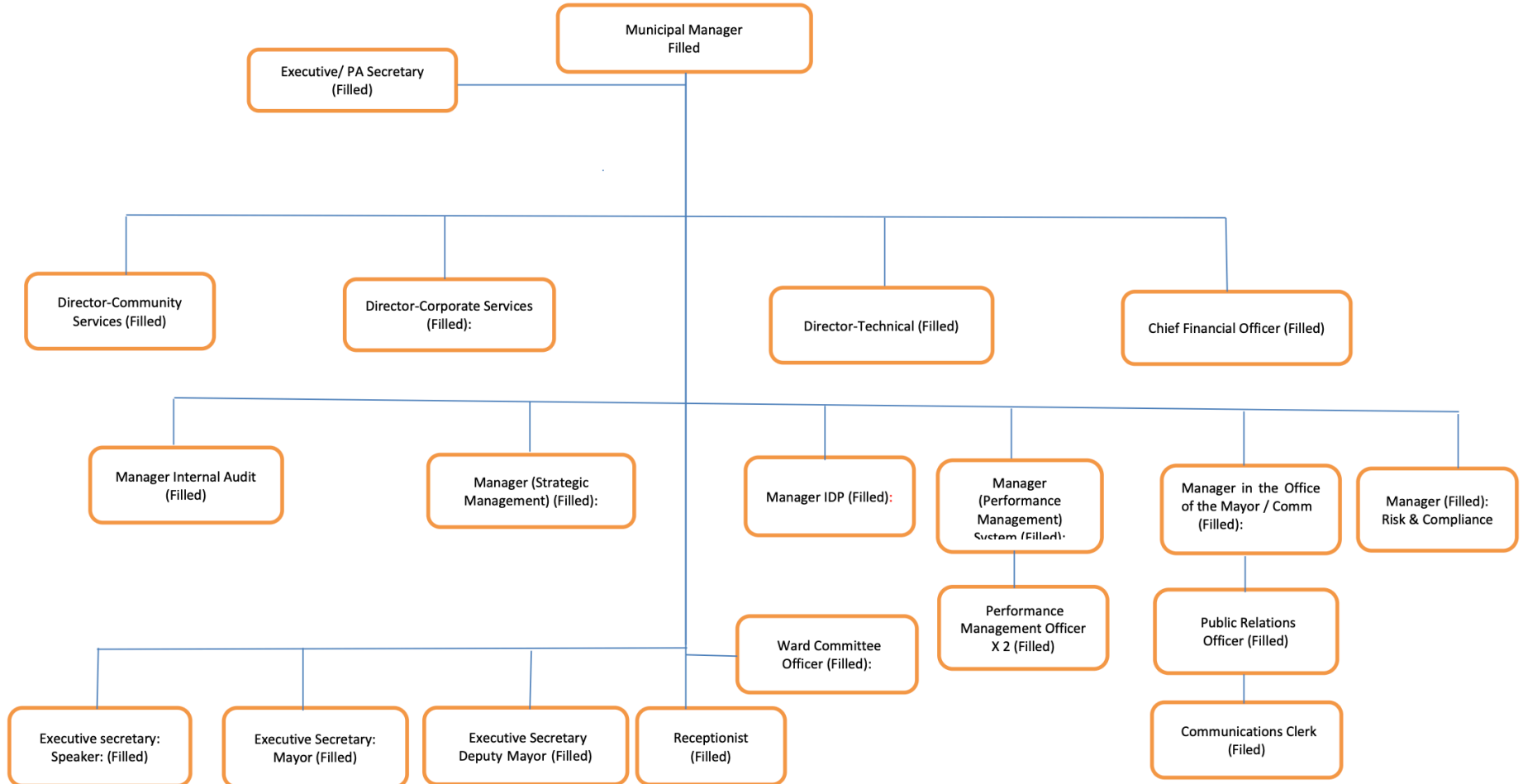
Number	Councillor Initials & Surname	17 July 2024	13 Aug 2024	03 Sep 2024	18 Sep 2024	16 Oct 2024	13 Nov 2024	19 Dec 2024	13 Jan 2025	17 Feb 2025	18 Mar 2025	16 April 2025	13 May 2025	19 June 2025	TOTAL
5	Cllr. T.N Magagula	√	√	√	√	√	√	√	√	N/A	√	√	√	√	12
6	Cllr. N.J Khumalo	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	√	N/A	N/A	05
7	Cllr. Z.M. Mhlongo	N/A	N/A	√	√	N/A	N/A	N/A	N/A	√	√	√	√	√	07
8	Cllr. N.P Khumalo	√	√	√	√	√	√	√	N/A	√	√	√	√	N/A	11
9	Cllr S.S Mkhumbuzi	N/A	√	√	√	√	√	N/A	N/A	√	√	√	N/A	√	09



APPENDIX C | Third Tier Administrative structure

The organogram of the administrative structure of the municipality

CURRENT ORGANOGRAM FOR: MANAGEMENT DEPARTMENT:





Management Structure: Department and Personnel

DEPARTMENT	SECTION 54 & 56 DIRECTORS/ MANAGERS
OFFICE OF THE MUNICIPAL MANAGER	Municipal Manager: Mr N.P.E Myeni
Section Unit-Risk Management	Manager Risk & Compliance: Mrs T.P. Nhlenyama
Section/Unit-IDP & Performance Management	Manager IDP: Mr M.N. Mthembu Manager PMS: Mr N.J. Mpontshane
Unit-Internal Audit	Manager Internal Audit: Miss K. Bhengu
Strategic Planning	Manager Strategic Planning: Mr M.S Mnguni
CORPORATE SERVICES DEPARTMENT	Director Corporate Services: Mr CR Khumalo Deputy Director Corporate Services: Mr T.S. Mkhabela
Section/Unit-Human Resource Management	Manager HR: Miss L. Sithole
Section/unit-Legal and Administrative	N/A
Section/Unit-Information, Communication and Technology	Manager IT: Mr M.S. Ngubane
DEPARTMENT: TECHNICAL SERVICES, PLANNING & LED	Director Technical Services, Planning & LED: Mr DI Tembe



DEPARTMENT	SECTION 54 & 56 DIRECTORS/ MANAGERS
	Deputy Director Technical Services, Planning & LED: Mr S Zikhali
Section/Unit: Civil Engineering	Manager Technical: Mrs F.S. Msabala
Section/Unit: Maintenance	Mr S.M Mthethwa
Section/Unit: Solid Waste	Manager Waste: Mrs N.F. Mngomezulu
Section/Unit: Town Planning	Manager Planning & Development: Miss Z. Macingwana
Section/Unit: LED	Manager LED & Tourism: Miss N. Mathe
COMMUNITY SERVICES DEPARTMENT	Director Community Services: Mr W.S. Nhlenyama
Traffic, Law Enforcement and Licensing	Manager Public Safety: Mr S.L. Mahaye
Library and Information Management	Librarian: Miss S.F. Ndlazi
Community Development & Special Projects	Manager Special Programmes: Mr T.D. Mlambo
DEPARTMENT: FINANCE-BUDGET & TREASURY	Chief Financial Officer: Ms NP Mkhabela
Supply Chain Management	Manager SCM: Mr M.N Mthembu



APPENDIX D | Municipal/ Entity Functions 2024/2025

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No	N/A
Building regulations	Yes	N/A
Childcare facilities	No	N/A
Electricity and gas reticulation	No	N/A
Firefighting services	Yes	N/A
Local tourism	Yes	N/A
Municipal airports	No	N/A
Municipal planning	Yes	N/A
Municipal health services	No	N/A
Municipal public transport	No	N/A
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No	N/A



MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	N/A
Stormwater management systems in built-up areas	No	N/A
Trading regulations	Yes	N/A
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	N/A
Beaches and amusement facilities	No	N/A
Billboards and the display of advertisements in public places	Yes	N/A
Cemeteries, funeral parlours and crematoria	Yes	N/A
Cleansing	Yes	N/A
Control of public nuisances	No	N/A
Control of undertakings that sell liquor to the public	Yes	N/A
Facilities for the accommodation, care and burial of animals	No	N/A
Fencing and fences	No	N/A
Licensing of dogs	No	N/A
Licensing and control of undertakings that sell food to the public	No	N/A



MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
Local amenities	Yes	N/A
Local sport facilities	Yes	N/A
Markets	Yes	N/A
Municipal abattoirs	No	N/A
Municipal parks and recreation	Yes	N/A
Municipal roads	Yes	N/A
Noise pollution	No	N/A
Pounds	Yes	N/A
Public places	Yes	N/A
Refuse removal, refuse dumps and solid waste disposal	Yes	N/A
Street trading	Yes	N/A
Street lighting	Yes	N/A
Traffic and parking	Yes	N/A



APPENDIX E | Ward Reporting 2024/2025

Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
1	<p>Cllr: KO TEMBE</p> <p>Ward Committee Members:</p> <p>Ntimbane Nkululeko</p> <p>Msweli Siphwe</p> <p>Mngomezulu Joyce</p> <p>Ngubane Thandiwe</p> <p>Mthembu Zwelakhe</p> <p>Mthembu Makhuzha</p> <p>Ngubane Israel</p> <p>Nxumalo Gugu</p> <p>Gumede Thomas</p> <p>Manzini Thabisile</p>	<p>Cllr: T.P MANZINI</p> <p>Ward Committee Members:</p> <p>Mkhonto Paulos</p> <p>Ndlovu Samkele</p> <p>Mthembu Makhuzha</p> <p>Mthembu Musawenkosi</p> <p>Mathenjwa Jabulani</p> <p>Mahlangu Nkanyiso</p> <p>Manzini Thandazile</p> <p>Ngubane Israel</p> <p>Mlambo Nonhlanhla</p> <p>Tembe Kholwa</p>	Yes	Yes	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
2	<p>Cllr: BN NTSELE</p> <p>Ward Committee Members: Senzeni Ntuli Bhekisisa S Ncube Mkhonto D zikhali Mthethwa Ngobane Mdletshe Terresa Nomandla Vusi Sindisiwe R Zikhali Desire L Ngubane Bongiwe P Ntuli Nokuthula Ntombela</p>	<p>Cllr: JP ZIKHALI</p> <p>Ward Committee Members: Mnguni Nompumelelo Tembe Mandlakayise Ncube Bhekisisa Mdluli Lindiwe Ngubane Thandeka Zikhali Samkelisiwe Zikhali Hezekiel Zikhali Makhosazane Zikhali Qaphelani Zikhali J Mahlathi</p>	Yes	Yes	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
3	<p>Cllr: TN MAGAGULA</p> <p>Ward Committee Members: Malambula Zefani Fela Linda Jabulani Nxumalo Jabu Mbuyazi Sibongie Zikhali Nombango Zikhali Benjamin Zikhali Dumsani Mzobe Siphamandla Ncube Lindokuhle Mpanza Nhlahla</p>	<p>Cllr: T MNGOMEZULU</p> <p>Ward Committee Members: Gumede Ayanda Mnguni Nobuhle Nxumalo Betty Mpanza Nhlanhla Linda Jabulani Sbiya Slindile Ntuli Mbali Gumede Ntombifuthi Nomandla Makhosazane Mkhize Hlalaphi</p>	YES	YES	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
4	<p>Cllr: L.D TEMBE</p> <p>Ward Committee Members: Mavundla Thobisile Mthembu Mthokozisi Ngubane Bongani Sibiya Khethiwe Mbonambi Monica Gumede Sbonakaliso Manzini Sphiwe Shange Bongani Zungu Busisiwe Joseph Tembe</p>	<p>Cllr: L.D TEMBE</p> <p>Ward Committee Members: Mthembu Musa Makhanya Thembani Zikhali Manqoba Makhoba Mbali Manzini Sphiwe Gumede Emmar Mahlangu Jabulani Mthembu James Mthembu Maria Tembe Jubumshado</p>	YES	YES	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
5	Cllr: TJ NXUMALO Ward Committee Members: Mbazini Zodwa Mbonambi Selby Nxumalo Lindiwe Moses Mthembu Kunene Khanyisile Manukuza Zodwa Zikhali Zanele Mnguni Ronald Nhleko Siphwe Masango Freeman	Cllr: SM MANUKUZA Ward Committee Members: Manukuza Zodwa Ntuli Thulisile Qwabe Thembinkosi Mbonambi Bheki Mabika Bekezela Mabuza Sizakele Ngubane Thandazile Mthembu Khululiwe Khumalo Mduduzi S.S Mbonambi	YES	YES	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
6	Cllr: MD MATHENJWA Ward Committee Members: Mpanza Cabangile Ndlazi Jabu Tembe Danger Duze Andile Khumalo John Gumede Israel Ngwenya Nokuthula Khumalo Thokozani Mdluli Snenhlanhla Ngwenya Themba	Cllr: FS MPANZA Ward Committee Members: Mthembu Zikhona Tembe William Gumede Thandiwe Zikhali Siphon Zikhali Jabulani Ndlazi Ntethelelo Khoza Nonhlanhla Tembe Danger Dladla Welcome Tembe Zakhele S	YES	YES	1	1	10	10	3	3
7	Cllr: ET Nxumalo Ward Committee Members:	Cllr: BK MBUYAZI	YES	YES	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
	Mbonambi Thandazile Khumalo Happy Mthombeni Thenjiwe Mthethwa Phumelaphi Ngxongo Sifiso Mthethwa Smanga Ndlazi Duduzile Mpontshane Sizwe Ntuli Dennis Nxumalo Mlondoloz	Ward Committee Members: Mahlobo Mandlenkosi Zungu Siphon Nxumalo Nomfundo Mthethwa Mshado Ngobese Bheki Mthethwa Ntombizodwa Mabika Mandla Mlambo Themba Tembe Sphilile Mlondo Nxumalo								
8	Cllr: GS Mthembu Ward Committee Members: Mbonambi Thabisile Mthembu Sizwe Gumede Jabulani	Cllr: SM TEMBE Ward Committee Members:	YES	YES	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
	Ngubane Lefina Mthembu William James Qwabe Mbonambi Bonginkosi Nsele Nombuso Mageba Nonhle Mathenjwa Mthokozisi	Mageba Bheki Mlambo Sbongile Vumase Phumlile Vumase Phumzile Mthembu Mpikiswane Ntsele Vusi Mathenjwa Nkosinathi Ngubane Lefina Mthembu M Nonhlanhla Mthethwa Rose N								



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
9	Cllr: DA TEMBE Ward Committee Members: Tembe Zodwa Gumede Mashabalala MthembuThokozani Ndimande Bonisiwe Manzini Thokozani Tembe Doreen Nontokozo Khumalo Msweli Amanda Gumede Ngodiyane Mathe Nhlanhla	Cllr: MV MAHAMBA Ward Committee Members: Hlatshwayo Phumelele Gumede Thobile Tembe Ndlebende Ndlazi Siphoh Ndlovu Themba Tembe Mazwi Gumede Nokuthula Tembe Thandazile Tembe Simphiwe Tembe David A	YES	YES	1	1	10	10	3	3
10	Cllr: MI MTHEMBU Ward Committee Members: Khumalo Mantombi	Cllr: SJ Mabika	YES	YES	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
	Tembe Zodwa Mngomezulu Hlengiwe Sibiya Ephaimé Nsele Letus Mkhumbuzi sabelo Ndoda Mhlongo Mathenjwa Nonhlahla	Ward Committee Members: Silwane Nomusa Mabika Khumbulani Manzini Khanyisani Mpanza Bongi Sbiya Zipho Ngubane Philani Ngubane Dumsani Zikhali Veronica Mthembu Dumisani Mthembu Peter J								
11	Cllr: NS MTHETHWA Ward Committee Members: Zikhali Manqoba C Mnguni Nonkululeko Ngubane Comfort Mthembu Sthandwa Thabethe Nomasonto	Cllr: LS NTULI Ward Committee Members: Mtethwa Nqanawe	YES	YES	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
	Nsele Gladys Cele Getty Nxumalo Z Mlambo Mpiyakhe Vumase Jabu	Ngubane Fihliwe Khanyile Noxolo Tembe Bhekithemba Mthembu Nkululeko Dladla Tshelwaphi Kubheka Khululiwe Sbiya Enock Ngubane Sakhile Mthethwa Sipho								
12	Cllr: N VUMASE WardCommitteeMembers: Gwala Thandazile Mthembu Lungile Mtshali Khanyisile Maphumulo Sipho Mthembu Angel Hobe Bongwiwe Gumede Maria Mthembu Boliile	Cllr: BD MTSHALI Ward Committee Members: Dladla Hlengiwe Sbiya Mzamo Zikhali Sabatha	YES	YES	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
	Zungu L.T Manzini M.B	Hobe Lalelani Zungu Lizzy Tembe Nkanyiso Tembe Lindiwe Mthembu Nabo Ngubane Shakes Tembe Busi T								
13	Cllr: JB GWALA WardCommitteeMembers: Sibiya Winnie Thabethe Aron Nhleko Velaphi Khoza Slindile Nhleko Hendrick Mthembu Vusi Gwala Rose Makhoba Slindile Khumalo Justice Malwane Vela	Cllr: TS GWALA Ward Committee Members: Nxumalo Zethu Nsele Thabo Gumede Mthokozisi Zikhali Ntombifuthi Mthembu Sebenzile Mdluli Nomusa	YES	YES	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
		Mabika Bheki S Manukuza Khanyi Dlamini Sfiso Mkhabela Zweli S								
14	Cllr: NJ NDABENI WardCommitteeMembers: Xaba Regina Jobe Jabulisiwe Gumede Khululiwe Ngcobo Siyabonga Mzila Sindisiwe Mlambo Sthembiso Gumede Ndumiso S Mlambo Nqobile Gumede Philani Gumede Ncamsile	Cllr: PV KHATHWANE Ward Committee Members: Gumede Mduduzi Masango Ntokozo Mgabhi Doctor Mhlongo Nomalanga Qwabe Mandlenkosi Ndimande Wiseman	YES	YES	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
		Mlambo Nkosingiphile Mabika Tholakele Gumede Nicholas M Tembe Ayanda								
15	Cllr: NC MDLETSHE Ward Committee Members: Mdluli Bongani Mabika Mandla Mzila Zanele Maphanga Bekezela Gumede Welile Mgabhi Mfanafuthi Mathenjwa Gugulethu Mdletshe Tholakele Gumede Gugulethu Mhlongo Mpikiswano	Cllr: NC MDLETSHE Ward Committee Members: Shiba Siphos Tembe Sfiso Maphanga Bekezela Gumede Bhekinkosi Ndlovu Barker Mdletshe Tholakele	YES	YES	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
		Ntuli Dumisani Ngwenya Nokukhanya Ngubane Sthembiso July Tembe								
16	Cllr: EG MHLONGO WardCommittee Members: Msimango James Khumalo Nelisiwe Tembe Busisiwe Mkhonto Senzo Mdletshe Zama Mthembu Sipho Msane Filimuza Ndlazi Syabonga Mthembu Nkululeko Zamisa Nokuthula	Cllr: NJ KHUMALO Ward Committee Members: Dlamini Bhekifa Tembe Sipho Mabika Fikile Mpunzi Thandeka Gumede Nonhlanhla Mthembu Bongiwe	YES	YES	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
		Gumede Zeblon Ngwenya Funisiwe Khumalo Mfanafuthi Mthembu Babiyakhe								
17	Cllr: SN TEMBE WardCommittee Members: Sibiya Nozipho Njokweni Thokozani Mthembu Nokulunga Ngwenya Mduduzi Sithole Mandla Makhanya Petros Ngubane Balekile Mthembe Nqobile Mthembu Jabulani Mdluli Olga	Cllr: KA BUTHELEZI Ward Committee Members: Tembe Gugu Ngubane Paul Ngubane Bongani Masinga Margaret Mlambo Neliswa Njokweni Thokozani Sibiya Jabu Mthembu Thuli	YES	YES	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
		Tembe Zama Ntuli Themba E								
18	Cllr: JE STHOLE Ward Committee Members: Mhlongo Muzwakhe Masinga Zecus MaphangaHlengiwe Manzini Fikile Thusi Bongumusa Mthembu Thobile Tembe Sayitsheni Mthembu Thulisiwe Khanyile Jabulani Tembe Jonas	Cllr: BE BIYELA Ward Committee Members: Sibiya Stephanie Mthembu Thembeni Msolwa Musa Makhanya Sphamandla Mabika Thulisiwe	YES	YES	1	1	10	10	3	3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
		Gumede Thandi Manzini Phindile Zungu Mandisa Thusi Jabulani Tembe Mahlathi N								
19.	Cllr: SP MABIKA Ward Committee Members: Nhlonzi Ntethelelo Sibiya Dumsani Nxumalo Thembi Ndlazi Duduzile Mngomezulu Mxolisi Manzini Thandazile Zikhali Maureen Ntuli Nomvelo			YES		1		10		3



Ward	Name of Ward Councillor & Elected Ward Committee Members	Name of Ward Councillor & Elected Ward Committee Members	Committee Established Yes /No	Committee Established Yes /No	Monthly Committee Meetings Held	Monthly Committee Meetings Held	Monthly Reports Submitted	Monthly Reports Submitted	Quarterly Ward Meetings Held	Quarterly Ward Meetings Held
	Nsibande Mthokozisi Nxumalo Vusumuzi									
20.	Cllr: SS MKHUMBUZI Ward Committee Members: Sizani Tembe Gina Nelisiwe Gumede Sebenzile Mbuyiza Dudu Mabika Zakhela Khumalo Thokoza Thembe Phenius Ndlovu Bonakele Dlamini Thembisile Mthembu Siphu			YES		1		10		3



APPENDIX F | Ward Information 2024/2025

Ward Name / Number	Ward Priorities	Project Name	Total Value	Progress of Projects



APPENDIX G | Recommendations of the Municipal Audit Committee
2024/2025



UMHLABUYALINGANA LOCAL MUNICIPALITY

Report of the Audit Committee

For the year ended 30 June 2025



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

AUDIT COMMITTEE REPORT

The Performance/Audit Committee of the UMhlabuyalingana Municipality has pleasure in submitting this annual report. This report is submitted in terms of the provisions of sections

121(3) (j), 166(2) (b) and 166(2) (c) of the Municipal Finance Management Act of 2003 (“the MFMA”) and covers the financial period from 1 July 2024 to 30 June 2025.

PERFORMANCE/AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee consist of the members listed hereunder and meets as a minimum, four times a year as per the approved Audit Committee Charter. The municipality has two Chairpersons, one for the Audit Committee (AC) and the other one for the Performance Audit Committee (PAC). The Chairperson of the AC has been a member of the Audit Committee for the past two years. For the purpose of continuity, the Council appointed him to be the Chairperson on the new Audit Committee.

No	NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
1.	Mr L Hlengwa – Chairperson AC	Seven (7)
2.	Mr C Jugnarayan - Chairperson PAC	Seven (7)
3.	Mr P Magwaza - Member	Seven (7)
4.	Mr M Simelane - Member	Five (5)



All of the members of the Performance/Audit Committee have been in the serving during 2024/2025 Financial Year (FY) with most of them having been members from the previous financial year. This has allowed the municipality to have continuity and depth as the members are familiar with the issues and challenges that the municipality faces.

Overview of Activities

The Committee held Seven (7) meetings in total, (4) ordinary meetings and three (3) special meetings during the year under review on the following dates:-

NO	TYPE OF MEETING	DATE OF MEETING
1.	Special AC & PAC Meeting	15 August 2024
2.	Special AC& PAC Meeting	23 August 2024
3.	Ordinary AC & PAC Meeting	07 November 2024
4.	Ordinary AC & PAC Meeting	27 February 2025
5.	Ordinary AC & PAC Meeting	24 March 2025
6.	Special AC & PAC Meeting	15 May 2025
7.	Ordinary AC & PAC Meeting	29 June 2025

The Audit Committee chairperson also availed himself for Council Meetings to present written reports of the Audit Committee and assessments of the Municipal Manager and Managers reporting to Municipal Manager. In almost all the meetings of the AC and PAC the Mayor and the Chairperson of the Municipal Public Accounts Committee (MPAC) attends. Where they are not in attendance an apology is presented.



PERFORMANCE/AUDIT COMMITTEE RESPONSIBILITIES

The Performance/Audit Committee has complied with its responsibilities arising from section 166 of the MFMA and clause 14(2) (a) of the Municipal Planning and Performance Management Regulations of 2001. The Performance/Audit Committee's work was guided and regulated by a Performance/Audit Committee Charter, and discharged all its responsibilities in terms of this charter. The Performance/Audit Committee's work has been guided by municipal leadership during the financial year in line with the work plan approved at the beginning of the financial year. We are pleased to report that there has been stability at uMhlabuyalingana Municipality during the FY 2024/2025 in terms of administrative leadership.

INTERNAL AUDIT INSTITUTIONAL ARRANGEMENT

The Internal Audit Charter as adopted by the Performance/Audit Committee regulates the work of the Internal Audit Activities.

The municipality has an approved structure of internal audit and it was outsourced to Ntshidi and Associates. UMhlabuyalingana Municipality has one employee responsible for the Internal Audit and is full time in the municipality and is responsible for the co-ordination of the work of the Internal Audit in the municipality. This employee reports directly to the municipal manager and has unrestricted access to the Audit Committee in order to ensure independence. The out-sourced service provider has been tasked to ensure that other tasks in the Internal Audit Plan are given to the internal person and the progress in this regard is monitored by the AUDCOM and the Municipal Manager. It is recommended that the municipality should consider appointing interns for internal audit and risk management for the skills transfer, in order for it to build its capacity going forward.



In terms of S62 (c) (ii) and S165 (1) of the MFMA each municipality is required to have an Internal Audit Unit and S165 (3) allows the municipality to co-source the internal audit function if the municipality requires assistance to develop its internal capacity. The Internal Audit coverage plan was approved by the Performance/Audit Committee for the 2024/2025 financial year.

INTERNAL AUDIT FUNCTION

During this financial year, internal audit reports were presented at the Performance/Audit Committee meetings. Issues raised were deliberated in the meetings of the Performance/Audit Committee and resolutions were taken. The Performance/Audit Committee addressed the issues in its reports to Council with and recommendations including the issues raised by the Auditor-General. The Auditor General Action Plan was presented and adopted by the Performance/Audit Committee at the Ordinary Meeting of the Performance/Audit Committee.

The Internal Audit Unit has made significant progress in the completion of the 2024/2025 annual audit plan and complied with its responsibilities arising from its approved Charter. The outsourced Internal Audit (Ntshidi and Associates) has a three years contract with the municipality and its services is measured every year by both Performance/Audit Committee and management.

SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to provide reasonable assurance that the assets are safeguarded, the liabilities, working capital are effectively and efficiently managed. All of the above remains a management responsibility.



The Internal Audit reports in all areas audited during the financial year under review indicated that there were some weaknesses in the system of internal control and these were deliberated on during the meetings.

The Performance/Audit Committee has noted that there has been improvement on the systems of internal control especially relating to Annual Financial Statements preparation processes.

RISK MANAGEMENT

Risk management has been formalised within the municipality, but more effort is still required. The municipality appointed Mr M Litile as the new Risk Management Chairperson. The municipality has a fulltime resource that manages the Risk Business Unit and is reporting at the office of the Municipal Manager. The Risk Manager is supported by an independent chairperson appointed by the council. The minutes and resolutions of the Risk Committee are presented to all meetings of the Audit Committee for adequate oversight.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The Audit Committee reviewed Annual Financial Statements for the year ending 30 June 2025 that were submitted to the Auditor-General for audit. The Audit Committee noted some errors which the Chief Financial Officer subsequently rectified before the submission to the Auditor-General. Improvements with respect to the quality of the Annual Financial Statements were also noted during the review of the annual financial statements compared to the previous financial year. The 2024/2025 Annual Financial Statements did have material adjustments as reported by the office of the Auditor General. These financial statements were approved and submitted to the Auditor-General by the end of August 2025 as required by the MFMA.



To improve the quality of Annual Financial Statements and minimize errors, the municipality needs to develop its own action plan and internal capacity for the development of AFS. It is also critical that the municipality prepares quarterly and mid-year financial statements which will enable it to identify any areas of concern that need attention. This will allow the municipality to have the requisite skills in this area and be familiar with activities required to produce quality financial statements. We are pleased to report that during FY 2024/25 the action plan was adopted. The first draft of annual financial statements for the year under review were produced and distributed to members during the first week of August 2025. Mid-year financial statements were presented to AUDCOM and were audited by the Internal Auditor as a build up to the Annual Financial Statements.

PERFORMANCE MANAGEMENT

Internal Audit Unit's annual audit coverage plan included review of Performance Management System and Performance Information. The Audit Committee had reviewed and considered the reports noted some weaknesses in the area of Performance Information and the strides that are being made by management through workshops and sharing of information with other municipalities who have achieved better results during audits by Auditor-General. The catch-up plan on backlog of performance assessments has been implemented; however, there is still a concern in that for performance management to be effective assessments should be done on time so as to ensure corrective action is taken within the financial year.

This area needs more effort to ensure that there is effective and efficient management of performance within the municipality. The Performance/Audit Committee recommended that the Internal Audit Unit should review the Organisational Scorecard, Service Delivery & Budget Improvement Plan (SDBIP) before the approval by the Mayor to ensure alignment with Integrated Development Plan (IDP) and compliance with SMART principles.



MONTHLY FINANCIAL MANAGEMENT REPORTS

Monthly management reports were reviewed by the Performance/Audit Committee. These included bank reconciliations, debtors and creditors age analyses, income and expenditure reports and budget and variance reports. Several pertinent matters were raised with management who in turn furnished satisfactory answers. In many instances suggestions, recommendations, and/or requests from the Committee were implemented by management.

GOVERNANCE

The Committee noted confirmation of commitments by the Mayor and Municipal Managers to address the deficiencies of internal control as well as the status as per the Dashboard report. It is important also to note that during the year under review the UMhlabuyalingana Municipality had a full time Municipal Manager as well as other senior managers.

The municipality is fortunate to have dedicated and committed Mayor and Municipal Manager. It is worth noting that the office of the Auditor General found that the municipality Executive office was functioning accordingly and effectively.

COMPLIANCE WITH LAWS AND REGULATIONS

The Performance/Audit Committee has reviewed the effectiveness of the system for monitoring compliance with laws and regulations. The Performance/Audit committee is satisfied that the system for monitoring compliance with laws and regulations is effective.

EXTERNAL AUDIT BY AUDITOR-GENERAL (AGSA)



The Performance/Audit Committee has reviewed the External Audit scope to ensure the critical areas within the Municipality are being addressed. In addition, the committee reviewed the audit report including issues arising out of the external audit.

Based on processes followed and assurances received from the Auditor-General, nothing has come to the committee's attention with regard to any matter concerning the independence of External Auditors.

The Performance/Audit Committee concurred with the Auditor-General's conclusions on the Annual Financial Statements, compliance with laws and regulations and performance information and note the improvement in terms of the audit report. It is hoped that the municipality could build on from the unqualified audit report received during the prior year.

POST BALANCE SHEET EVENTS

The Performance/Audit Committee has not been made aware of any post balance sheet events.

CONCLUSION

The Committee notes the progress made by the municipality in improving overall governance, systems of internal control, risk management and performance management. In addition, the Performance/Audit Committee concurs and accepts the conclusion of both the Internal Audit and the Auditor-General.

The Performance/Audit Committee wishes to express its sincere gratitude to the Council and all those involved in the improvement of systems at the Municipality and to the Municipal Managers and Senior Management for their support during this financial year.



Chairperson: Performance/ Audit Committee

Mrs C Jugnarayan

Mr L Hlengwa



APPENDIX H | Long term Contracts and Public Private Partnership 2024/2025

Long Term Contracts (20 Largest contracts entered during 2024/2025)

Name of Service Provider (Entity or Municipal Department)	Description of Service Rendered	Start Date of Contract	Expiry Date of Contract	Project Manager	Contract Value
Camelsa Consulting	System support	01/08/2024	31/07/2027	Mr P Mukwevho	R1 863 732
Sima Risk Advisors	Insurance services	01/01/2025	31/12/2027	Mr MW Letsela	Rates
Ntshidi & Association	Internal Auditors	10/05/2025	09/06/2027	Mr SH Mzimela	Rates
Travel With flair	Accommodation and travel services	01/01/2025	31/12/2027	Mr R Wike	Rates
Chirwa Security services (VIP)	Security Services	01/05/2023	31/03/2026	Mr. Chirwa	R6 459 943.56
Chirwa Security services	Security Services	01/05/2023	31/03/2026	Mr. Chirwa	R28 792 372.57
BPG Mass Appraisal	Valuation roll	01/07/2024	30/06/2029	Mr WFJ Hamilton	R1 669 479.00
Gilija Consulting	Conditional Assessment &	02/05/2025	31/12/2027	Mr N Nhleko	Rates



Name of Service Provider (Entity or Municipal Department)	Description of Service Rendered	Start Date of Contract	Expiry Date of Contract	Project Manager	Contract Value
	Unbundling Infrastructure				
Nonaya Holding pty LTD	Disaster Recovery	02/01/2025	31/12/2027	Mr A Ngcobo	R1 090 800.00
First National Bank	Banking services	01/01/2025	31/12/2029	Mr T Mthombeni	Rates
Public Private Partnerships					
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A



APPENDIX I | Municipal Entity/Service Provider Performance Schedule 2024/2025

Bid No	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Assessment of Service Providers Performance		
					G	S	P
UMHL01/2023/2024	MANGUZI INTERNAL ROAD PHASE 2 (MIL ENGINEERS PTY LTD)	03/07/2023	YES	R5 680 274.58		√	
UMHL02/2023/2024	MANGUZI INTERNAL ROAD PHASE 2 (QINISA CONSTRUCTION)	27/11/2023	YES	R40 573 389.89		√	
UMHL01-3/2023/2024	SKHEMELELE INTERNAL ROAD (SIYARORO TRADING) CONSTRUCTION	17/02/2025	YES	R3 814 965.24		√	
UMHL02/2022/2023-07	SKHEMELELE INTERNAL ROAD SIMPHULWAZI ENGINEERS (CONSULTANT)	01/07/2024	YES	R836 272.62		√	
UMHL13/2024/2025	KWASHODI MAHLAKWE GRAVEL ROAD (BLAQ 32 LOGISTIC SERVICES) CONSTRUCTION	17/02/2025	YES	R3 850 825.71		√	
UMHL 02/2022/2023-9	KWASHODI MAHLAKWE GRAVEL ROAD (BAV CONSULTING) CONSULTANT	01/11/2024	YES	R626 596.29		√	
UMHL12/2024/2025	MANZIBOMVU KWAZUNGU GRAVEL ROAD (SIYAMDUMISA TRADING AND PROJECT 70cc) CONSTRUCTION	17/02/2025	YES	R2 131 980.91		√	
UMHL02/2022/2023-8	MANZIBOMVU KWAZUNGU GRAVEL ROAD (BAV CONSULTING) CONSULTANT	01/11/2024	YES	R442 688.22		√	



Bid No	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Assessment of Service Providers Performance		
					G	S	P
UMHL01/2022/2023-1	OQONDWENI ELECTRIFICATION P1 (ODG TECHNOLOGY) CONSULTANT	01/08/2023	YES	R1433906.98		√	
UMHL 04/2023/2024	OQONDWENI ELECTRIFICATION P1 (SHANTIES ELECTRICAL) CONSTRUCTION	08/12/2023	YES	R10 242 192.74		√	
UMHL 03-01/2023/2024	OQONDWENI ELECTRIFICATION PHASE 2 (ODG TECHNOLOGY) CONSULTANT	01/07/2024	YES	R 868 995.43		√	
UMHL08/2024/2025	OQONDWENI ELECTRIFICATION P2 (ZIZAMELE ELECTRICAL) CONSTRUCTION	18/11/2024	YES	R6117730.22		√	
UMHL03-01/2023/2024	MAZAMBANE ELECTRIFICATION (ODG TECHNOLOGY) CONSULTANT	01/07/2024	YES	R502 918.43		√	
UMHL10/2024/2025	MAZAMBANE ELECTRIFICATION (IGODA PROJECTS) CONSTRUCTION	18/11/2024	YES	R2629090.30		√	
UMHL02/2022/2023	MVELABUSA MAHASHI ELECTRIFICATION (AFRILITICAL ENGINNERS) CONSULTANT	01/07/2024	YES	R485 475.38		√	



Bid No	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Assessment of Service Providers Performance		
					G	S	P
UMHL01-2022/2023	NDLONDLWENI MQHIYAMA ELECTRIFICATION PHASE (ODG TECHNOLOGY) CONSULTANT	01/07/2024	YES	R893 201.56		√	
UMHL09/2024/2025	NDLONDLWENI MQHIYAMA ELECTRIFICATION PHASE (NTSIKAYEWE CONSTRUCTION) CONSTRUCTION	8/11/2024	YES	R4 440 147.50		√	
UMHL15/2024/2025	CONSTRUCTION OF MAINTENANCE OF MBUBENI-MAJOLA GRAVEL ROAD (LAMAZWIDE PROJECT 70cc	05/06/2025	YES	R 1 616 325.00		√	
UMHL02/2022/2023	CONSULTANT OF MAINTENANCE OF MBUBENI-MAJOLA GRAVEL ROAD (LAMAZWIDE PROJECT 70cc	04/05/2025	YES	R226 285.50		√	
UMHL16/2024/2025	CONSTRUCTION OF MAINTENANCE OF MFIHLWENI-MFAKUBHEKA- GRAVEL ROAD (EZINHLE SUPPLIERS & CONTRACTORS)	05/06/2025	YES	R 1 580 272.50		√	
UMHL02/2022/2023	CONSULTANT OF MAINTENANCE OF MFIHLWENI-MFAKUBHEKA- GRAVEL ROAD (LAMAZWIDE PROJECT 70cc (SIMPULWAZI ENGINEERING)	04/05/2025	YES	R221 238.15		√	
UMHL17/2024/2025	CONSTRUCTION OF MAINTENANCE OF MQOBELA GRAVEL ROAD(NOPRIMA TRADING cc (SIMPULWAZI ENGINEERING)	05/06/2025	YES	R 1 327 952.43		√	
UMHL02/2022/2023		04/05/2025	YES	R185 913.34		√	



<i>Bid No</i>	<i>Name of external Service Provider</i>	<i>Date Contract Awarded</i>	<i>Service provided in terms of the SLA</i>	<i>Value of project</i>	<i>Assessment of Service Providers Performance</i>		
					<i>G</i>	<i>S</i>	<i>P</i>
	CONSULTANT OF MAINTENANCE OF MQOBELA GRAVEL ROAD (SIMPULWAZI ENGINEERING)						



APPENDIX J | Disclosure of Financial Interest 2024/2025

Period 1 July 2024 to 30 June 2025

Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor		Nil
Member of MayCo / Exco		Nil
		Nil
Councillors		Nil
		Nil
Municipal Manager Mr N.P.E. Myeni		<ul style="list-style-type: none"> • Bandengokuhle Project and logistics: Trucking Business 100% ownership • Super Quick Manguzi: Tyre Business 100% • HB Unique Fitment Centre: Tyre Business 50% • Emmanathi Trading: Blocks Business 50% • Emmanathi Shipping: Shipping Agency 40% • Emmanathi Trading: Mining River Sand 50% • Land and Property: House Empangeni • Land and Property: House Esikhawini • Land and Property: Flat Empangeni • Cottages or Rental Flats: Eskhawini • Cottages or Rental Flats: Skhemelele
Chief Financial Officer		<ul style="list-style-type: none"> • MTN-Zakhele shares • Empangeni: Land and Property • Durban: Land and Property • Hluhluwe: Land and Property
(Executive) Directors		Director Community Services Land and Property: House
		Director Corporate Services <ul style="list-style-type: none"> • Nathi Shares • MTN Zakhele Shares • Directorship: Phiwa Trading and Projects Land and Property: Residential and Site and Ulundi
		Director PLID



Position	Name	Description of Financial interests* (Nil / Or details)
		<ul style="list-style-type: none"> • Interest and trust: DIS Tembe family trust and Migudu Holding trust • Land and Property: A06 San Michalle
Other Executive Directors, Deputy MM and Deputy Managers		Nil
<p>* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A T J</p>		



Appendix K Revenue Collection Performance

Appendix K (i): Revenue Collection Performance by Vote

No	REVENUE TYPE	AMOUNT (R)
1.	Service Charges	469 953
2.	Property Rate	23 814 769
3.	Government Grants and Subsidies	291 855 336
4.	Rental Income	421 690
5.	Fines, Penalties and Forfeits	1 417 750
6.	Interest Received – Investments	11 655 832
7.	Interest on Rates – Outstanding debtors	2 339 778
8.	Other Income	1 869 201
9.	Licensing and permits	2 574 720
10.	Agency services	353 563
11.	INEP contract revenue	11 767 826
12.	Beach development	267
	TOTAL	348 540 685

Appendix K (ii): Revenue Collection Performance by Source

REVENUE TYPE	AMOUNT (R)
Service Charges	469 953
Property Rate	23 814 769
Government Grants and Subsidies	291 855 336
Rental Income	421 690



REVENUE TYPE	AMOUNT (R)
Fines, Penalties and Forfeits	1 417 750
Interest Received – Investments	11 655 832
Interest on Rates – Outstanding debtors	2 339 778
Other Income	1 869 201
Licensing and permits	2 574 720
Commission Received	
Agency services	353 563
Public Contributions and donations	
INEP contract revenue	11 767 826
Beach development	267
Total	348 540 685



APPENDIX L | Conditional Grants Received: Excluding MIG 2024/2025

GRANT NAME	AMOUNT RECEIVED (R)
Municipal Infrastructure Grant	40 541 000
Financial Management Grant	1 800 000
Community Library Services Grant	1 012 000
Provincialization of Libraries Grant	2 050 000
Integrated National Electrification Programme Grant	11 767 826
Expanded Public Works Programme Grant	2 452 000
Municipal Disaster Relief Grant	5 275 000
Total	R64 897 826

APPENDIX M | Capital Expenditure – New & Upgrade/ Renewal Programmes: Including MIG 2024/2025

Appendix M(i): Capital Expenditure – New Assets Programme

Appendix M(ii): Capital Expenditure – Upgrade/Renewal Programme



No	PROJECT DESCRIPTION	AMOUNT (R)
	Roads	
1	Manguzi Internal Roads Phase 2 (Ward 4 and ward 1)	R24 274 190
2	Skhemelele Internal Roads (ward 6)	R 4 044 418
3	Manzibomvu kwaZungu gravel road	R 1 429 996
4	Kwashodi Mahlakwe gravel road	R 2 744 647
5	Mbubeni Majola access road	R 85 386
6	Mqobela access road	R 622 858
7	Mfihlweni Mfakubheka access road	R 664 317
	Total	R33 865 812
8	Markets, sports fields and community assets	
9	Refurbishment of Manguzi Informal traders Market	R2 827 342
10	Manguzi Sport field Refurbishment (Ward 1)	R85 039
11	Construction of landfill site weigh bridge	R415 240
	Total	R3 327 621
	TOTAL CAPITAL EXPENDITURE (UPGRADE/RENEWAL OF ASSETS PROGRAME)	R37 193 433

APPENDIX N | Capital Programme by Project current year

No	PROJECT DESCRIPTION	AMOUNT (R)
	Roads	
1	Manguzi Internal Roads Phase 2 (Ward 4 and ward 1)	R24 274 190
2	Skhemelele Internal Roads (ward 6)	R 4 044 418
3	Manzibomvu kwaZungu gravel road	R 1 429 996
4	Kwashodi Mahlakwe gravel road	R 2 744 647
5	Mbubeni Majola access road	R 85 386
6	Mqobela access road	R622 858



No	PROJECT DESCRIPTION	AMOUNT (R)
7	Mfihlweni Mfakubheka access road	R 664 317
	Total	R33 865 812
	Markets, sports fields and community assets	
1	Refurbishment of Manguzi Informal traders Market	R2 827 342
2	Manguzi Sport field Refurbishment (Ward 1)	R85 039
3	Construction of landfill site weigh bridge	R415 240
	Total	R 3 327 621
	Other assets	
1	Computer equipment	R 659 843
2	Furniture equipment	R 249 298
3	Motor vehicles	R 708 504
4	Machinery and equipment	R 8 079 748
5	Solid waste equipment	R 335 400
	Total	R10 032 793
	TOTAL CAPITAL EXPENDITURE	R47 226 226

APPENDIX O | Capital Programme by project by Ward current year 2024/2025

Below is the table with capital projects implemented in 2024/2025 financial year



No	PROJECT DESCRIPTION	AMOUNT (R)
1	Manguzi Internal Roads Phase 2 (Ward 4 and ward 1)	R24 274 190
2	Skhemelele Internal Roads (ward 6)	R 4 044 418
3	Manzibomvu kwaZungu gravel road	R 1 429 996
4	Kwashodi Mahlakwe gravel road	R 2 744 647
5	Mbubeni Majola access road	R 85 386
6	Mqobela access road	R 622 858
7	Mfihlweni Mfakubheka access road	R664 317
8	Refurbishment of Manguzi Informal traders Market	R 2 827 342
9	Manguzi Sport field Refurbishment (Ward 1)	R 85 039
10	Installation of weigh bridge – Mbazwana Landfill site – Ward 19	R 415 240
	Total	R37 193 464

APPENDIX P | Service Connection Backlogs at Schools and Clinics 2024/2025

Service Backlogs: Schools and Clinics

Establishments lacking basic services	Water	Sanitation	Electricity	Waste
Schools				
Clinics				

This information is not yet published on 2022 census data.



APPENDIX Q | Service Backlogs Experienced By The Community Where Another Sphere Of Government Is Responsible For Service Provision 2024/2025

Service backlogs experienced by the community where another sphere of government is the service provider (whether or not the municipality acts on agency basis)

Service and Locations	Scale of Backlog/ Challenge	Impact Of Backlogs
Clinics		
Housing		
Driving Licensing and Testing Centre		
None	None	None

APPENDIX R | Declaration of Loans and Grants made by The Municipality in 2024/2025

Loans/Grants Made by the Municipality	Project Name	Conditions Attached to Funding	Year	Total Amount Committed Over Previous & Future Years
None	None	None	None	None



uMhlabuyalingana Municipality did not have any loans.



VOLUME 2 | AUDITED ANNUAL FINANCIAL STATEMENTS 2024/2025



Section 67(1)(a)(iv) states that audited financial statements for the financial year must be reported on. Financial statements to be displayed within the municipal/municipal entity Annual Report include:

Summary of operating results presented by the CFO, including

- Operating revenue
- Operating expenditure
- Operating results per service.
- Capital expenditure and financing



**uMhlabuyalingana Municipality
(Registration number KZN 271)
Annual Financial Statements
for the year ended 30 June 2025**

uMhlabuyalingana Municipality

(Registration number KZN 271)

Annual Financial Statements for the year ended 30 June 2025

General Information

Legal form of entity	Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998)
Nature of business and principal activities	The main purposes of the municipality is to engage in local governance activities which include planning and promotions of integrated development planning, economic and environmental development and supplying of services to the community.
Executive committee	
Executive Mayor	Cllr. TS Khumalo Cllr. EZ Mtshali Cllr. MD Mathenjwa Cllr. TS Myeni Cllr. ZM Mhlongo Cllr. KC Mthembu Cllr. HK Gumede Cllr. LD Tembe Cllr. PT Vumase
Councillors	Cllr. TP Manzini Cllr. JP Zikhali Cllr. T Mngomezulu Cllr. FG Mlambo Cllr. SS Manukuza Cllr. FS Mpanza Cllr. BK Mbuyazi Cllr. SM Tembe Cllr. MV Mahamba Cllr. SJ Mabika Cllr. SL Ntuli Cllr. BD Mtshali Cllr. IT Gwala Cllr. PV Khathwane Cllr. NC Mdletshe - Deceased in October 2025 Cllr. KB Mthembu - Appointed in March 2025 Cllr. NJ Khumalo Cllr. KA Buthelezi Cllr. BE Biyela Cllr. PS Mabika Cllr. SS Mkhumbuzi Cllr. KA Kunene Cllr. NP Khumalo Cllr. TS Myeni Cllr. TN Magagula Cllr. WNO Nxumalo Cllr. SM Gumede Cllr. MZ Mhlongo Cllr. HN Ntshangase
Chief Finance Officer (CFO)	Mrs. NP Mkhabela
Accounting Officer	Mr. NPE Myeni

uMhlabuyalingana Municipality

(Registration number KZN 271)

Annual Financial Statements for the year ended 30 June 2025

General Information

Registered office	Municipal Building Kwangwanase 3973
Business address	Main Street Manguzi 3973
Postal address	Private Bag X 901 Kwangwanase 3973
Bankers	Nedbank Limited First National Bank Standard Bank of SA Limited
Auditors	Auditor General of South Africa Registered Auditors

uMhlabuyalingana Municipality

(Registration number KZN 271)

Annual Financial Statements for the year ended 30 June 2025

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Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts

uMhlabuyalingana Municipality

(Registration number KZN 271)

Annual Financial Statements for the year ended 30 June 2025

Accounting Officer's Responsibilities and Approval

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

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

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

The municipality is wholly dependent on the municipality for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 5.

The annual financial statements set out on page 5, which have been prepared on the going concern basis, were approved by the accounting officer on 30 June 2025 and were signed on its behalf by:



Mr. NPE Myeni
Accounting Officer

uMhlabuyalingana Municipality

(Registration number KZN 271)

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	6	767 075	162 134
Receivables from non-exchange transactions	8	8 709 600	2 038 456
Receivables from exchange transactions	7	6 557 067	3 223 124
Cash and cash equivalents	9	113 394 227	98 943 798
		129 427 969	104 367 512
Non-Current Assets			
Property, plant and equipment	3	436 866 329	428 171 237
Total Assets		566 294 298	532 538 749
Liabilities			
Current Liabilities			
Payables from exchange transactions	4	22 193 854	23 902 604
Employee benefit obligation	5	198 195	526 337
Unspent conditional grants and receipts	10	5 682 949	7 155 290
Provisions	11	570 542	543 325
Beach development	12	-	267
INEP Liability	13	-	1 722 892
		28 645 540	33 850 715
Non-Current Liabilities			
Employee benefit obligation	5	4 818 320	3 913 532
Provisions	11	33 943 442	26 204 535
		38 761 762	30 118 067
Total Liabilities		67 407 302	63 968 782
Net Assets		498 886 996	468 569 967
Accumulated surplus		498 886 995	468 569 965
Total Net Assets		498 886 995	468 569 965

* See Note 43 & 42

uMhlabuyalingana Municipality

(Registration number KZN 271)

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	14	469 953	469 953
Rental of facilities and equipment	15	421 690	495 921
Agency services	17	353 563	276 625
Licences and permits	18	2 574 720	2 620 860
Operational revenue	20	1 869 201	1 922 973
Interest received on banks	21	11 655 832	9 880 939
Total revenue from exchange transactions		17 344 959	15 667 271
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	22	23 814 769	21 750 716
Interest on debtors	23	2 339 778	2 157 088
Transfer revenue			
Government grants & subsidies	25	291 855 336	286 497 776
Public contributions and donations	26	-	38 075 896
Fines, Penalties and Forfeits	16	1 417 750	1 335 550
INEP contract revenue	19	11 767 826	20 032 636
Beach development	12	267	2 173 681
Total revenue from non-exchange transactions		331 195 726	372 023 343
Total revenue		348 540 685	387 690 614
Expenditure			
Employee related costs	27	(95 092 134)	(88 518 750)
Remuneration of councillors	28	(15 596 840)	(15 724 110)
Depreciation and amortisation	29	(31 045 808)	(25 490 686)
Finance costs	31	(3 079 252)	(1 546 717)
Lease rentals on operating lease	33	(682 185)	(1 381 429)
Debt Impairment and bad debts written off	34	(9 624 084)	(9 009 396)
Inventory consumed	6	(2 176 732)	(4 441 012)
Contracted services	36	(80 663 614)	(105 034 591)
Transfers and Subsidies	24	(21 433 062)	(21 184 799)
Operational costs	35	(49 139 891)	(61 847 498)
Total expenditure		(308 533 602)	(334 178 988)
Operating surplus		40 007 083	53 511 626
Assets written off	3	(213 195)	(1 547 463)
Actuarial gains/losses	5	(225 312)	467 995
Impairment loss	30	(9 415 595)	(13 208 210)
Inventories losses/write-downs		(845)	-
Gain on sale of assets	37	164 892	-
		(9 690 055)	(14 287 678)
Surplus for the year		30 317 028	39 223 948

* See Note 43 & 42

uMhlabuyalingana Municipality

(Registration number KZN 271)

Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Net Assets

	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported at 01 July 2023	429 320 615	429 320 615
Correction of errors - note 42	25 402	25 402
	25 402	25 402
Surplus for the year	39 223 948	39 223 948
Total recognised income and expenses for the year	39 249 350	39 249 350
Total changes	39 249 350	39 249 350
Restated Balance at 01 July 2024	468 569 967	468 569 967
Changes in net assets		
Surplus for the year	30 317 028	30 317 028
Total changes	30 317 028	30 317 028
Balance at 30 June 2025	498 886 995	498 886 995

Note(s)

* See Note 43 & 42

uMhlabuyalingana Municipality

(Registration number KZN 271)

Annual Financial Statements for the year ended 30 June 2025

Cash Flow Statement

	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		28 234 665	29 692 744
Grants		293 829 424	287 254 000
Interest income		10 915 669	9 880 939
Receipt on INEP Projects		13 533 000	24 760 000
		346 512 758	351 587 683
Payments			
Employee costs		(111 914 829)	(103 817 255)
Suppliers		(161 956 608)	(180 570 626)
Finance costs		(5 333)	(4 524)
Repayments grants		(5 168 897)	-
INEP expenditure		(11 767 826)	(23 037 532)
		(290 813 493)	(307 429 937)
Net cash flows from operating activities	38	55 699 265	44 157 746
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(43 426 168)	(53 466 834)
Proceeds from sale of property, plant and equipment	3	2 177 332	-
Net cash flows from investing activities		(41 248 836)	(53 466 834)
Cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents		14 450 429	(9 309 088)
Cash and cash equivalents at the beginning of the year		98 943 798	108 252 886
Cash and cash equivalents at the end of the year	9	113 394 227	98 943 798

The accounting policies on pages 11 to 31 and the notes on pages 31 to 65 form an integral part of the annual financial statements.

* See Note 43 & 42

uMhlabuyalingana Municipality

(Registration number KZN 271)

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Comments
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Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges	469 953	-	469 953	469 953	-	
Rental of facilities and equipment	467 680	(2 023)	465 657	421 690	(43 967)	
Agency services	175 326	178 237	353 563	353 563	-	
Licences and permits	2 685 262	(200 869)	2 484 393	2 574 720	90 327	
Sale of goods and services	102 489	(102 489)	-	-	-	
Operational revenue	323 874	1 545 327	1 869 201	1 869 201	-	
Interest received - investment	5 200 000	6 455 832	11 655 832	11 655 832	-	
Total revenue from exchange transactions	9 424 584	7 874 015	17 298 599	17 344 959	46 360	

Revenue from non-exchange transactions

Taxation revenue

Property rates	30 108 866	(6 294 097)	23 814 769	23 814 769	-	
Interest on consumer debtors	2 339 778	-	2 339 778	2 339 778	-	

Transfer revenue

Government grants & subsidies	264 679 182	(13 591 391)	251 087 791	251 087 791	-	
Fines, Penalties and Forfeits	1 592 400	(174 650)	1 417 750	1 417 750	-	
INEP contract revenue	11 767 826	-	11 767 826	11 767 826	-	
Beach development	-	-	-	267	267	

Total revenue from non-exchange transactions	310 488 052	(20 060 138)	290 427 914	290 428 181	267	
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Total revenue	319 912 636	(12 186 123)	307 726 513	307 773 140	46 627	
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Expenditure

Employee Related Cost	(102 505 903)	5 638 415	(96 867 488)	(95 092 134)	1 775 354	
Remuneration of councillors	(16 750 105)	1 000 000	(15 750 105)	(15 596 840)	153 265	
Depreciation and amortisation	(37 654 495)	8 741 881	(28 912 614)	(31 045 808)	(2 133 194)	
Finance costs	(995 202)	(2 084 050)	(3 079 252)	(3 079 252)	-	
Lease rentals on operating lease	(921 947)	185 471	(736 476)	(682 185)	54 291	
Debt Impairment	(9 013 021)	355 066	(8 657 955)	(9 624 084)	(966 129)	
Inventory consumed	(2 773 650)	590 862	(2 182 788)	(2 176 732)	6 056	
Contracted Services	(68 347 900)	(13 879 123)	(82 227 023)	(80 663 614)	1 563 409	
Transfers and Subsidies	(11 840 000)	(9 642 452)	(21 482 452)	(21 433 062)	49 390	
Operational costs	(40 623 340)	(9 833 464)	(50 456 804)	(49 139 891)	1 316 913	

Total expenditure	(291 425 563)	(18 927 394)	(310 352 957)	(308 533 602)	1 819 355	
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Operating deficit	28 487 073	(31 113 517)	(2 626 444)	(760 462)	1 865 982	
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Asset write-offs	-	(213 195)	(213 195)	(213 195)	-	
Actuarial gains/losses	-	(225 312)	(225 312)	(225 312)	-	
Asset impairment loss	-	(9 866 571)	(9 866 571)	(9 415 595)	450 976	
Inventories losses/write-downs	-	(845)	(845)	(845)	-	
Gain on non-current assets held for sale or disposal groups	-	164 892	164 892	164 892	-	

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Comments
	-	(10 141 031)	(10 141 031)	(9 690 055)	450 976	
Surplus /deficit before capital transfers and contributions	28 487 073	(41 254 548)	(12 767 475)	(10 450 517)	2 316 958	
Surplus/(deficit) for the year from continuing operations	28 487 073	(41 254 548)	(12 767 475)	(10 450 517)	2 316 958	
Transfers and subsidies - Capital allocation	39 129 818	5 334 283	44 464 101	40 767 545	(3 696 556)	
Internally Generated Funds	6 826 088	13 443 449	20 269 537	7 880 712	(12 388 825)	Internally generated funds are from the reserves made for capital project that were not completed.
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	74 442 979	(22 476 816)	51 966 163	38 197 740	(13 768 423)	

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Significant Accounting Policies

	Note(s)	2025	2024
1. Significant accounting policies			
The significant accounting policies applied in the preparation of these annual financial statements are set out below.			
1.1 Basis of preparation			
The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).			
These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.			
These accounting policies are consistent with the previous period.			
1.2 Presentation currency			
These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.			
1.3 Going concern assumption			
These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.			
1.4 Significant judgements and sources of estimation uncertainty			
In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:			
Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.			
Trade receivables			
The municipality assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.			
The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.			
Impairment testing			
The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.			
Provisions			
Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.			
Effective interest rate			
The municipality used the prime interest rate to discount future cash flows.			

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Significant Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Allowance for doubtful debts

Allowance for doubtful debts is calculated based on the credit control policy. Debtors are assessed individually for the credit risk. Debtors that have not made any payment during the financial year are considered to be high risk and the provision matrix above is used for the calculation of the provision.

Accounting by principals and agent

The municipality makes assessments on whether it is the principal or agent in principal-agent relationships. Significant judgements applied are as follow.

It does not have the power to determine the significant terms and conditions of the transaction.

It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.

It is not exposed to variability in the results of the transaction.

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures and impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

1.5 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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Significant Accounting Policies

1.5 Property, plant and equipment (continued)

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

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

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

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

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

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

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

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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

Item	Depreciation method	Average useful life
Buildings	Straight-line	30 years
Furniture and Fixtures 1	Straight-line	03 - 15 years
Furniture and Fixtures 2	Straight-line	15 - 20 years
Motor vehicles	Straight-line	03 - 20 years
Computer equipment	Straight-line	03 - 10 years
Infrastructure	Straight-line	03 - 05 years
Road and paving	Straight-line	10 - 30 years
Gravel roads	Straight-line	10 - 20 years
Community hall	Straight-line	30 years
Waste Bins and containers	Straight-line	05 - 15 years
Libraries buildings	Straight-line	30 years
Fence	Straight-line	10 - 20 years
Gates	Straight-line	05 - 30 years
Water tanks	Straight-line	20 years
Soccer fields	Straight-line	20 years
Landfill sites	Straight-line	05 - 30 years
Specialised vehicles	Straight-line	10 - 15 years
Street lights	Straight-line	25 years
Machinery	Straight-line	03 - 05 years
Halls building	Straight-line	20 - 30 years
Special plant and equipment 1	Straight-line	10 - 15 years
Special plant and equipment 2	Straight-line	15 - 20 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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

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Significant Accounting Policies

1.5 Property, plant and equipment (continued)

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

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

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

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

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 3).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 3).

1.6 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

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Significant Accounting Policies

1.6 Heritage assets (continued)

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.
The Municipality does not have any heritage assets.

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or

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Annual Financial Statements for the year ended 30 June 2025

Significant Accounting Policies

1.7 Financial instruments (continued)

- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

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

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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Significant Accounting Policies

1.7 Financial instruments (continued)

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalent	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost

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

Class	Category
Consumer deposits	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost

The entity has the following types of residual interests (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

1.8 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

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

Recognition

The municipality recognises statutory receivables as follows:

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

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Significant Accounting Policies

1.8 Statutory receivables (continued)

- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the Council policy and the policy on Credit Control on non-exchange transactions, where is applicable.

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, maybe impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality assesses in accordance with its Credit Control Policy.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit

Derecognition

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

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or

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Significant Accounting Policies

1.9 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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

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

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

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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Significant Accounting Policies

1.11 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

1.13 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

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1.13 Impairment of cash-generating assets (continued)

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

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

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Recognition and measurement

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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1.13 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.14 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

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1.14 Provisions and contingencies (continued)

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 51.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and

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1.14 Provisions and contingencies (continued)

- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.15 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

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1.17 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

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1.17 Revenue from non-exchange transactions (continued)

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

1.18 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.19 Accounting by principals and agents

Identification

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

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

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

Identifying whether an entity is a principal or an agent

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

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

Recognition

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

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1.19 Accounting by principals and agents (continued)

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

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

1.20 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.21 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.22 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.23 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.24 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

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1.24 Segment information (continued)

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.25 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/07/01 to 2025/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

1.26 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

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1.26 Related parties (continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.27 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

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1.28 Employee benefits

Identification

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Defined benefit cost

Service cost comprises: (a) current service cost, which is the increase in the present value of the defined benefit obligation resulting from employee service in the current period; (b) past service cost, which is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by a plan); and (c) any gain or loss on settlement.

Net interest on the net defined benefit liability (asset) is the change during the period in the net defined benefit liability (asset) that arises from the passage of time.

Remeasurements of the net defined benefit liability (asset) comprise: (a) actuarial gains and losses; (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Actuarial gains and losses are changes in the present value of the defined benefit obligation resulting from: (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and (b) the effects of changes in actuarial assumptions.

Other long-term employee benefits

Recognition and measurement

For other long-term employee benefits, the entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- (a) service cost;
- (b) net interest on the net defined benefit liability (asset); and
- (c) remeasurements of the net defined benefit liability (asset).

1.29 Contracted services

Contracted Services are distinguish between Outsourced Services, Contractors and Professional and Special Services.

Outsourced services

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1.29 Contracted services (continued)

The municipality should have the capacity and expertise to carry out certain services, but for some reasons not utilising their own staff. The reasons might include temporary incapacity or the outsourcing of services to save costs. In evaluating the classification of outsourced services it should be established whether the services being procured could have been provided by the municipality itself. It could also be that the municipality ordinarily has the expertise to provide the service but temporarily could not do so or to save costs.

Consultants and professional services

Consulting services refer to specialist services and skills provided that are required for the achievement of a specific objective, with the aim of providing expert and professional advice on a time and material basis. It is unnecessary to maintain these skills in-house, since they are required on a once-off or temporary basis. Therefore a consultant is a professional person appointed by the department to provide technical and specialist advice or to assist with the design and implementation of specific projects/programs. The legal status of this person can be an individual, a partnership or a corporation. The fact that a consultant is defined as a professional person implies that the consultant is professionally qualified. The provision of advice or service is in line with a contractual arrangement. Remuneration is usually based on an hourly fee or a fixed fee for a product/deliverable. This category consists of groups for "Business and Advisory Services", "Infrastructure and Planning", "Laboratory" and "Legal Service".

Contractors

Contractors are required to provide services that are not the core business of the municipality. It is normally not cost effective to maintain these skills within the department. Contractors include costs associated with the use of contracted individuals or businesses on projects or tasks. This does not include amounts payable to contractors in respect of provision of services such as cleaning and security even if a staff element can be identified.

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2025 or later periods:

• GRAP 107 Mergers	01 April 2025	Unlikely there will be a material impact
• GRAP 106 Transfer of Functions Between Entities Not Under Common Control	01 April 2025	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	01 April 2025	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	01 April 2025	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	11 April 2025	Expected impact is...
• GRAP 103 (as revised): Heritage Assets	01 April 2025	Unlikely there will be a material impact
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Expected impact is...
• GRAP 21: Impairment of Non-Cash Generating Assets	01 April 2025	Unlikely there will be a material impact
• GRAP 25 (as revised): Employee Benefits	01 April 2025	Expected impact is...
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2025	Unlikely there will be a material impact
• GRAP 2020: Improvements to the Standards of GRAP 2020	01 April 2025	Unlikely there will be a material impact
• Guideline: Guideline on Accounting for Landfill Sites	01 April 2025	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Materiality)	01 April 2025	Expected impact is...

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3. Property, plant and equipment

	2025		2024			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	23 869 705	(12 027 294)	11 842 411	41 602 448	(19 944 028)	21 658 420
Community	224 895 443	(63 920 002)	160 975 441	211 056 417	(50 571 843)	160 484 574
Computer equipment	3 668 064	(1 845 419)	1 822 645	3 655 293	(1 675 331)	1 979 962
Furniture and fixtures	3 066 792	(1 906 263)	1 160 529	3 093 180	(1 865 622)	1 227 558
Infrastructure	423 324 943	(187 441 612)	235 883 331	388 531 847	(167 722 394)	220 809 453
Motor vehicles	8 978 606	(3 612 814)	5 365 792	9 784 941	(3 663 229)	6 121 712
Plant and machinery	28 626 822	(9 488 450)	19 138 372	24 238 855	(8 750 717)	15 488 138
Solid waste	1 252 089	(574 281)	677 808	916 689	(515 269)	401 420
Total	717 682 464	(280 816 135)	436 866 329	682 879 670	(254 708 433)	428 171 237

None of the property, plant, and equipment is held as security

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Annual Financial Statements for the year ended 30 June 2025

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Additions through WIP	Assets disposals	Transfers received	WIP Transfers Out	Landfill site addition	Donations made	Assets reclassification	Depreciation	Impairment loss	Total
Buildings	21 658 420	-	-	(13 935)	-	-	-	(524 572)	(8 252 531)	(1 024 971)	-	11 842 411
Community	160 484 574	-	3 327 621	(39 432)	9 645 173	(9 645 173)	5 934 197	-	4 191 066	(8 011 845)	(4 910 740)	160 975 441
Computer equipment	1 979 962	659 843	-	(109 677)	-	-	-	-	-	(707 483)	-	1 822 645
Furniture and fixtures	1 227 558	249 298	-	(40 622)	-	-	-	-	-	(275 705)	-	1 160 529
Infrastructure	220 809 453	-	33 865 843	(9 528)	4 044 418	(4 044 418)	-	(1 253 754)	4 061 465	(17 085 293)	(4 504 855)	235 883 331
Motor vehicles	6 121 712	708 504	-	(191 575)	-	-	-	-	-	(1 272 849)	-	5 365 792
Plant and machinery	15 488 138	8 079 748	-	(1 820 864)	-	-	-	-	-	(2 608 650)	-	19 138 372
Solid waste	401 420	335 400	-	-	-	-	-	-	-	(59 012)	-	677 808
	428 171 237	10 032 793	37 193 464	(2 225 633)	13 689 591	(13 689 591)	5 934 197	(1 778 326)	-	(31 045 808)	(9 415 595)	436 866 329

The total assets disposal amounting to **R2,225,634**, which encompasses **two categories of disposals**. The first category consists of **assets written off, totaling R213 195**, with individual classes amounts of R13,935; R39,423; R109 677; R40,622; and R9,528. The second category pertains to **asset disposals conducted through auction, valued at R2,012,440**, represented by two classes of assets, motor vehicle R191 575, and plant & machinery R1,820,865.

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Additions through WIP	Write-Offs	Donations received	Donations made	WIP Transfer in	WIP Transfer out	Landfill site additions	Depreciation	Impairment loss/reversal	Transferred to minor assets	Total
Buildings	23 775 321	226 130	-	(434 738)	-	(357 009)	-	-	-	(1 539 312)	(11 972)	-	21 658 420
Community	149 491 003	133 182	9 862 139	(118 991)	3 655 907	-	-	-	420 845	(6 694 179)	3 734 668	-	160 484 574
Computer equipment	1 531 342	1 159 197	-	(56 350)	-	-	-	-	-	(634 177)	-	(20 050)	1 979 962
Furniture and fixtures	1 809 494	641 069	-	(21 119)	18 400	-	-	-	-	(370 280)	-	(850 006)	1 227 558
Infrastructure	181 043 517	-	35 788 906	(42 710)	34 401 589	-	36 184 014	(36 184 014)	-	(13 450 942)	(16 930 907)	-	220 809 453
Motor vehicles	3 387 006	4 259 359	-	(563 536)	-	-	-	-	-	(961 117)	-	-	6 121 712
Plant and machinery	15 833 317	1 396 852	-	(48 356)	-	-	-	-	-	(1 670 558)	-	(23 117)	15 488 138
Solid waste	463 176	-	-	-	-	-	-	-	-	(61 756)	-	-	401 420
	377 334 176	7 815 789	45 651 045	(1 285 800)	38 075 896	(357 009)	36 184 014	(36 184 014)	420 845	(25 382 321)	(13 208 211)	(893 173)	428 171 237

Reconciliation of Work-in-Progress 2025

	Included within Infrastructure	Included within Community	Total
Opening balance	8 144 533	12 931 846	21 076 379
Additions/capital expenditure	33 865 843	3 327 621	37 193 464
Transferred to completed items	(4 044 418)	(9 645 174)	(13 689 592)
	37 965 958	6 614 293	44 580 251

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Annual Financial Statements for the year ended 30 June 2025

2025 2024

3. Property, plant and equipment (continued)

Included in the property plant and equipment are projects that have been identified as taking significantly longer period to complete

- **Manguzi Internal Road Phase 2** R32 418 698

Included in the work in progress is Ultra Stop project that have not yet began with construction due to unavailability of funding.

- **Ultra Stop** R 484 277

Reconciliation of Work-in-Progress 2024

	Included within Infrastructure	Included within Community	Total
Opening balance	8 539 405	3 069 700	11 609 105
Additions/capital expenditure	35 789 118	9 862 139	45 651 257
Transferred to completed items	(36 184 014)	-	(36 184 014)
	8 144 509	12 931 839	21 076 348

Included in property, plant and equipment are projects that have been identified as taking significantly longer period of time to complete that expected, due to the following.

Refurbishment of Manguzi Market Stalls

-The cumulative expenditure has amounted to R5 957 127.36

Post the approval and receiving of partial funding for the project from KZN EDTEA, there was a subsequent funding approval from the Department of Small Business Development (DSBD) (direct to private sector) on the same project, due to the dual blended funding models, there were delays in reaching a consensus between all the involved role players insofar as to which exact works would be financed by which funding in order to meet the accounting requisites.

The management embarked on a process to both cautiously and legislatively manage, reconcile and align the scope of work to each funding in order to comply with the legislative conditions so that both fundings can be properly utilised and be accounted for on the same project to achieve the ultimate objective. This process is much longer to acquire the necessary approvals/consents, from, both, funders.

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Contracted Services - Plumbing	-	443 554
Contracted services - G5 Material	-	195 900
Contracted services - G7 Material	1 664 833	5 059 265
Contracted - Hiring Excavator	1 165 328	952 800
TLB hire	3 991 646	2 175 810
Tipper truck & Grader	4 503 642	4 123 056
Small machine maintenance	-	206 005
Carport shelter and mounting enclosure	-	227 717
Community hall repairs	2 470 216	417 600
Contracted Service - Motor Vehicle	11 302 492	12 467 658
Electrical	1 569 270	740 052
Employee cost	2 520 194	1 957 100
Honey sucking	-	956 721
Landfill site	216 236	9 667 634

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	2025	2024
3. Property, plant and equipment (continued)		
Main building renovations	-	3 142 050
Road marking and maintenance	2 768 940	3 097 380
Security gate and fence repair	-	190 861
Sportfield	761 092	855 977
Water tanker	-	49 997
Buildings	751 972	-
Maintenance of libraries	768 327	-
Market stalls	319 444	-
Street light	166 473	-
	34 940 105	46 927 137

4. Payables from exchange transactions

Accrued bonus	2 019 036	1 855 687
Accrued leave pay	6 325 648	5 801 131
Debtors with credit balance	36 480	28 993
Employee accruals	347 122	304 541
Hall hire deposits	20 210	14 100
Performance bonus accruals	21 710	231 858
Refunds due	-	5 567
Retention creditors	5 741 715	5 291 570
Trade payables	5 270 138	6 683 645
Unallocated deposits	131 556	127 356
Output VAT Accrual on outstanding debtors	2 284 317	3 587 970
Output VAT accrual on debt impairment	(4 078)	(29 814)
	22 193 854	23 902 604

Ageing of trade and other payables

Current (0 - 30 days)	5 253 674	6 506 654
31 - 60 days	-	127 766
61 - 90 days	-	9 227
> 180 days	19 000	40 000
	5 272 674	6 683 647

5. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Opening balance	(4 439 869)	(4 400 030)
Service cost	(447 353)	(478 750)
Interest cost	(463 614)	(482 354)
Actual benefit payment	559 633	453 269
Actuarial gain/loss	(225 312)	467 996
	(5 016 515)	(4 439 869)
Non-current liabilities	(4 818 320)	(3 913 532)
Current liabilities	(198 195)	(526 337)
	(5 016 515)	(4 439 869)

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5. Employee benefit obligations (continued)

Net expense recognised in the statement of financial performance are as follows:

Current service cost	447 353	478 750
Current interest cost	463 614	482 354
Actuarial gains /losses	225 312	(467 995)
	1 136 279	493 109

Assumptions used at the reporting date

Discount rates used:

General Inflation Rate	9,70 %	11,10 %
Consumer Price Index (CPI)	3,93 %	5,92 %
Real Rate	4,93 %	6,29 %
Net Discount Rate	4,54 %	4,53 %
Members withdrawal assumptions from services: (Average for males and females)	-	-
Age 20	12,00 %	12,00 %
Age 25	6,60 %	6,60 %
Age 30	5,10 %	5,10 %
Age 35	3,60 %	3,60 %
Age 40	2,60 %	2,60 %
Age 45	1,80 %	1,80 %
Age 50	1,10 %	1,10 %

GRAP 25 defines the determination of the investment return assumption to be used as the rate that can be determined by reference to market yields (at the balance sheet date) on government bonds. The currency and term of the government bonds should be consistent with the currency and estimated term of the obligation.

6. Inventories

Opening balance	162 134	66 111
Inventory issued	(2 176 732)	(4 441 012)
Inventory acquisition	2 781 673	4 537 035
	767 075	162 134

7. Receivables from exchange transactions

Gross balances

Refuse	112 974	526 389
Rentals	936 630	758 849
Creditors with debit balance	247 633	128 079
Cashier shortage	142 572	142 572
Accrued interest	740 163	-
Motor licence	37 996	-
Prepayments	1 400 000	-
Input VAT accrual on outstanding creditors	1 862 768	326 253
VAT Receivable from SARS	2 011 548	2 473 508
	7 492 284	4 355 650

Less: Allowance for impairment

Refuse	(22 608)	(412 117)
Rental	(912 609)	(720 409)
	(935 217)	(1 132 526)

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Annual Financial Statements for the year ended 30 June 2025

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7. Receivables from exchange transactions (continued)

Net balance

Refuse	90 366	114 272
Rentals	24 021	38 440
Creditors with debit balance	247 633	128 079
Cashier shortage	142 572	142 572
Motor licencing	37 996	-
Accrued interest	740 163	-
Input VAT accrual on outstanding creditors	1 862 768	326 253
VAT Receivables from SARS	2 011 548	2 473 508
Prepayment	1 400 000	-
	6 557 067	3 223 124

Refuse

Current (0 -30 days)	63 778	48 903
31 - 60 days	17 307	41 985
61 - 90 days	11 569	36 155
91 - 120 days	572	23 795
121 - 365 days	19 748	375 551
	112 974	526 389

Rental

Current (0 -30 days)	52 848	37 828
31 - 60 days	21 894	36 412
61 - 90 days	21 600	31 103
91 - 120 days	20 230	24 800
121 - 365 days	812 061	628 706
	928 633	758 849

Cashier shortage

121 - 365 days	142 572	142 572
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Motor licence

31 - 60 days	37 996	-
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Summary of debtors by customer classification

Reconciliation of allowance for impairment

Balance at beginning of the year	(1 132 526)	(908 909)
Contributions to allowance	(192 200)	(228 573)
Reversal of debt impairment	389 509	4 956
	(935 217)	(1 132 526)

Consumer debtors past due but not impaired

Consumer debtors which are less than 3 months past due are not considered to be impaired. At 30 June 2025, - (2024: 232 385) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	21 719	86 730
2 months past due	21 228	78 397
3 months past due	10 997	67 258

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	2025	2024
8. Receivables from non-exchange transactions		
Gross balances		
Debtors - Property rates	84 920 982	70 135 026
Employee debtors	33 831	51 848
Traffic fines	3 147 824	3 240 949
	88 102 637	73 427 823
Less: Write-off		
Debtors - Property rates	(4 463 606)	(470 633)
Traffic fines	(771 779)	(1 321 354)
	(5 235 385)	(1 791 987)
Property rates	80 457 376	69 664 393
Employee debtors	33 831	51 848
Traffic fines	2 376 045	1 919 595
Sub-total	82 867 252	71 635 836
Less: Allowance for impairment		
Debtors - Property rates	(72 138 014)	(68 042 946)
Traffic fines	(2 019 638)	(1 554 434)
	(74 157 652)	(69 597 380)
Net balance		
Debtors - Property rates	8 319 362	1 621 447
Employee debtors	33 831	51 848
Traffic fines	356 407	365 161
	8 709 600	2 038 456
Reconciliation of provision for impairment of receivables from non-exchange transactions:		
Property Rates Debtors		
Opening balance	(68 042 946)	(61 431 667)
Allowance for impairment - property rates debtors	(8 558 675)	(7 081 912)
Amounts written off as uncollectible/ reversal of impairment	4 463 606	470 633
	(72 138 015)	(68 042 946)
Traffic fines		
Opening balance	(1 554 435)	(1 440 333)
Allowance for impairment	(465 204)	(114 102)
	(2 019 639)	(1 554 435)
Total impairment	(74 157 654)	(69 597 381)
Traffic fines		
Current (0 -30 days)	74 100	29 950
31 - 60 days	105 378	45 550
61 - 90 days	113 950	83 650
91 - 120 days	80 200	68 500
121 - 365 days	2 002 416	1 692 042
Allowance for impairment	(2 019 637)	(1 554 434)
	356 407	365 258

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	2025	2024
8. Receivables from non-exchange transactions (continued)		
Agriculture		
Current (0 -30 days)	33 663	31 121
31 - 60 days	16 832	15 560
61 - 90 days	16 832	15 560
91 - 120 days	16 831	15 561
121 - 365 days	1 466 302	1 270 680
Allowance for Impairment	(1 550 460)	(1 348 482)
	-	-
Summary of debtors by customer classification		
Residential		
Current (0 -30 days)	110 406	102 628
31 - 60 days	55 442	51 314
61 - 90 days	55 437	51 314
91 - 120 days	55 436	51 314
121 - 365 days	3 785 234	3 246 851
	4 061 955	3 503 421
Less: Allowance for impairment	(4 061 955)	(3 436 075)
	-	67 346
Industrial/ commercial		
Current (0 -30 days)	1 159 560	992 400
31 - 60 days	608 954	346 804
61 - 90 days	639 764	351 982
91 - 120 days	606 893	352 882
121 - 365 days	29 380 979	30 234 661
	32 396 150	32 278 729
Less: Allowance for impairment	(32 004 664)	(31 537 243)
	391 486	741 486
Government		
Current (0 -30 days)	1 454 463	462 693
31 - 60 days	725 691	231 346
61 - 90 days	725 691	231 347
91 - 120 days	725 691	231 347
121 - 365 days	12 101 056	31 912 893
	15 732 592	33 069 626
Less: Allowance for impairment	(7 825 986)	(33 069 626)
	7 906 606	-
ITB (Vacant Land)		
Current (0 -30 days)	296 625	200 204
31 - 60 days	148 247	100 029
61 - 90 days	148 247	100 029
91 - 120 days	148 247	100 029
121 - 365 days	25 953 714	24 423 351
	26 695 080	24 923 642
Less: Allowance for impairment	(26 694 949)	(24 923 498)
	131	144

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Annual Financial Statements for the year ended 30 June 2025

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8. Receivables from non-exchange transactions (continued)

Total debtor past due but not impaired

Current (0 -30 days)	775 768	1 348 749
31 - 60 days	104 389	1 229 131
61 - 90 days	477 458	1 132 121
	1 357 615	3 710 001

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Petty cash	8	1
Bank balances	2 798 606	49 761 790
Short-term deposits	110 581 023	49 181 926
Cash in transit	14 590	81
	113 394 227	98 943 798

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2025	30 June 2024	30 June 2023	30 June 2025	30 June 2024	30 June 2023
First National Bank - Current Account Hluhluwe - 62025236408	2 798 607	49 761 790	82 657 039	2 798 607	49 761 790	82 657 039
First National Bank - Call Account Hluhluwe - 62055161146	2 451 550	2 304 837	2 156 556	2 451 550	2 304 837	2 156 556
First National Bank - Call Account Hluhluwe - 62266899825	1 680 271	1 578 974	1 477 392	1 680 271	1 578 974	1 477 392
First National Bank - Call Account Hluhluwe - 74275256516	-	6 383 932	5 840 590	-	6 383 932	5 840 590
Standard Bank - Call Account Empangeni - 068824491	26 328	24 526	23 000	26 328	24 526	23 000
First National Bank - Call Account Hluhluwe - 62424086785	2 568 032	2 387 775	2 210 263	2 568 032	2 387 775	2 210 263
First National Bank - Fixed Deposit Account - 74622621601	10 219 184	9 404 544	8 619 584	10 219 184	9 404 544	8 619 584
Nedbank - Notice Deposit - 03/7881177756	29 121 769	27 097 337	5 264 122	29 121 769	27 097 337	5 264 122
First National Bank - Call Account - 76206468722	32 441 955	-	-	32 441 955	-	-
NEDBANK - 7881177756	32 071 935	-	-	32 071 935	-	-
Total	113 379 631	98 943 715	108 248 546	113 379 631	98 943 715	108 248 546

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10. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Art and Culture	100 000	100 000
COGTA - Small Town Revitalization	1 886 393	1 886 393
Manguzi Market grant	-	5 168 897
Municipal Disaster Response Grant	3 696 556	-
	5 682 949	7 155 290

Movement during the year

Balance at the beginning of the year	7 155 291	6 399 066
Additions during the year	53 130 000	57 203 000
Income recognition during the year	(49 433 445)	(56 446 776)
Repayments	(5 168 897)	-
	5 682 949	7 155 290

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 25 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

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Annual Financial Statements for the year ended 30 June 2025

2025 2024

11. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Additions	Interest cost	Utilised during the year	Total
Skhemelele landfill site	6 472 748	-	-	(454 135)	6 018 613
Mbazwana landfill site	8 073 545	4 740 355	1 332 831	(237 711)	13 909 020
Thandizwe landfill site	11 658 242	1 193 842	1 277 497	(113 772)	14 015 809
Performance bonus	543 325	266 034	-	(238 814)	570 545
	26 747 860	6 200 231	2 610 328	(1 044 432)	34 513 987

Reconciliation of provisions - 2024

	Opening Balance	Interest cost	Additions during the year	Utilised during the year	Total
Skhemelele landfill site	7 362 548	-	-	(889 800)	6 472 748
Mbazwana landfill site	8 073 545	-	-	-	8 073 545
Thandizwe landfill site	10 177 587	1 059 840	420 815	-	11 658 242
Performance bonus	548 813	-	226 370	(231 858)	543 325
	26 162 493	1 059 840	647 185	(1 121 658)	26 747 860

Non-current liabilities	33 943 442	26 204 535
Current liabilities	570 542	543 325
	34 513 984	26 747 860

Performance bonuses

A brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits or service potential.

An indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an entity shall disclose the major assumptions made concerning future events, as addressed in paragraph .61.

The amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.

Environmental rehabilitation provision

The municipality operates two Landfill sites, which are Thandizwe and Mbazwana. Skhemelele is in the process of being closed down. The Municipality estimated rehabilitation cost are 2025: R26 204 535 (2024: R26 204 53) to restore the landfill site at the end of its useful life, estimated to be less than 13 and 17 years respectively from the date of revaluation. The amount of rehabilitation is dependent on future costs, technology, inflation and site consumption. The discount rate of the provision has dropped to 9.94% (2023: 9.00% 2024: 10.00). The date on which Zin Waste and Landfills valued landfill sites was 30 June,2025

KwaNgwanase(Thandizwe)Landfill

The site is operational and receiving waste from the Kwangwanase CBD and the surrounding villages. This waste comprises of domestic, garden, commercial and building waste. It is expected that the Thandizwe landfill site now has less than 13 years of airspace remaining. Given that Mbazwana Landfill is now open, the deposition rate was zero last year the result of this the airspace remained constant. The impact of the current deposition is that the site now has less than 17 years of airspace remaining. After opening the airspace has started to reduce again.

MbazwanaLandfill

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2025 2024

11. Provisions (continued)

The site has been re-opened in the 2024/2025 financial year, the municipality managed to agree with the community and residents to open the site for operations. The conditions include changing the access road to the landfill site to ensure that there are no flies that get into the residential households as a result of passing waste trucks. The other condition and requirement from the community is that the municipality must deal nuisance caused by flies on the landfill site. The access of the landfill site is no longer guarded and controlled. The guard house and associated buildings have been vandalized and the fence has been removed.

Skhemelele landfill

The Skhemelele landfill site has been closed and is currently awaiting assessment by the Department of Environmental Affairs to determine whether the site has been fully rehabilitated or if further actions are necessary. The municipality has made significant progress in clearing the site and the revegetation. Since the municipality took over a site that was a sand quarry the opening has been refilled to get the site to the state the municipality found it in. It is unclear to what extent the site would be acceptable to the Department of Economic Development, Tourism and Environmental Affairs.

12. Beach development

Carrying amount of dividends or similar distributions payable

Opening balance	267	2 500 000
Transferred to revenue	(267)	(2 499 733)
	-	267

13. INEP liability

Integrated National Electrification Program

INEP liability

Opening balance	1 722 892	-
Current year receipt	13 533 000	24 760 000
Current year expenditure	(13 533 000)	(23 037 532)
Adjustment	(1 722 892)	-
	-	1 722 468

14. Service charges

Refuse removal	469 953	469 953
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15. Rental of facilities and equipment

Premises

Rental income	348 646	466 791
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Facilities and equipment

Hall hire	73 044	29 130
	421 690	495 921

Included in the above rentals income are rentals income for premises of R348 646 - (2024: R466 791) as well as rentals of facilities of R73 044- (2024: R29 130).

16. Fines, Penalties and Forfeits

Municipal Traffic Fines	1 417 750	1 335 550
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	2025	2024
17. Agency services		
Motor licensing	343 607	266 035
Management Fees - Liberty Life	5 444	6 776
- Assupol	4 512	3 814
	353 563	276 625
18. Licences and permits		
License income	2 574 720	2 620 860
19. INEP Contract revenue		
Grant income received for INEP projects	11 767 826	20 032 636
20. Operational revenue		
Building plans revenue	51 131	23 739
Business licencing	36 919	44 636
Insurance refund	608 635	978 445
LG SETA income	186 309	174 260
Law enforcement fines	6 350	7 600
Library income	42 863	34 267
Prepaid meters - Stores	143 099	73 755
Impounding fees	13 500	-
Retention recovered	780 395	586 271
	1 869 201	1 922 973
21. Interest received on banks		
Interest on bank account and investment accounts		
Bank	2 566 242	6 290 520
Investments	9 089 590	3 590 419
	11 655 832	9 880 939

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22. Property rates

Rates received

Commercial	8 030 588	6 775 995
Municipal	1 981 074	1 399 400
Residential	662 752	616 000
State properties	15 480 447	15 116 640
Less: Income forgone	(314)	(231)
Interest waived	(2 339 778)	(2 157 088)

23 814 769 21 750 716

Valuations

Business and commercial	1 136 930 000	785 950 000
Protected area	4 800 000	164 500 000
Public service infrastructure	10 155 000	8 770 000
Public service purposes	1 000 523 826	1 012 700 000
Residential / hospitality	153 600 000	131 200 000
State trust land	-	97 000 000
Vacant land	1 021 972 999	623 561 000
Agricultural Properties	115 930 000	-
Impermissible	391 500 000	-
Municipal Properties	143 461 000	-

3 978 872 825 2 823 681 000

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2024. ISupplimentary valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The new general valuation was implemented on the 01 of July 2024.

Business Properties are billed at **R0.007777** (2024: R0,0087) per Rand for a period.

Residential Properties are billed at **R0,0069699** (2024: R0,007777) per Rand for a period.

Public Service Properties are billed at **R0,015400** (2024: R0,0154) per Rand for a period.

Agricultural Properties are billed at **R0,00174225** (2024: R0,001925) per Rand for a period.

Vacant land is billed at **R0,00174225** (2024: R0,001925) per Rand for a period.

23. Interest on debtors

Property rates	2 339 778	2 157 088
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24. Transfer and subsidies

Other subsidies

Burial services	318 000	84 000
Bursaries	430 392	869 411
Disaster supplies	681 500	488 700
SMMEs programmes	3 020 664	-
Social assistance	15 204 180	19 385 842
Assets donations made	1 778 326	356 846
	21 433 062	21 184 799

The total amount of **R1 778 326** reflects donations made by the Municipality, which include the Khiphimbazo water supply scheme transferred to the uMkhanyakude District Municipality, valued at **R524 571.45**. The Zangomeni-Mvelabusha gravel road, with a carrying value of **R1 253 754.20**, was donated to the Department of Transport.

25. Government grants & subsidies

Operating grants

Equitable share	242 421 892	230 051 000
Extended Public Works Programme Grant	2 452 000	2 037 000
Financial Management Grant	1 800 000	1 850 000
Municipal Disaster Response Grant	1 578 444	-
Library Grant	3 062 000	2 933 000
Tourism Grant	-	430 000
	251 314 336	237 301 000

Capital grants

Municipal Infrastructure Grant	40 541 000	45 883 000
Manguzi Informal Market Grant	-	3 313 776
	40 541 000	49 196 776
	291 855 336	286 497 776

Municipal Disaster Response Grant

Current-year receipts	5 275 000	-
Conditions met - transferred to revenue	(1 578 444)	-
	3 696 556	-

Conditions still to be met - remain liabilities (see note 10).

Tourism Grant

Current-year receipts	-	430 000
Conditions met - transferred to revenue	-	(430 000)
	-	-

COGTA - Small Town Revitalization

Balance unspent at beginning of year	1 886 393	1 886 393
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Conditions still to be met - remain liabilities (see note 10).

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25. Government grants & subsidies (continued)

Spatial Development

Balance unspent at beginning of year	100 000	100 000
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Conditions still to be met - remain liabilities (see note 10).

Library (Provincial)

Current-year receipts	2 050 000	-
Conditions met - transferred to revenue	(2 050 000)	-
	-	-

Conditions met

Municipal Infrastructure Grant

Current-year receipts	40 541 000	45 883 000
Conditions met - transferred to revenue	(40 541 000)	(45 883 000)
	-	-

Conditions met

Finance Management Grant

Current-year receipts	1 800 000	1 850 000
Conditions met - transferred to revenue	(1 800 000)	(1 850 000)
	-	-

Conditions met

Extended Public Works Programme Grant

Current-year receipts	2 452 000	2 037 000
Conditions met - transferred to revenue	(2 452 000)	(2 037 000)
	-	-

Conditions met

Library (Community library)

Current-year receipts	1 012 000	-
Conditions met - transferred to revenue	(1 012 000)	-
	-	-

Conditions met

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25. Government grants & subsidies (continued)

Manguzi Informal Market Grant

Balance unspent at beginning of year	5 168 897	3 982 673
Current-year receipts	-	4 500 000
Conditions met - transferred to revenue	-	(3 313 776)
Repayment	(5 168 897)	-
	-	5 168 897

26. Public contributions and donations

Library Services	-	18 400
SANRAL	-	38 057 496
	-	38 075 896

27. Employee related costs

Basic	66 563 355	61 386 276
Cellphone allowance	1 406 232	1 413 959
Bonus	266 034	226 370
Medical aid - company contributions	3 493 401	3 118 662
UIF	449 098	434 220
Leave pay provision charge/(reversal)	639 568	684 807
Overtime payments	1 681 498	1 503 859
Long-service awards	447 353	478 750
13th Cheques	4 050 811	3 743 609
Acting allowances	20 431	59 379
Car allowance	5 088 000	4 995 000
Standby allowance	1 044 478	1 401 665
Group Life insurance	728 721	617 842
SALGABC - Levies	23 565	22 919
Rural allowance	759 302	768 471
Pension	8 430 287	7 662 962
	95 092 134	88 518 750

Remuneration of Municipal Manager (N.P.E. Myeni)

Annual Remuneration	1 324 654	1 437 810
Performance Bonuses	137 711	113 624
Car Allowance	180 000	180 000
Cellphone allowance	32 400	32 400
Rural allowance	132 465	140 052
Contributions to UIF, Medical and Pension Funds	20 390	18 450
	1 827 620	1 922 336

Remuneration of Chief Finance Officer (N.P. Mkhabela)

Annual Remuneration	957 289	1 035 302
Car Allowance	162 000	162 000
Performance Bonuses	113 068	2 080
Contributions to UIF, Medical and Pension Funds	145 654	143 937
Cellphone allowance	25 200	25 400
Rural allowance	108 761	113 671
	1 511 972	1 482 390

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27. Employee related costs (continued)

Remuneration of Corporate and Human Resources (C.R. Khumalo)

Annual Remuneration	994 126	1 084 243
Car Allowance	162 000	162 000
Performance Bonuses	4 931	1 901
Contributions to UIF, Medical and Pension Funds	15 868	14 411
Cellphone allowance	25 200	25 200
Rural allowance	99 413	104 865
	1 301 538	1 392 620

Remuneration of Community Director (W.S. Nhlenyama)

Annual Remuneration	994 126	1 087 213
Car Allowance	162 000	162 000
Performance Bonuses	4 931	1 901
Contributions to UIF, Medical and Pension Funds	15 868	14 411
Cellphone allowance	25 200	25 200
Rural allowance	99 413	105 040
	1 301 538	1 395 765

Remuneration of Director Technical Services (DI Tembe)

Annual Remuneration	1 087 610	1 178 517
Car Allowance	162 000	162 000
Performance Bonuses	5 394	106 863
Contributions to UIF, Medical and Pension Funds	17 147	15 553
Cellphone allowance	25 200	25 200
Rural allowance	108 761	114 462
	1 406 112	1 602 595

28. Remuneration of councillors

Mayor	1 022 606	1 007 281
Deputy Mayor	482 411	479 007
Executive Committee Members	2 276 034	2 262 014
Speaker	827 486	816 467
Councillors	7 163 497	7 137 818
Travel Allowance	2 383 633	2 379 274
Cellphone and Data Allowance	1 441 173	1 642 249
	15 596 840	15 724 110

In-kind benefits

The Mayor, Speaker and Executive Committee Members are full-time, whereas the Deputy Mayor is part-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor, Speaker and the Deputy Mayor each have the use of separate Council owned vehicles for official duties and they all have full-time bodyguards. The Mayor and Deputy Mayor have 2 full-time bodyguards each, the Speaker has three full-time bodyguards.

Municipal Manager and the Chief Financial Officer each have three full-time bodyguards.

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28. Remuneration of councillors (continued)

Additional information

Mayor Cllr T.S Khumalo

Annual remuneration	700 638	681 861
Car allowance	243 901	238 518
Cellphone allowance	43 200	45 600
Data allowance	3 804	7 608
Back pay	31 063	33 694
	1 022 606	1 007 281

Deputy Mayor Cllr E.Z Mtshali

Annual remuneration	312 692	304 312
Car allowance	108 852	106 450
Cellphone allowance	43 200	45 600
Data allowance	3 804	7 608
Back pay	13 863	15 038
	482 411	479 008

Speaker Cllr M.D Mathenjwa

Annual remuneration	560 511	545 489
Car allowance	195 121	190 815
Cellphone allowance	43 200	45 600
Data allowance	3 804	7 608
Back pay	24 850	26 955
	827 486	816 467

EXCO Councillors

Annual remuneration	1 465 775	1 426 490
Car allowance	510 254	738 637
Cellphone allowance	216 000	228 000
Data allowance	19 020	38 040
Back pay	64 985	70 490
	2 276 034	2 501 657

29. Depreciation and amortisation

Property, plant and equipment	31 045 808	25 382 321
Intangible assets	-	108 365
	31 045 808	25 490 686

30. Impairment loss

Impairments

Property, plant and equipment	9 415 595	13 208 210
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Assets showing signs of reduced functionality, performance degradation, or physical damage were flagged for further assessment. These indicators were identified based on condition assessments conducted by engineers through direct communication with asset end-users. The results of these assessments informed the impairment calculations and the necessary adjustments to the FAR and the Annual Financial Statements (AFS).

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	2025	2024
31. Finance costs		
Interest cost on long service provision	463 614	482 354
Interest on overdue accounts	5 247	4 523
Interest on unwinding of landfill provisions	2 610 391	1 059 840
	3 079 252	1 546 717

Total interest expense, calculated using the effective interest rate, on financial instruments not at fair value through surplus or deficit amounted to 3 079 252 (2024: 1 546 717).

32. Auditors' remuneration

Fees	2 942 875	2 849 936
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33. Lease rentals on operating lease

Equipment

Contractual amounts	682 185	1 381 429
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Operating lease includes the rental of premises for Mseleni Library, totaling R69,000, and the rental of copy machines, amounting to R613,185.

34. Debt Impairment and bad debts written off

Debt impairment	9 191 009	7 687 140
Bad debts written off	5 235 385	1 797 845
Reversal of impairment	(4 802 310)	(475 589)
	9 624 084	9 009 396

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	2025	2024
35. Operational cost		
Administration cost	22 000	-
Advertising	805 819	432 130
Auditors fees	2 942 875	2 849 936
Bank charges	242 286	164 748
Gifts and promotions	3 600 603	7 481 124
Hire charges	8 185 509	16 559 638
Insurance	1 683 927	2 364 511
Capacity building and training	2 057 241	2 777 786
IT expenses	2 152 590	679 281
Fleet	190 414	21 395
Marketing	200 635	203 748
Motor vehicle expenses	1 022 824	2 691 266
Fuel and oil	5 796 823	3 681 856
Printing and stationery	784 360	952 622
Protective clothing	178 500	-
Software expenses	1 976 893	2 200 857
Telephone and fax	1 837 134	1 680 741
Training	1 000 375	1 624 257
Travel and accommodation	3 603 460	6 204 615
Water and electricity	1 374 419	1 310 082
Uniforms	1 288 318	1 449 828
Tourism development	331 117	176 813
Skills development levy	954 317	901 247
Travel allowance	2 977 690	1 645 135
Mayoral awards	625 596	-
Ward committees	3 249 400	2 820 600
Burial support	-	79 827
Minor assets	54 766	893 455
	49 139 891	61 847 498

36. Contracted services

Outsourced Services

Administrative and Support Staff	233 320	446 270
Clearing and Grass Cutting Services	186 000	233 600
Internal Auditors	3 126 766	5 913 593
Professional Staff	361 239	340 251
Researcher	270 282	977 075
Traffic Fines Management	1 003 668	1 168 577

Consultants and Professional Services

Business and Advisory	5 079 301	6 112 649
Infrastructure and Planning	1 778 015	2 077 784
Legal Cost	2 074 086	1 613 526

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36. Contracted services (continued)

Contractors

Artists and Performers	175 000	671 080
Burial services	186 704	74 600
Drivers Licence	337 488	336 142
Catering Services	4 003 468	4 090 720
Beach development	-	2 338 097
Construction Contract - INEP	11 767 826	20 032 637
Decorations	79 050	-
Maintenance of Buildings and Facilities	6 182 762	6 694 632
Maintenance of Equipment	1 884 256	1 444 613
Maintenance of Unspecified Assets	18 914 632	29 197 508
Medical Services	357 552	306 257
Pest Control and Fumigation	123 600	899 800
Photographer	4 300	-
Transportation	337 100	618 074
Security Services	21 561 624	18 119 046
Sports and Recreation	198 300	575 900
Stage and Sound Crew	437 275	752 160
	80 663 614	105 034 591

37. Gain on sale of asset

	Motor Vehicles	Plant and Machinery	Total
Cost	(1 514 840)	(3 691 781)	(5 206 621)
Accumulated depreciation	1 323 265	1 870 916	3 194 181
Net Book Value	(191 575)	(1 820 865)	(2 012 440)
Selling Price	344 722	1 832 610	2 177 332
Gain on sale of assets	153 147	11 745	164 892

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38. Cash generated from operations

Surplus	30 317 028	39 223 948
Adjustments for:		
Depreciation and amortisation	31 045 808	25 490 686
Assets written off	213 195	1 547 463
Gain on asset disposal	(164 892)	-
Non-cash on Equitable share receipt	(1 722 468)	-
PPE Impairment	9 415 595	13 208 210
Debt impairment and write-offs	-	9 009 396
Reversal of impairment	(4 802 310)	-
Movements in provisions	7 766 127	522 193
Movement in taxes	-	1 645 207
Actuarial gain/(loss)	225 312	(467 995)
Employee benefit movement (excl actuarial loss)	(1 041 662)	-
Inventory losses or write-downs	845	-
Retention Recovered	(780 395)	(586 271)
Accrued interest	(740 163)	-
Donations made	1 778 326	357 009
Donations Received	-	(38 075 896)
Changes in working capital:		
Inventories	(604 941)	(96 023)
Receivables from exchange transactions	(3 333 943)	308 353
Debt impairment	-	(9 053 888)
Receivables from non-exchange transactions	(6 671 144)	1 655 008
Payables from exchange transactions	(2 158 895)	(508 613)
Unspent conditional grants and receipts	(1 472 341)	756 224
Beach development grant	(267)	(2 499 733)
INEP Liability	-	1 722 468
Retention paid	(1 569 550)	-
	55 699 265	44 157 746

39. Beach Development Grant

Balance at beginning of the year	(267)	(2 500 000)
Transferred to revenue	267	2 499 733
	-	(267)

Beach Development Grant are from capital surpluses.

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	2025	2024
40. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Manguzi Informal Markets	-	5 295 154
• Manguzi Internal Road - Phase 2	-	36 887 480
• Regravelling of Mfihlweni Mfakubheka Gravel Road	1 801 511	-
• Construction of Ultra Stop	-	1 305 081
• Manguzi Sportfield	-	1 337 172
• Regravelling of Mbubeni Majola Gravel Road	222 740	-
• Regravelling of Mqobela Gravel Road	1 513 866	-
	3 538 117	44 824 887
Total capital commitments		
Already contracted for but not provided for	3 538 117	44 824 887
Total commitments		
Total commitments		
Authorised capital expenditure	3 538 117	44 824 887

This committed expenditure relates to infrastructure, community and electrification projects and will be financed by government grants and municipality's own revenue.

41. Change in estimate

Property, plant and equipment

The estimated rehabilitation cost for Thandizwe and Mbazwane Landfill Sites were revised in the financial year under review. The effect of this revision has resulted in an increase in the underlying assets with the corresponding increase in Landfill Site Provision. The increase in the landfill site provision has resulted to an increase in landfill site asset cost by R1 193 842 and R4 740 355 for Thandizwe and Mbazwane landfillsites respectively. (2024:R420 814.00)

Reassessment of useful life was conducted on all assets at the end of the financial year in line with assets management policy. The reassessment has resulted to an increase in useful lives and restated depreciation charges as illustrated below:

Asset class	Depreciation for the year	Change in estimate	Total
Community asset	8 487 028	(475 185)	8 011 843
Computer equipment	716 984	(9 501)	707 483
Furniture and fixtures	251 590	24 114	275 704
Infrastructure	15 179 076	1 906 217	17 085 293
Motor vehicle	1 300 138	(27 289)	1 272 849
Plant and machinery	1 941 128	608 060	2 549 188
Soid waste	74 006	(14 994)	59 012
Buildings	1 040 188	(15 216)	1 024 972
	28 990 138	1 996 206	30 986 344

The change in estimate results from the updated assessment of assets useful lives and conditions informed by the 2024-25 conditional assessment report.

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42. Prior period errors

The correction of the error(s) results in adjustments as follows:

Statement of Financial Performance and Position

Opening Accumulated Surplus	468 569 967	468 841 065
Trade payabls	5 270 138	6 683 645

	As previously reported	Correction of error	Total
Trade payables	(6 709 047)	25 402	(6 683 645)
Accumulated surplus	(468 815 663)	(25 402)	(468 841 065)
VAT accrual on debt impairment	-	29 814	29 814
Debt impairment	7 716 954	(29 814)	7 687 140
Salary control accrual	(3 628)	(300 913)	(304 541)
Basic salary-Employee cost	61 103 474	282 802	61 386 276
Rural allowance	750 360	18 111	768 471
	(405 957 550)	-	(405 957 550)

Trade payables - An invoice relating to subsequent year mistakenly raised in the reporting financial year.

VAT accrual - Error in not accounting for VAT accrual when providing for debt impairment.

Accumulated surplus - Accounting for an error incurred on trade payables.

Debt impairment - Accounting for an error incurred in VAT accrual on provision for debt impairment.

Salary control - An accrual is raised for senior manager's upper limits referring to prior financial period.

Employee related cost - The debit side of accrual of senior management upper limit

43. Reclassifications

Presented below are those items contained in the statement of financial position and statement of financial performance that have been affected by prior-year adjustments:

Statement of financial performance and position

2024

	Note	As previously reported	Re-classification	Restated
Service charges	14	543 709	(73 756)	469 953
Operating revenue	20	1 849 218	73 756	1 922 974
Property rate	22	23 907 804	(2 157 088)	21 750 716
Debt impairment and bad debt written off	34	11 196 297	(2 157 088)	9 039 209
Agency services	17	266 035	10 590	276 625
Commission received	17	10 590	(10 590)	-
Payables from exchange transactions	4	20 068 937	3 587 970	23 656 907
Receivables from exchange transactions	8	423 363	2 799 761	3 223 124
		58 265 953	2 073 555	60 339 508

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43. Reclassifications (continued)

Reclassifications

The following reclassifications adjustment occurred:

Reclassifications

Motor Licence reclassified from receivables from exchange to refunds due	R 2 017
Prepaid Meters receipt reclassified from service charges to other operational revenue	R 73 755
Commision Received reclassified from own line item to Agency services	R 10 590
Interest on debtors written off reclassified from expense to revenue as a waiver	R 2 157 088

The net VAT payable has been reclassified and divided into two distinct categories: VAT payable and VAT receivable. These categories have been incorporated under payables from exchange and receivables from exchange, respectively VAT payables reclassified to payables R3,587,970 and VAT receivable reclassified to receivable R2,799,761

Net VAT reclassified	R 788 209
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44. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2025	2024
Receivable from exchange transactions	8 709 600	3 223 124
Receivables from non-exchange transactions	6 557 067	2 038 456
Cash and cash equivalents	113 394 227	98 943 798

Market risk

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

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	2025	2024		
45. Statutory receivables				
2025	Gross	Write-offs	Impairment	Total
Property rates	84 920 984	(4 463 606)	(71 171 885)	9 285 493
VAT Receivabe from SARS	2 011 548	-	-	2 011 548
	86 932 532	(4 463 606)	(71 171 885)	11 297 041
2024	Gross	Write-offs	Impairment	Total
Property rates	70 135 026	(470 633)	(68 042 946)	1 621 447
VAT Receivabe from SARS	2 473 508	-	-	2 473 508
	72 608 534	(470 633)	(68 042 946)	4 094 955

46. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus of R 502 5374 787 and that the municipality's total assets exceed its liabilities by R498 886 995.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

47. Fruitless and wasteful expenditure

Opening balance as previously reported	-	344 603
Add: Fruitless and wasteful expenditure identified - current	5 247	73 046
Less: Amount written off - current	(5 247)	(417 649)
Closing balance	-	-

Fruitless and wasteful expenditure is presented inclusive of VAT

Current year fruitless and wasteful expenditure results in interest incurred on penalties and interest on overdue accounts. The Council resolved to write off the amount of **R5 247,25**.

In 2023/24 financial year the Council approved a write-off of **R417 754** of fruitless and wasteful expenditure. This was as a results of late payment of accounts and interest was charged and Free Basic Electricity.

48. Irregular expenditure

Opening balance as previously reported	9 362 027	12 329 883
Add: current expenditure - prior years appointments	24 702 149	47 086 012
Add: Current year irregular expenditure incurred	11 799 714	-
Less: Amount written off - current	(32 726 481)	(50 053 868)
Closing balance	13 137 409	9 362 027

Amount written-off

Irregular expenditure of **R24 702 149** incurred during the current year arose from a bid from a previous year that did not adhere to the required procurement processes. This issue was highlighted as a finding by the Auditor General and was included in the irregular expenditure of the prior year. Management presented the matter to the Council, and following investigations by the Municipal Public Accounts Committee (MPAC), the Council in its wisdom decided to adopt the committee's recommendations. It was concluded that the amount of **R32 726 481** is to be certified as a write-off, as it was proven that there was no loss of money from the procurement of goods and services..

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49. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	1 245 033	1 074 356
Amount paid - current year	(1 245 033)	(1 074 356)

- -

Audit fees

Current year subscription / fee	3 818 912	2 849 936
Amount paid - current year	(3 818 912)	(2 849 936)

- -

PAYE and UIF

Current year subscription / fee	16 913 787	16 077 827
Amount paid - current year	(16 913 787)	(16 077 827)

- -

Pension and Medical Aid Deductions

Current year subscription / fee	19 053 550	16 979 131
Amount paid - current year	(19 053 550)	(16 979 131)

- -

Councillors' and employees arrear consumer accounts

The following employee had arrear accounts outstanding for more than 90 days at 30 June 2025:

30 June 2025	Outstanding less than 90 days	Outstanding more than 90 days	Total
Mrs. N. Bukhosini	75 976	936 754	1 012 730
30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Mr. N.P.E. Myeni	1 794	91	1 885
Mrs. N. Bukhosini	82 800	702 842	785 642
	84 594	702 933	787 527

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50. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

The deviations for the current year, with the prior years' deviation shown for comparison, are summarised below:

Deviations

Government Printing works (Advertising)	-	6 053
Ilanga Newspaper (Advertising)	285 610	274 742
Maputaland Community radio (Advertising)	34 960	115 860
Zululand Observer (Advertising)	80 657	130 286
Blaq Origin	120 000	-
	521 227	526 941

51. Contingencies

Bongiwe Khumalo and 10 others

The employees in this matter have applied for the review and setting aside of the arbitration award in the Labour Court. The matter is now pending in the Labour Court as the court papers have been served to us. The estimated legal costs to be borne by the municipality in the Review Application are in the region of **R400 000,00** (Four hundred thousand rands). The municipality enjoys reasonable prospects of success in this application. Applicants are seemingly failing to pursue this matter with diligence and they have not complied with the Rules of the Labour Court in that they have failed to deliver the full record within 60 (sity) days. This may have negative consequences on their application.

Jezile Thembisile Mthethwa -

This is a civil claim instituted by Ms. Mthethwa who is employed by the Municipality as a General Worker. She is suing the Municipality for damages arising from an injury sustained whilst on duty. She alleges that she was performing her duties at Thandizwei Dump Site, an unknown chemical fumes spread to her face and she sustained burns as a result thereof. She is suing the Municipality for the amount of **R400 000,00** (Four hundred thousand rands) The Municipality's legal fees are estimated to the region of **R280 000,00** (Two hundred and eighty thousand rands) -.

Nashua Zululand

The Municipality received a claim from Nashua Zululand in the amount of **R394,950.40**, accompanied by various documents purporting to confirm a rental and services agreement allegedly concluded in February 2024. Upon investigation, the Municipality determined that these documents were fraudulent, including a forged signature of the Municipal Manager and references to a non-existent official.

Legal advice obtained confirms that:

No valid contract exists between the Municipality and Nashua Zululand.

The purported agreement was concluded through fraudulent misrepresentation and is therefore void ab initio (invalid from the outset).

The Municipality has no legal obligation to make payment to Nashua Zululand.

The Municipality has taken steps to inform Nashua of the fraud and advised that no payments will be made.

Nashua has not yet instituted legal proceedings; should it do so, the Municipality will defend the matter on the basis of fraud and non-compliance with procurement laws.

There is currently no financial loss suffered by the Municipality, and the equipment in question has since been collected by Nashua..

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52. Related parties

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

000050218 (Bukhosini Trust)	126 804	95 696
000050268 (40 Luxury Units)	234 427	168 322
000050345 (Galaxy Forest Lodge)	173 761	113 100
000050252 (Galaxy Lodge)	477 738	408 523
000050245 (Supa Quick)	-	1 885

53. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of four major functional areas:

- Governance and administration
- Community and public safety
- Economic and environmental services

- Trading services

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53. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2025

	Governance and administration	Community and public safety	Economic and environmental services	Trading services	Total
Revenue					
Service charges	-	-	-	469 953	469 953
Agency services	353 563	-	-	-	353 563
Licenses and permits	-	2 574 720	-	-	2 574 720
Rental income	421 690	-	-	-	421 690
Interest on investments	11 655 832	-	-	-	11 655 832
Interest on property rates	2 339 778	-	-	-	2 339 778
Other revenue	1 612 258	199 462	57 481	-	1 869 201
Property rates	23 814 769	-	-	-	23 814 769
Beach development	-	-	267	-	267
INEP Contract revenue	-	-	11 767 826	-	11 767 826
Traffic Fines	-	1 417 750	-	-	1 417 750
Transfer and Subsidies	244 221 892	3 062 000	44 571 444	-	291 855 336
Total segment revenue	284 419 782	7 253 932	56 397 018	469 953	348 540 685
Entity's revenue					348 540 685
Expenditure					
Employee costs	36 223 590	35 246 567	23 621 976	-	95 092 133
Remuneration of Councillors	15 596 840	-	-	-	15 596 840
Depreciation & amortisation	31 045 808	-	-	-	31 045 808
Finance Cost	468 924	-	-	2 610 328	3 079 252
Lease rentals	613 185	69 000	-	-	682 185
Debt Impairment & Bad debts	9 624 084	-	-	-	9 624 084
Inventory Consumed	2 176 732	-	-	-	2 176 732
Contracted Services	35 385 119	4 590 938	40 546 953	140 604	80 663 614
Transfer and Subsidies	17 263 180	1 775 388	2 394 495	-	21 433 063
Operational Cost	28 215 570	12 927 790	7 996 531	-	49 139 891
Assets written-off	213 195	-	-	-	213 195
Actuarial gain & Losses	225 312	-	-	-	225 312
Impairment Loss	9 415 595	-	-	-	9 415 595
Inventory Losses	845	-	-	-	845
Gain on Disposal	(164 892)	-	-	-	(164 892)
Total segment expenditure	186 303 087	54 609 683	74 559 955	2 750 932	318 223 657
Total segmental surplus/(deficit)	98 116 695	(47 355 751)	(18 162 937)	(2 280 979)	30 317 028
Assets					
Inventories	767 075	-	-	-	767 075
Receivable from non-exchange transactions	8 353 193	356 407	-	-	8 709 600
Receivables from exchange transactions	6 428 705	37 996	-	90 366	6 557 067
Cash and cash equivalents	113 394 227	-	-	-	113 394 227
Total segment assets	128 943 200	394 403	-	90 366	129 427 969
Property Plant and Equipment					436 866 329
Total assets as per Statement of financial Position					566 294 298

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	Governance and administration	Community and public safety	Economic and environmental services	Trading services	Total
53. Segment information (continued)					
Liabilities					
Payables from Exchange Transaction	10 829 457	3 077 819	8 286 578	-	22 193 854
Employee Benefit Obligation	198 195	-	-	-	198 195
Unspent Conditional Grants	5 682 949	-	-	-	5 682 949
Provisions	570 542	-	-	-	570 542
Total segment liabilities	17 281 143	3 077 819	8 286 578	-	28 645 540
Employee Benefit Obligation					4 818 320
Provisions					33 943 442
Total liabilities as per Statement of financial Position					67 407 302

	Governance & administration	Community and public safety	Economic & environmental services	Trading services	Total
Total assets	565 809 529	394 403	-	90 366	566 294 298
Total liabilities	(56 042 905)	(3 077 819)	(8 286 578)	-	(67 407 302)
Net assets	509 766 624	(2 683 416)	(8 286 578)	90 366	498 886 996
Accumulated surplus	509 766 624	(2 683 416)	(8 286 578)	90 366	498 886 996

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

2024

	Governance and administration	Community and public safety	Economic and environmental services	Trading services	Total
Revenue					
Service charges	-	-	-	469 953	469 953
Licenses and permits	-	2 620 860	-	-	2 620 860
Rental income	495 921	-	-	-	495 921
Interest on investments	9 880 939	-	-	-	9 880 939
Agency Services	-	276 625	-	-	276 625
Other own revenue	1 922 973	-	-	-	1 922 973
Property rates	21 750 716	-	-	-	21 750 716
Government grants	286 497 776	-	-	-	286 497 776
Fines and penalties	-	1 335 550	-	-	1 335 550
Public contributions and donations	-	38 075 896	-	-	38 075 896
Interest on Debtors	2 157 088	-	-	-	2 157 088
INEP Contract revenue	-	-	20 032 636	-	20 032 636
Beach Development	-	-	2 173 681	-	2 173 681
Total segment revenue	322 705 413	42 308 931	22 206 317	469 953	387 690 614
Entity's revenue					387 690 614

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53. Segment information (continued)

Expenditure

Employee costs	32 472 485	34 514 937	21 531 329	-	88 518 751
Councillor Remuneration	15 724 110	-	-	-	15 724 110
Depreciation & Amortisation	25 490 686	-	-	-	25 490 686
Finance Costs	1 546 717	-	-	-	1 546 717
Lease Rentals	1 109 672	271 757	-	-	1 381 429
Debt Impairment	9 009 396	-	-	-	9 009 396
Inventory Consumed	2 763 216	583 997	-	-	3 347 213
Contracted Services	33 139 912	5 893 556	67 094 923	-	106 128 391
Transfers & Subsidies	18 853 237	2 331 562	-	-	21 184 799
Operational Costs	32 646 973	21 136 856	8 063 670	-	61 847 499
Assets Written off	1 547 463	-	-	-	1 547 463
Actuarial gains	(467 995)	-	-	-	(467 995)
Impairment Loss	-	-	13 208 210	-	13 208 210
Total segment expenditure	173 835 872	64 732 665	109 898 132	-	348 466 669
Total segmental surplus/(deficit)	148 869 541	(22 423 734)	(87 691 815)	469 953	39 223 945

Assets

Inventories	162 134	-	-	-	162 134
Receivables from non-exchange transactions	2 038 456	-	-	-	2 038 456
Receivables from exchange transactions	3 223 124	-	-	-	3 223 124
Cash & Cash Equivalent	98 943 798	-	-	-	98 943 798
Property Plant & Equipment	428 171 237	-	-	-	428 171 237
Total segment assets	532 538 749	-	-	-	532 538 749
Total assets as per Statement of financial Position					532 538 749

Liabilities

Payables from exchange	23 902 606	-	-	-	23 902 606
Employee benefit obligation	526 337	-	-	-	526 337
Unspent Conditional grants Provision	-	7 155 290	-	-	7 155 290
Beach Development	543 325	-	-	-	543 325
INEP Liability	-	267	-	-	267
	-	1 722 892	-	-	1 722 892
Total segment liabilities	24 972 268	8 878 449	-	-	33 850 717
Employee Benefit Provision					3 913 532
					26 204 535
Total liabilities as per Statement of financial Position					63 968 784

	Governance & administrative	Community & public safety	Economic & environmental services	Trading services	Total
Total assets	532 538 749	-	-	-	532 538 749
Total liabilities	(55 090 335)	(8 878 449)	-	-	(63 968 784)
Net assets	477 448 414	(8 878 449)	-	-	468 569 965
Accumulated surplus	477 448 414	(8 878 449)	-	-	468 569 965

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

54. Events after the reporting date

There are no material and adjusting events after the reporting date.