



EMADLANGENI LOCAL MUNICIPALITY

DRAFT ANNUAL REPORT

2024/25



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ACRYNOMYS

ABET	Adult Basic Education & Training
AG	Auditor General
CBO	Community Based Organisation
CFI	Community Finance Institutes
CLLR	Councillor
COGTA	Cooperative Governance and Traditional Affairs
DoHS	Department of Human Settlement
DWS	Department of Water & Sanitation
ECD	Early Childhood Development
EPWP	Expanded Public Work Programme
EXCO	Executive Committee
HOD	Head of Department
IA	Internal Auditor
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
KM	Kilometre
KPAs	Key Performance Areas
LED	Local Economic Development
LF	Local Forum
MANCO	Management Committee
MFMA	Municipal Finance Management Act
MFMP	Municipal Finance Management Programme
MIG	Municipal Infrastructure Grant
MPT	Municipal Planning Tribunal

MSA	Municipal Systems Act
NGO	Non Governmental Organisation
NPO	Non-Profit Organisation
NT	National Treasury
OSS	Operation Sukuma Sakhe
PDMC	Provincial Disaster Management Centre
PLD	People Living with Disability
PMS	Performance Management Systems
PT	Provincial Treasury
RDP	Reconstruction and Development Programme
RPL	Recognition Prior Learning
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SLA	Service Level Agreement
SMMEs	Small Medium and Micro Enterprise
SPLUMA	Spatial Planning and Land Use Management Act
TLB	Tractor Loader Backhoe
TVET	Technical & Vocational Education & Training
WSP	Work Skills Plan
WULA	Water Utilization Licence
MFMA	Municipal Finance Management Act
GRAP	Generally Recognised Accounting Practice
VAT	Value added tax
EPWP	Expanded public works programme

IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
FMG	Financial Management Grant

CHAPTER I

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY.

COMPONENT A. FOREWORD BY HIS WORSHIP THE HONOURABLE MAYOR

HIS WORSHIP THE MAYOR: CLLR ML BUTHELEZI



It gives me great pleasure to present the Annual Report for the 2024/25 financial year for the eMadlangeni Local Municipality. This report deals with the year under review, I am proud to say that the eMadlangeni Municipality has achieved a number of important milestones over the past year.

One of our key accomplishments was the successful completion of the long-awaited refurbishment of the Balele Game Park. This project, which was years in the making, has breathed new life into this valuable community asset and has already begun attracting increased tourism to our region. In addition to this infrastructure upgrade, I am also pleased to report that the municipality has received an unqualified Audit opinion from the Auditor General. This is a testament to the hard work and diligence of our finance team and all municipal staff in ensuring proper financial management and accountability. Another significant development during this period was the establishment and completion of our Municipal Disaster Emergency

Centre. In light of the ongoing global health challenges, this facility has greatly enhanced our ability to respond quickly and effectively to any disease outbreaks or public health emergencies that may arise in our community.

We have made strides in our infrastructure development, with the rehabilitation of two roads through MIG; Emathangeni Gravel Road and Berouw Gravel Road. Disaster Grant; Naude Street. INEP; Dorothea Phase 3, KwaNtaba Phase 3, Kaarpoort Phase 3 and Blue Mountain Phase 3. As we look ahead to the next term of council, we remain committed to building on these achievements and delivering even greater value to the residents of eMadlangeni.

Our plans include expanding affordable housing options and strengthening regional partnerships to address issues like waste management and public transportation.

This Annual Report has been prepared in accordance with the requirements set out in terms of Section 121 of the Municipal Finance Management Act No. 56 of 2003.

I would like to express my gratitude to the council, our dedicated municipal staff, and the people of eMadlangeni for their unwavering support and collaboration. Together, we have weathered a period of significant change and are now poised to embark on an even more ambitious agenda for the future.

Thank you

CLLR ML Buthelezi

THE MAYOR

COMPONENT A: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

1.1. MUNICIPAL MANAGER'S OVERVIEW



Annual Reporting stands out as one of the key tools to report and evaluate our performance and the impact it has made on the lives of the ordinary citizens of Emadlangeni municipality. This report seeks to communicate to our stakeholders, the highlights of the organizational performance on both financial and non-financial matters for the year under review.

In facilitating service delivery resources, the Municipality is heavily dependent on infrastructure grants in delivering service delivery to the community. We view this as a limitation that hinders the Municipality from meeting other community needs. We are putting all of our efforts towards getting the Municipality to be self-sufficient. Whilst this might take some time however with the collective efforts of all role players, we are certain it is achievable.

Section 121(1) of the Local Government Finance Management Act 56 of 2003 (MFMA), stipulates that every municipality and municipal entity must for each financial year, prepare an Annual Report in accordance with this chapter.

This report should include

- a) The Annual Financial Statements of the Municipality submitted to the Auditor General for audit in terms of Section 126(1) of the MFMA.
- b) The Auditor General's audit report in terms of Section 126(3) of the MFMA as well as Section 45(b) of the Municipal Systems Act.
- c) The Annual Performance Report as prepared in accordance with Section 45 of the Municipal Systems Act.
- d) The Auditor General's audit report in term of Section 45(b) of the Municipal Systems Act.
- e) An assessment by the municipality's accounting officer of any arrers on municipal taxes and service delivery.

- f) An assessment by the municipality's accounting officer of the municipal performance against the measured performance objectives referred to in Section 17(3)(b) for revenue collection from each revenue source and each vote in the municipal approved budget for the relevant financial year.
- g) Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d).
- h) Any explanations that may be necessary to clarify issues in connection with the financial statements.
- i) Any information as determined by the municipality.
- j) Any recommendations of the municipality's audit committee and
- k) Any other information as may be prescribed.

The audit outcomes for the three regulatory audits conducted by the AG are as following:

- The Annual Financial Statements: The Municipality received an unqualified audit opinion for the 2024/2025 financial year. The basis for this unqualified opinion is captured fully in the AG's Report, which forms part of this Annual Report.
- Audit on the Annual Performance Report: The Municipality received a unqualified as an audit opinion for the 2024/2025 financial year. The reasons for the audit opinion are captured in detail in the AG's Report.
- An Audit action Plan report is attached as part of the Annual Report.

The municipality managed to connect 238 households in various rural communities under eMadlangeni municipal jurisdiction through the Integrated National Electricity Programme grant. The Municipal Infrastructure Grant (MIG) projects and Disaster Grants for the year under review were successfully completed and this allocation was effectively spent in accordance with the conditions of the grant.

I would like to take this time to express my sincere gratitude to the Council for its oversight and strategic roles in supporting this work. Your guidance and unwavering support have been instrumental in steering Emadlangeni Municipality towards these remarkable milestones.

In conclusion, I take this opportunity to express my appreciation to all role players who contributed positively towards good governance of the municipality, ward committees, provincial departments and the community of Emadlangeni at large.

Mrs G.N Mavundla

MUNICIPAL MANAGER

1.2. MUNICIPAL FUNCTION, POPULATION AND ENVIRONMENTAL

MUNICIPAL POWERS AND FUNCTIONS

NO.	POWERS AND FUNCTION	AMAJUBA DISCTRICT MUNICIPALITY	EMADLANGENI LOCAL MUNICIPALITY
1.	Integrated Development Planning		✓
2.	Potable Water Supply Systems	✓	
3.	Bulk supply of electricity		✓
4.	Domestic wastewater and sewage disposal system	✓	
5.	Solid waste disposal sites		✓
6.	Municipal roads which form an integrated part of a road transport system		✓
7.	Regulation of passenger transport services		X
8.	Municipal airport serving the area	✓	

9.	Municipal health serving the area		✓
10.	Fire Fighting services and Disaster Management		✓
11.	Fresh produce markets and (Abattoirs) serving the area		✓
12.	Cemeteries and Crematoria		✓
13.	Promotion of local tourism		✓
14.	Municipal public works relating to any of the above function or and other functions assigned	✓	
15.	the receipt, allocation and if applicable distribution of grants made		✓
16.	The implementation and collection of taxes, levies and duties as related to the above functions or may be assigned		✓
17.	Building Regulations		✓
18.	Local Tourism		✓
19.	Air Pollution	✓	

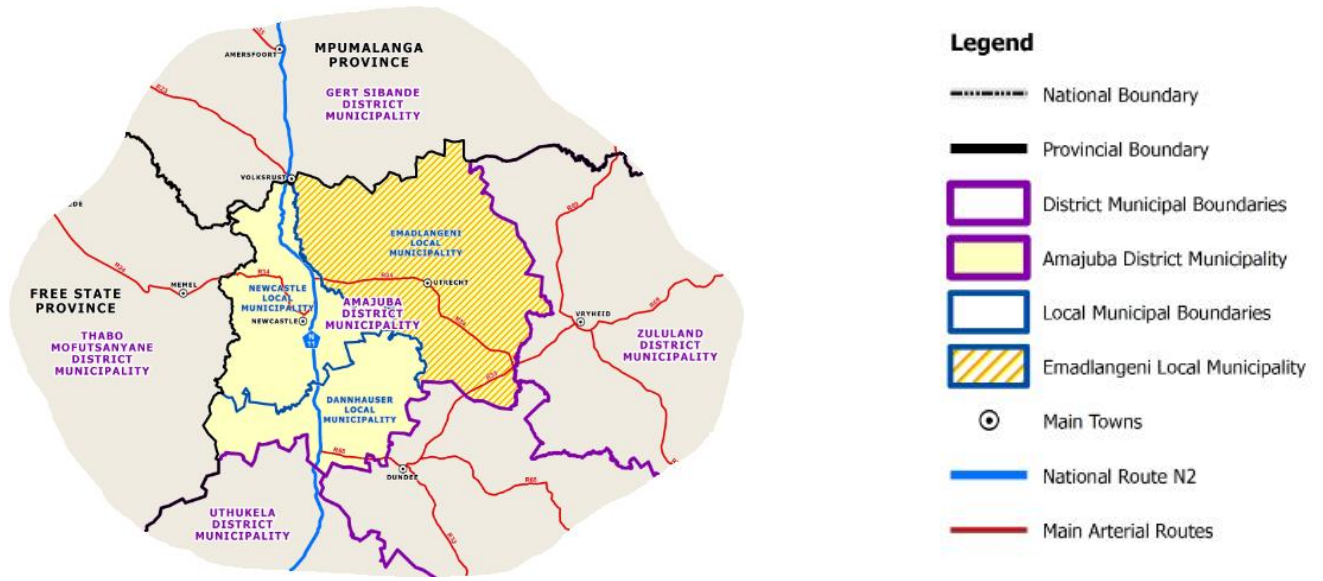
20.	Licensing and control of undertakings that sell food to the public	✓	
21.	Local sport facilities		✓
22.	Street lighting		✓
23.	Municipal Parks and recreation		✓
24.	Traffic and parking		✓
25.	Refuse removal, refuse dumps, solid waste disposal and cleaning services		✓

Demographic Characteristics

EMadlangeni Local Municipality (KZ 253) is located in the Amajuba District Municipality in the North-western corner of KwaZulu-Natal. Its area in kilometer squared is the largest in the district and comprises 3539km². Newcastle Local Municipality (KZ 252) and Dannhauser Local Municipality (KZ254) are respectively 1855km² and 1516km² in extent.

EMadlangeni Local Municipality (KZ 253) is surrounded by Newcastle which is 52km in the East, Vryheid which is 68 KM in the West, Dundee is in the South West and North East is Volksrust/Wakkerstroom. It consists of a vast rural area when compared to other Municipalities in the District but has a low percentage of Economic Activity in the area.

Map 1: EMadlangeni Regional Context

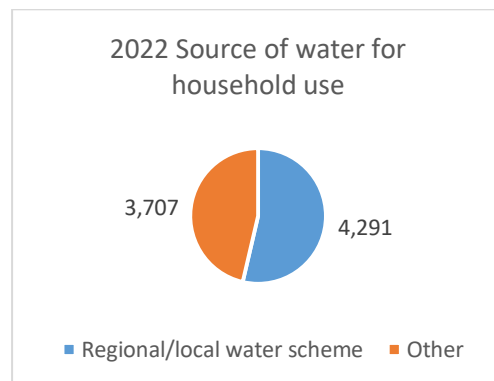
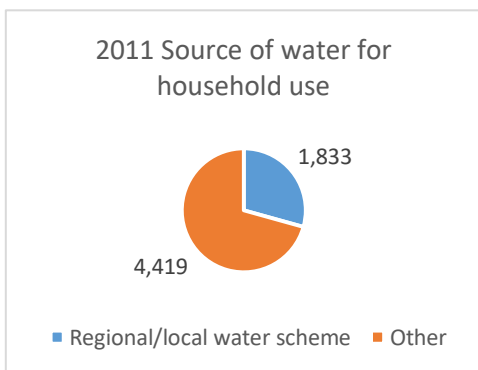
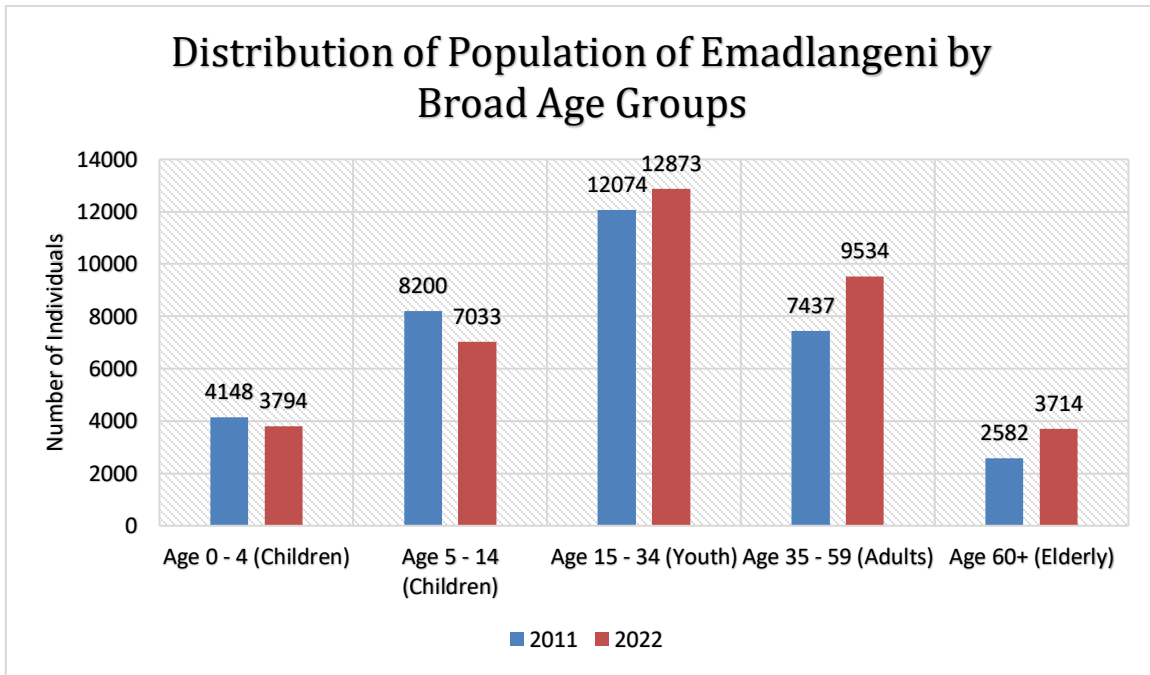


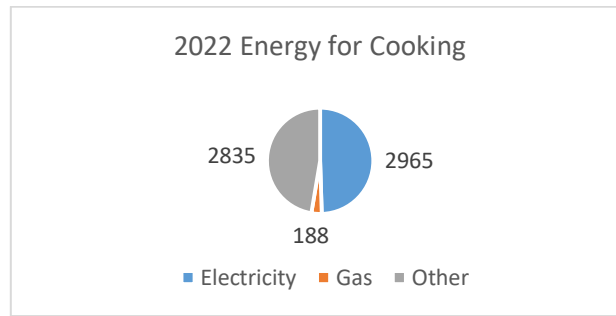
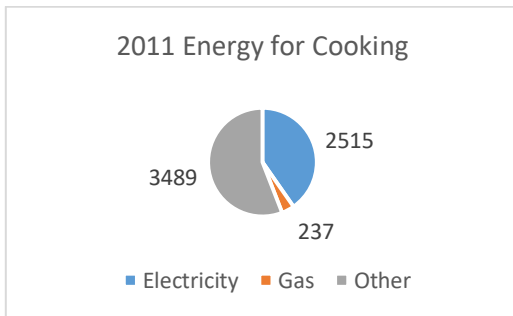
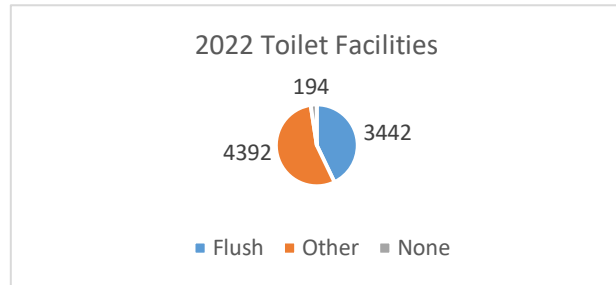
There was a slight increase in the population between 2011 and 2022. The population increased by about 2 500 persons from 34 442 to 36 948 and the number of households grew from 6 252 in 2011 to 7 998 in 2022.

KEY DEMOGRAPHIC STATISTICS

	2011	2022
Population size	34442	36 948
Population Growth	0.65%	7.3%
Households	6252	7 998
Males per 100 females	103	103.1
Dependency Ratio	74	69.3

per 100 (15-64)								
Age	>14	15-34	35-64	65<	>14	15-34	35-64	65<
	35.85 %	35.06 %	24.02 %	5.07 %	29%	35%	29%	6%





1.3. SERVICE DELIVERY OVERVIEW

Emadlangeni Local Municipality is responsible for providing basic services to 6 Wards with 11 Councillors, there has been huge demands on infrastructural development required with a limited budget in both rural and urban areas within our municipal jurisdiction. The municipality is solely dependent on Grants fundings for infrastructure development as most of the municipal Wards are predominantly deep rural, as a result the revenue generation in Utrecht town is very minimal.

Most of our Municipal wards have no access to basic infrastructure such as roads, community development centres, early childhood development centres, sport and recreational facilities and health facilities for communities to receive primary services such as mobile clinics, SAPS services, schools, social grant pay-point stations, etc. With the limited grant funding received which was further reduced during the fiscal year, namely MIG and INEP, the Municipality was able to implement the following projects during the 2024/2025 Financial Year;

The MIG allocation for the year 2024/25 was R 10 160 000.00 A total of 2 projects were completed, as compared to 11 completed in 2023/24.

Below are the MIG projects implemented and completed in 2024/25;

No	Project Name	No. of KMs	Budget	Project Status
1.	Construction of Emathangeni Gravel Road - Ward 03	2.8 KM	R4 984 270.35	Completed
2.	Construction of Barouw Gravel Road – Ward 05	2.6 KM	R5 172 729.65	Completed

INEP 2024/25 FINANCIAL YEAR

The INEP allocation for the year 2024/25 was **R15 518 000,00 + R7 000 000,00 = R22 518 000,00**

Below are the INEP project/s implemented and completed in 2024/25 financial year

No	Project name	No of connections	of budget	Project status
1.	Dorothea	155	R7 493 000,00	<ul style="list-style-type: none"> • This project was a multi-year project due to limited allocation received per each financial year. • It started on 2023/24 fy and ended on 2025/26fy. • 2023/24 fy= R6 000 000,00 • 2024/25 fy = R7 493 000,00 • 2025/26 fy = R3 371 000,00 • The project is complete and energized.

2	KwaNtaba phase 3	24		Complete
3.	Kaarpoort Phase 3	19		Complete
4.	Blue Mountain Phase 3	23 +17= 40 <ul style="list-style-type: none"> The initial connections were 23. 17 was the additional connections for the additional funding of R7 000 000,00 received. 	R15 025 000,00 <ul style="list-style-type: none"> The initial allocation was R8 025 000,00. Then, additional funding of R7 000 000,00 was received 	<ul style="list-style-type: none"> Construction work is complete and 31 connections energized. The 9 outstanding connections are waiting for outages from Eskom. Live outages that were scheduled for November & December 2025 were postponed due to inclement weather (rains & wet). The new proposed outage date is 22nd January 2026
TOTAL			R22 518 000,00	

DISASTER RESPONSE 2024/25FY

The Disaster allocation for the year 2024/25 was **R6 180 000.00**

Below is the Disaster project implemented and completed in 2024/25 financial year

No	Project name	No of km	budget	Project status
1.	Rehabilitation of Naude Street	1.3 KM	R6 180 000.00	Complete

CHALLENGES

The municipality encountered key challenges during implementation of MIG Projects, these challenges include but are not limited to the following:

- **Inadequate Funding Allocation** - The maintenance of the infrastructural projects is expensive, as a small municipality we are not able to offer routine maintenance of infrastructure projects..

CHALLENGES ENCOUNTERED ON EXECUTING INEP PROJECTS

- Location of villages and settlements for the projects: The projects are located on mountainous terrain and households are scattered apart which resulted in long MV lines and high connection costs.
- Some landowners (Farmers) are reluctant to allow access to implement electrification projects in their private properties.
- On some instances, the landowners s refusal to sign the wayleaves forced the project to use long routes to reach households,

CHALLENGES ENCOUNTERED ON EXECUTING DISASTER PROJECT.

- Continuous torrential rains were causing delays to the project execution.
- Some construction materials were not available locally and were to be sourced from outside the boundary of the Municipality and that cost affected the project.
- New additional households' development within the villages to be electrified and which were not part of the initial scope of work (pre-engineering and pre-marketing stages) who want to be part of the project.
- The Census 2022 report showed that Emadlangeni Municipality is the only Municipality with less than 80% of households having access to electricity for lighting, meaning the Municipality hasn't reached universal access to electricity and is sitting at 72.1%.
- Funding allocation received per financial year is not sufficient to cover the cost for the whole identified projects at once.
- The inclement weather affected the projects timeframes and delays the outages of the projects.

1.4. FINANCIAL HEALTH OVERVIEW-ASSESSMENT OF ANY ARREARS ON MUNICIPAL TAXES AND SERVICE CHARGES BY THE MUNICIPAL MANAGER

The high levels of unemployment in the municipality’s jurisdiction have impacted negatively on our ability to collect outstanding debt. Although the municipality is vast geographically, the population size is very small. Therefore, this is reflected in the small equitable share allocation because the formula put significant weight on the population size. In light of the above the municipality is still exploring ways of funding indigents as the equitable share is not enough and the most Utrecht residents are indigent.

The aging municipal electricity infrastructure is also impacting negatively on revenue collection as electricity is lost in transmission, illegal connections.

The municipality is licenced to supply electricity in the town leaving the vast area being supplied by Eskom which significantly reduce the revenue base.

Our municipal accounts consist of mainly electricity supply, rates, refuse removal and other revenue. Water supply and sanitation is the function of the District Municipality. To illustrate our point in the slow collection, rate our Municipality finds itself, see the billing sample of a month of June.

Table 1: Billing sample for Year 2024/25

Refuse collection billing for Year 2024/25	
Billing	R 2 308 182.61
Collection	R 1 751 411.64
Net-effect	R 556 770.97
Overall	76%

Rates collection billing for Year 2024/25	
Billing	R 44 810 803.42
Collection	R 34 529 263.70
Net- effect	R 10 281 539.72

Overall	77%
---------	-----

Electricity billing for Year 2024/25	
Billing	R 14 316 154.29
Collection	R 13 561 964.46
Net – effect	R 754 898.83
Overall	95%

Rental billing for Year 2023/24	
Billing	R 1 134 476.56
Collection	R 46 614.33
Net – effect	R 1 087 862.23
Overall	4%

Receivables/Debtors for year 2024/25	
Electricity	R 23 671 235,63
Property Rates	R 67 011 617,94
Refuse Removal	R 4 447 894,00
Sundry Debtors	R 2 164 714.33
Total debt	R 97 295 462,00

1.5. ASSESSMENT OF AUDITOR GENERAL REPORT 2024/2025

The municipality obtained the unqualified audit opinion for the 2022/2023, 2023/24 and 2024/2025 financial years. There were many improvements done between the financial years, 2022/23, 2023/24 and 2024/2025. This is a clear indication that the municipality

adheres to the recommendations made by the Auditor General in the previous financial year audit.

CHAPTER 2: GOOD GOVERNANCE

2.1 COUNCIL'S VISION

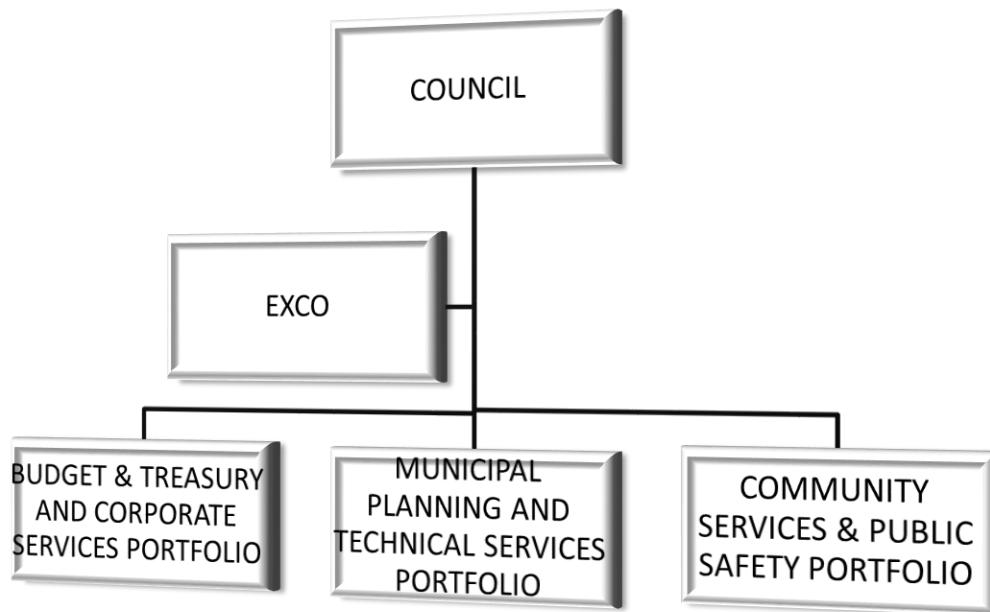
By 2036 eMadlangeni Local Municipality will be a self-sustaining exemplary local municipality with a diverse thriving economy where all citizens enjoy a high quality of life within a sustainable and resilient environment.

COUNCIL'S CORPORATE VALUES

The municipality pledges to its communities and stakeholders to:

- be embodiment of good governance;
- deliver services in an efficient and effective manner;
- promote and facilitate sustainable socio-economic development;
- create mutual trust and understanding between the municipality and the community;
- promote tourism, agriculture and mining, and facilitate the development of urban hubs in support of these economic sectors and delivery of services; and
- apply good and transparent corporate governance in order to promote community prosperity.

POLITICAL GOVERNANCE STRUCTURE



ADMINISTRATIVE GOVERNANCE

The Municipality have an approved 2024/25 organizational structure which is aligned to the IDP, in order to improve its operational capacity. During the year under review, the Municipality had a staff compliment of 144 during 2024/2025 of as opposed to 153 during 2023/2024 Financial Year. The Municipality needs to strengthen its Human Resources Policies and strategies to ensure that it does not lose employees.

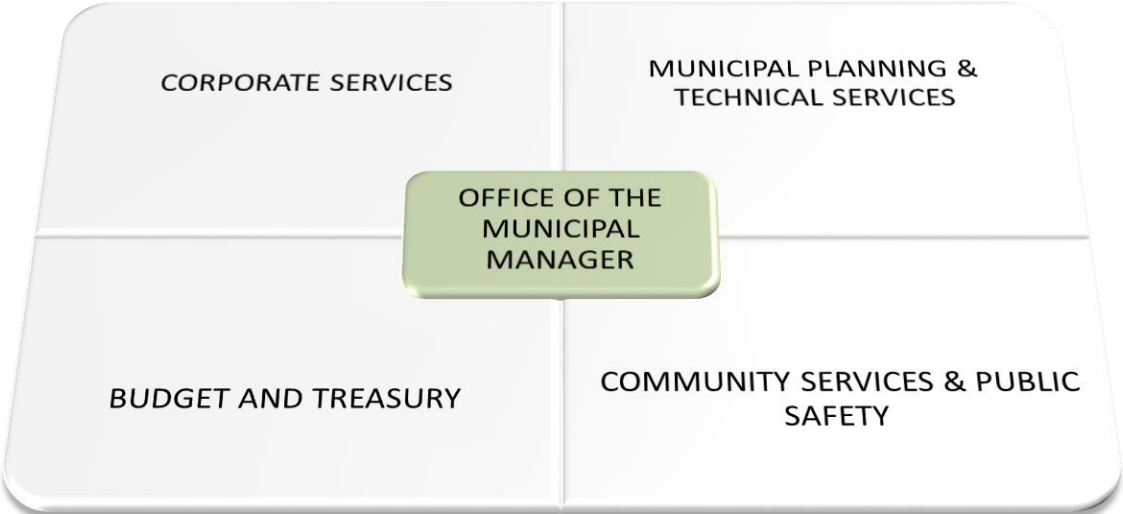
Emadlangeni Local Municipality comprises four (4) Departments; in terms of Regulation 4 (2) of Local Government on Appointment and Conditions of Employment of Senior Managers of 2014, that report directly to the Municipal Manager, who is the Administrative Head. They are as follows

- Budget and Treasury;
- Corporate Services
- Community Services and Public Safety
- Municipal Planning and Technical Services

EMadlangeni Local Municipality employees report to the Heads of Department (HODs) - who are Directors of different Departments. The HODs sit in Portfolio Committee

meetings and discuss matters pertaining to their respective areas of operation. The relevant Portfolio Committee advises the HODs regarding solutions on how departmental programmes and projects, for service delivery to the community, should be tackled. When the issues have been analysed, the Management Committee, consisting of Municipal employees at management level, assembles and finalizes the individual Portfolio Committee's outcomes to form one report which will be tabled to Council for Resolutions to be taken.

ORGANISATIONAL STRUCTURE CAN BE SUMMARISED AS FOLLOWS



2.3 PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.3.1 FUNCTIONS OF WARD COMMITTEE MEMBERS

The following functions and powers have been assigned to Ward Committee Members, as contained in Section 16 and Section 59 of the Municipal Systems Act, No. 32 of 2000:

Encourage and create conditions for communities to participate in:

- a) The preparation, implementation and review of the IDP;
- b) Establishment, implementation and review of Councils Performance Management System;
- c) The monitoring and review of Councils performance, including the outcomes and impact of such performance and
- d) The preparation of Councils budget
- e) Participation in the above functions means that the Ward Committee members will discharge its responsibilities by way of involvement in making inputs in the form of recommendations to Council.
- f) Additional delegated functions and powers:
- g) Assist the ward councilor in identifying challenges and needs of residents;
- h) Create formal unbiased communication channels and co-operative partnership between the Municipality and the community within the ward;
- i) Ensure contact between the municipality and community through use of and payment of Services;
- j) Create harmonious relationships between residents of a ward, the ward councilor, geographic community and the municipality;
- k) Act as advisory body on Council policies and matters affecting communities in the ward;
- l) Serve as officially recognized and specialized participatory structures in the municipality;
- m) May receive and record complaints from the community within the ward and provide feedback on Councils response;

- n) May make recommendations on any matter affecting the ward to the Ward Councillor or the Council, the EXCO and the Mayor;
- o) May act as a resource, through which Council and its departments, Provincial and National Departments must consult with and canvass community opinions on any matter they deem necessary;
- p) Ward Committees may also be used as resources, by non-governmental organizations and non-political organizations to consult with Ward Committees, only if they do not and will not make Council liable for any expenditure to be incurred;
- q) Ward Committees shall, within their scope of work, invite Council officials and other people with specialized knowledge to advise them on matters affecting their ward, when they deem it necessary;
- r) Ward Committees may, subject to available capacity and resources, conduct an annual satisfaction survey in order to assist the committee in the execution of its function and powers. The satisfaction survey should be administered in the ward by the Ward Committee members under the supervision of the Ward Councillor and with the administrative support of the municipality.

2.3.2 WARD COMMITTEE ASSESSMENT

The Ward Committee functionality verification results were reported at 100% for the 2024/2025 financial year. The Ward Committee functionality assessment criteria is as follows:

- Annual Target of 72 meetings was achieved for the quarterly meetings per ward.
- Annual Target of 1 Imbizo Meetings was achieved
- Annual Target of 720 Reports Submitted by ward committees.

CoGTA conducted the ward committee functionality assessment and the municipality achieved 100% in terms of functionality.

FUNCTIONALITY RESULTS OF EACH WARD PER QUARTER IN 2024/2025 FINANCIAL YEAR

WARD	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	CHALLENGES
1	Functional	Functional	Functional	Functional	There were no challenges encountered for the year 2024/25.
2	Functional	Functional	Functional	Functional	
3	Functional	Functional	Functional	Functional	
4	Functional	Functional	Functional	Functional	
5	Functional	Functional	Functional	Functional	
6	Functional	Functional	Functional	Functional	

2.3.3 MEASURES TAKEN TO IMPROVE PERFORMANCE

- The Public Participation section ensures that all the ward committee functionality assessment elements are met.
- Ward committee members signed the code of conduct guiding them to serve their communities in an ethical manner.
- The Public Participation section ensures that ward committee members attend the quarterly ward committee meetings for debriefing, so that they will be able to serve their communities better.
- All ward committee members and ward councillors can attend Ward committee schedules for meetings, WAR ROOM meetings; and public meetings.
- Ward Based Plans and Ward Committee Operational Plans were compiled and adopted by Council.
- Ward Committees were inducted on Code of Conduct, Roles and Responsibilities and ward committee functionality assessment process.
- Ward Committee Members attend workshops, trainings and sector meetings conducted by various stakeholders in order to expand their knowledge on public participation programs and improve their report writing skills.

2.3.4 WARD COMMITTEE TRAININGS

There were no accredited trainings conducted for the year.

2.3.5 PUBLIC PARTICIPATION STAKEHOLDERS ENGAGEMENT

- PPO ATTENDED AGRI-VILLAGE MEETING ON THE 2ND OF JULY 2024 AT DARD OFFICES, FACILITATED BY THE OTP
- WARD COMMITTEE BY-ELECTION CONDUCTED AT KINGSLEY ON THE 8TH OF JULY 2024. THREE VACANCIES WILL BE FILED IN SEPTEMBER 2024 (WARD 5, 6, 4)
- PPO ATTENDED RISK OPERATIONS WORKSHOP ON THE 18TH OF JULY 2024, FACILITATED BY DEPT. OF TREASURY
- WARD COMMITTEE BY-ELECTION CONDUCTED AT WHITE CITY ON THE 23RD OF JULY 2024
- PPO ATTENDED LEADERSHIP AND SKILLS WORKSHOP ON THE 24TH OF JULY 2024; AND BATO PELE WORKSHOP ON THE 25TH OF JULY 2024; CONDUCTED BY MS. ZIMBINI MPURWANA FROM UGU DISTRICT
- PDMC AND LOCAL DISASTER MANAGEMENT CONDUCTED AWARENESS ON DROWNING AT BALELE DAM ON THE 2ND OF AUGUST 2024 FOR 2 HIGH SCHOOLS AND SURROUNDING COMMUNITY MEMBERS
- LTT CONVENED ON THE 13TH OF AUGUST 2024, NEXT MEETING WILL BE ON THE 10TH OF SEPTEMBER 2024
- LED, PPO AND PLANNING UNIT HAD A MEETING WITH OFFICIALS FROM DMRE (LEGAL AND SLP UNIT) ON THE 22ND OF AUGUST 2024
- PPO ATTENDED MUNICIPAL DISASTER MANAGEMENT ADVISORY FORUM (MDMAF) ON THE 28TH OF AUGUST 2024, TO DISCUSS AND FINALIZE SUMMER SEASON CONSIGNENCY PLAN
- ON THE 29TH OF AUGUST 2024 14 TAXIS WERE ALLOCATED TO THE LM TO TRANSPORT WOMEN AND IZINDUNA TO THE WOMENS PRAYER ORGANISED BY THE OTP; AND ON THE 30TH OF AUGUST 2024 WE WRAPPED UP WOMENS MONTH WITH GENDER ECONOMIC EMPOWERMENT PROGRAM HELD AT UTRECHT TOWN HALL.
- INDIGENT APPLICATIONS IN ALL SIX WARDS WITHIN THE LM, COMMENCED ON THE 14TH OF OCTOBER TILL THE 29TH OF OCTOBER 2024
- -OUTREACH PROGRAM WITH THE SOUTH AFRICAN COMMISSION FOR HUMAN RIGHTS, ON THE 18TH ,19TH AND 20TH NOVEMBER 2024

- -ATTENDED WARD COMMITTEE VERIFICATION ON THE 4TH OF DECEMBER @ PMB FOR THE 1ST QUARTER (JULY-SEPTEMBER 2024)
- -ATTENDED WEEDBUSTER EVENT HOSTED BY THE DEPT. OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS (EDTEA). AT BALELE GAME PARK ON THE 10TH OF DECEMBER 2024

2.3.6.municipal rapid response team (mrrt)

The MRRT is functional and is chaired by the Municipal Speaker, with PPO as the Secretariat. The MRRT meets quarterly or as and when the need arises. The last meeting was on the 13th of June 2025 at the Disaster Management Centre Bardroom.

Composition of the Municipal Rapid Response Team

- The Speaker shall be the Chairperson of the eMadlangeni Municipal Rapid Response Team, as the person responsible for Public Participation
- Minimum of 3 councilors as assigned by Council
- The Municipal Manager or a consistent delegate referred by the Municipal Manager
- Public Participation Official
- Disaster Management
- Heads of Department as assigned by council
- Community Service Manager / complaints management head

2.3.7 OPERATION SUKUMA SAKHE (OSS)

The War Room meetings are convened in all 6 wards within the eMadlangeni Local Municipality. All war rooms are functional. The Local Task Team (LTT) visits the war rooms quarterly for support and further interventions. The War room Chairperson reports to the LTT once a month. The war room meetings are attended by Sector Departments, CCGs, CDWs, Ward Committee Members, CWP, Forum members i.e. Disability Forum, Senior Citizens Forum, Women's Forum, Men's Forum, Child Care Forum as well as

Traditional Leaders and Faith Based Organizations. Ward Councillors champion the war room meetings.

2.3.8. CHALLENGES

- Complaints Management System is not integrated within all Units in the Local municipality.
- Attendance for the Public Meetings in some areas within wards is poor as the areas are too scattered and some community members do not get the notices for the meetings and hence, they do not attend the meetings and are left uninformed on the activities and programmes happening in their areas. A loud hailer can bridge that gap and everyone can be able to attend the meetings and stay informed.
- Lack of resources for the Public Participation Unit i.e. car allowance, vehicle designated for the Unit to attend stakeholder and community engagements.

2.3.9 MEASURES TO IMPROVE PERFORMANCE

- An Integrated Complaints Management System in place but not yet integrated across all units.
- Prompt feedback on community issues and complaints.
- Regular presentation on the progress of planned projects for the 2025/2026 financial period to ward committees on a quarterly basis.

PUBLIC ACCOUNTABILITY

2.4 PUBLIC MEETINGS

2.4 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes

Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 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
<i>* Section 26 Municipal Systems Act 2000</i>	

2.5 IDP PARTICIPATION AND ALIGNMENT

- EMadlangeni Local Municipality also ensured that public engagements are taken into account to align with relevant legislations, ward based planning is a priority in this Municipality to ensure inclusive governance. The IDP/Budget Roadshow took place on the 09 of May 2025 at Mzilikazi Sport Field. The LM had a joint Imbizo with the Amajuba District Municipality. The Mayor of the District also presented the IDP and Budget for the District. Community members from all 6 wards within eMadlangeni were transported to the venue to attend the Imbizo. They got a chance to engage with the Principals and offered an opportunity to present inputs and recommendations concerning the IDP and Budget.

2.6 INTERGOVERNMENTAL RELATIONS

The Intergovernmental Relations Framework Act No 13 of 2005 was promulgated to establish a framework for the National, Provincial and Local governments in order to ensure, amongst other, things the:

- Promotion and facilitation of intergovernmental relations;
- Provision for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and
- Provision for matters connected therewith.

The objective of the Act is based on the principle of co-operative governance as set out in Chapter 3 of the Constitution. The Act also aims to facilitate co-ordination in the implementation of policy and legislation including:

- Coherent government;
- Effective provision of services;
- Monitoring implementation of policy and legislation; and
- Realization of national priorities.

IGR ensure co-operative governance and to implement wall to wall development. This municipality participated in the following IGR Forum meetings that sat at District Level, wherein matters that were cross-boundary were discussed and the invited, relevant sector departments gave inputs on other technical matters:

- The Mayors Forum
- The Municipal Manager’s Forum
- The Planning Forum
- The Infrastructure Development Forum
- The LED Forum
- The Corporate Services Forum
- Financial Management Forum

The Municipality also participates in other structures such as the forum of municipalities and members of the Executive Councils, the Speaker’s Forum in Legislature and the Premier’s Monitoring & Evaluation Committee. Participation in these committees ensures that planning is undertaken in line with National, Provincial & District Priorities and key strategic documents.EMadlangeni Local Municipality has the following Intergovernmental Relations Structures in place:

Intergovernmental Relations Forum	Objective of the Function	Functionality
IDP Representative Forum	The purpose of the forum is to serve as a platform where the eMadlangeni Municipality meet with the sector	Yes

	departments, private organizations, business, NGO's and CBOs to discuss developmental issues that affect the municipality	
Planning and Development	The purpose of the forum is to coordinate planning. EMadlangeni Municipality does not have its own forum but seats at the district as the Amajuba District Municipality has established the forum where the district family of municipality engage to ensure communication amongst the various planning and development within the district is undertaken in a holistic way.	Yes
IDP Technical Committee	This Committee is situated at the district level and the local municipalities participate on it. The purpose of this forum is: <ul style="list-style-type: none"> • Streamline planning process; • Combating socio-economic ills in a strategic and coordinated manner • Put forward a plan of action that will enjoy political buy-in at levels • Unifying the channelling of both private and public sector investments 	Yes

LED Forum	Local Economic Development is one of the key programmes that exist in eMadlangeni area. Therefore the purpose of the committee is to monitor and assess LED projects and also discuss LED issues	Yes
Disaster Management Advisory Forum	The purpose of the forum is to implement, monitor and co-ordinate all disaster management related issues within eMadlangeni area by ensuring improved and continued communication.	Yes

2.7 RISK MANAGEMENT

Risk Management forms a critical part of eMadlangeni municipality strategic management. It is the process whereby the eMadlangeni municipality both methodically and intuitively addresses the risks attached to the strategic objectives and activities of the municipality. The goal is to ensure the achievement of strategic objectives as well as the sustained benefit within each activity and across the portfolio of activities. Risk management is therefore recognised as an integral part of sound organisational management and is being promoted internationally and in South Africa as a good practice applicable to the public and private sector.

Objectives of Risk Management

The purpose of Risk Management at eMadlangeni municipality is to, among others provide the following:

- Advance the development and implantation of modern management practices and to support innovation through the eMadlangeni municipality.
- Contribute in building a risk smart workforce and environment that allows for innovation and responsible risk taking while ensuring legitimate precautions are taken to protect the public interest, maintain public trust, and ensure due diligence.
- Provide a comprehensive approach to better integrate risk management into strategic decision making.
- To provide guidance to Accounting Officer, Executives Authorities, Management and staff when overseeing or implementing the development of processes, systems and techniques for managing risk, which are appropriate to the content of the district.

The municipality has a risk management framework and policy in place. It also has established the risk management committee to oversee risk management process. The risk committee also considered the risks in the risk profile of the municipality and the action plans that have been put in place to ensure that those risks do not materialise.

The objectives of the Risk Management Committee (RMC) are:

To assist the Municipal Manager in discharging his or her accountability for risk management by reviewing the effectiveness of the municipality's risk management systems, practices and procedures, and providing recommendations for improvement.

Review the risk management policy and strategy and recommend for approval by the Accounting Officer.

Review and assess the integrity of the risk control systems and ensure that the risk policies and strategies are effectively managed.

Set out the nature, role, responsibility and authority of the risk management / risk officer function within the institution and outline the scope of risk management work;

Monitor the management of significant risks to the municipality, including emerging and prospective impacts;

Review any legal matters, together with the legal advisor, that could have a significant impact on the institution;

Review management and internal audit reports detailing the adequacy and overall effectiveness of the Municipality's risk management function as well as its implementation by management, reports on internal control and any recommendations, and confirm that appropriate action has been taken.

The RMC Meetings were successfully held during the 2024/25 Financial year on the following dates:

1. 20 September 2024
2. 28 November 2024
3. 03 April 2025
4. 13 June 2025

The following policies were approved by the Risk Management Committee (RMC) and adopted by Council are:

- **Risk Management Strategy**

1.The principles contained in this strategy will be applied at both strategic/organisational and operational levels of ELM. The strategy will also consider both internal and external risks and will include risks such as projects risks, interdepartmental risks, stakeholder risks, political risks etc.

2.Our positive approach to risk management means that we will not only look at the risk of things going wrong but also risks relating to not taking advantage of opportunities or not capitalizing on our inherent strengths as the municipality.

3.All risks and risk management activities will be aligned to the ELM's values and principles, strategic, functional and operational objectives, processes and procedures underpinning the business environment of ELM. This implies that risk management will not be performed in a vacuum or as an event, but it will be embedded to the strategy and operational day-to-day processes of ELM.

- **Risk Management Framework**

The purpose of the ERM framework is to provide a comprehensive approach to better integrate risk management into strategic decision-making; and

- Provide guidance for accounting officers, managers and staff when overseeing or implementing the development of processes, systems and techniques for managing risk, which are appropriate to the context of the municipality or municipal entity.
- Advance the development and implementation of modern management practices and support innovation throughout the Public Sector;
- Contribute to building a risk-smart workforce and environment that allows for innovation and responsible risk-taking while ensuring legitimate

precautions are taken to protect the public interest, maintain public trust, and ensure due diligence.

- **Risk Management Policy**

We expect the following benefits in adopting this enterprise risk management policy and effectively implementing the Enterprise Risk Management Framework:

- Aligning risk appetite and strategy
- Pursuing Municipal objectives through transparent identification and management of acceptable risk
- Providing an ability to prioritise the risk management activity
- Enhancing risk response decisions
- Reducing operational surprises and losses
- Identifying and managing multiple and cross-enterprise risks.
- Seizing opportunities
- Improving deployment of capital
- Ensuring compliance with laws and regulations
- Increasing probability of achieving objectives

- **Anti-Fraud and Corruption Prevention Strategy**

In terms of Section 83 (c) of the Municipal Systems Act (MSA) Act 32 of 2000, if a municipality decides to provide a municipal service through service delivery agreement with a person referred to in section 80 (1) (b), it must select the service provider through selection processes which minimize the possibility of fraud and corruption.

EMadlangeni Local Municipality has the following strategies in place to prevent corruption, fraud and theft:

The Anti-Corruption Strategy and Fraud Prevention Plan have been developed as a result of the expressed commitment of Government to fight corruption. It complements the National Anti-Corruption Strategy of the country and supplements both the Public Service Anti-Corruption Strategy and the Local Government Anti-Corruption Strategy.

The Policy is also established to give effect to the various legislative instruments relating to fraud and corruption. In addition, the Policy provides guidelines as to how to respond should instances of fraud and corruption be identified.

Fraud and corruption manifests itself in a number of ways and varying degrees of intensity. These include, but are not limited to:

- unauthorised private use of municipal assets, including vehicles;
- falsifying travel and subsistence claims;
- conspiring unfairly with others to obtain a tender;
- disclosing proprietary information relating to a tender to outside parties;
- accepting inappropriate gifts from suppliers;
- employing family members or close friends;
- operating a private business during working hours;
- stealing equipment or supplies from work;
- accepting bribes or favours to process requests;
- accepting bribes or favours for turning a blind eye to a service provider who does not provide an appropriate service;
- submitting or processing false invoices from contractors or other service providers;
- misappropriating fees received from customers, and avoiding detection by not issuing receipts to those customers;
- misappropriation of Municipal funds;
- falsifying accounting records or documents
- falsifying consumer debtors accounts or amending such accounts without authority;

Fraud represents a significant potential risk to the Municipality's assets and reputation. The Municipality is committed to protecting its funds and other assets. It is the policy of the Municipality that fraud, corruption, maladministration or any other dishonest activities of a similar nature is not to be tolerated. Such activities will be investigated, where required, and actions instituted against those found responsible. Such actions may include the laying of criminal charges, civil and administrative actions and the institution

of recoveries where applicable. This Policy includes prevention, detection, response and investigative strategies.

Risk Management Implementation Plan

The Risk Management Implementation Plan (RMIP) forms part of the Risk Management Framework of the Municipality and must therefore be read in conjunction with inter-alia; the Risk Management Strategy and Policy, the Anti-Fraud and Corruption Strategy and Policy, Loss Prevention and Management Policy, Business Continuity Plan.

The Risk Management Implementation Plan describes how the Risk Management Strategy and Policy, the Anti-Fraud and Corruption Strategy and Policy, Loss Prevention and Management Policy, Business Continuity Plan are to be implemented during the 2024/25 financial year.

2.8. SUPPLY CHAIN MANAGEMENT

In terms of Local Government: Municipal Finance Management Act 2003 Municipal Supply Chain Management Regulation, each municipality and each municipal entity must in terms of Section 111 of the Municipal Finance Management Act 2003 have and implement a supply chain management policy that is fair, equitable, transparent, competitive, cost effective and is consistent with other applicable legislation.

EMandlangeni Local Municipality Supply Management Policy was approved and adopted by council on 30 April 2024.

Overview of the SCM activities undertaken during the 2024/2025 financial year

- All requisitions were converted to purchase orders, checked, reviewed and signed by all relevant officials and approved by the Accounting Officer.
- Twelve competitive bids above R 300 000 were advertised, two bis cancelled and 10 bids awarded.

- All requisitions for bids below R 300 000 are converted to purchase orders, checked, reviewed and signed by all relevant officials and approved by the Accounting Officer.
- Preference points were applied for all bids except where it was impractical to follow SCM processes.
- All construction projects were completed in the 2024/2025 financial year.
- All contracts were monitored and contract register is in place and prepared on monthly basis.
- SLAs/ contracts are in place for all contracts.
- Amendments were made to the SCM policy and approved the council.

1. Summary of procurement processes followed.

- All requisitions are converted to purchase orders, checked, reviewed and signed by all relevant officials and approved by the Accounting Officer
- Preference points are applied as follows: 80/20 preference point system for acquisition of goods or services with Rand value equal to or below R50 million
- Deviations are approved by the Accounting Officer.
- Variations and extensions of orders orders are approved by the Accounting Officer.
- SLAs and contracts are in place for all contracts.
- Invoices submitted are checked via check list and submitted to the expenditure unit in time to be processed for payments.

2. Measures implemented to improve SCM compliance and efficiency

- Procurement plan is in place.
- All applicable legislation (MFMA, SCM Regulations, Preferential Procurement Policy Framework Regulations 2022, SCM policy, MFMA circulars and other applicable legislation) are applied at all times.
- SCM policy is reviewed annually and is in line with the applicable legislation.
- The bid committee members are in place and are working effectively and efficiently.

- All requisitions are done timeously, evaluated, reviewed and ensure that there is sufficient budget to avoid unauthorized expenditure.
- There are checklists in place to avoid UIFW and to ensure smooth operations.
- SCM reports are compiled monthly, quarterly and yearly. They reviewed and approved by relevant officials and submitted to Provincial, Cogta and other relevant places.

2.9 BY-LAWS

The following is the list of Policies and By-laws which are kept by the Municipality:

TABLE: STATUS OF MUNICIPAL POLICIES AND BY-LAWS

POLICIES	STATUS
Recruitment, Selection and Placement Policy	Adopted and implemented
Delegation Framework	Under Review
Skills Development Policy	Adopted and implemented
Acting Policy	Adopted and implemented
Leave Policy	Adopted and implemented
Overtime Policy	Adopted and implemented
Payroll Policy	Adopted and implemented
Car Allowance policy	Adopted and implemented
S & T Policy	Adopted and implemented
Performance Management and Development System	Adopted and implemented
Delegation Policy	Under Review

POLICIES	STATUS
Budget Policy	Adopted and implemented
Council Vehicle Policy	Adopted and implemented
Virement Policy	Adopted and implemented
Supply Chain Management Framework	Adopted and implemented
Remuneration Policy	Adopted and implemented
Indigent Policy	Under Review
Re-imburement Policy	Adopted and implemented
Travel and Subsistence	Adopted and implemented
Communication Strategy	Adopted
Communication policy	
Property Rates Policy	Adopted and implemented
Building works, Building Plans, completion: Policies and Procedures	Adopted and implemented
Ward Committee Establishment Policy	Adopted and implemented
HIV/AIDS and Chronic Illness Policy	Adopted
Language Policy	Adopted
Contract Management Policy Framework Procedural Manual Contract Management Policy	Adopted

MUNICIPAL BY-LAWS	STATUS
Outdoor Advertising Municipal By-Laws	Adopted and gazetted
Keeping of Animals and Birds Municipal By-Laws	Adopted and gazetted
Keeping of Dogs Municipal By-Laws	Adopted and gazetted
Cemeteries, Cremation and Undertakers Municipal By-Laws	Adopted and gazetted
Credit Control Municipal By-Laws	Adopted and gazetted
Electricity Supply Municipal By-Laws	Adopted and gazetted
Tariff Policy for Indigent Persons Municipal By-Laws	Adopted and gazetted
Municipal Public Transport Municipal By-Laws	Adopted and gazetted
Property Encroachment Municipal By-Laws	Adopted and gazetted
Environment Municipal By-Laws	Adopted and gazetted
Fire Prevention Municipal By-Laws	Adopted and gazetted
Parking Areas Municipal By-Laws	Adopted and gazetted
Pollution Control Municipal By-Laws	Adopted and gazetted
Pound Municipal By-Laws	Adopted and gazetted
Public Amenities Municipal By-Laws	Adopted and gazetted
Public Roads Municipal By-Laws	Adopted and gazetted
Rules and Orders of Municipal Councils and Committees By-Laws	Adopted and gazetted
Storm Water Management Municipal By-Laws	Adopted and gazetted

MUNICIPAL BY-LAWS	STATUS
Street trading Municipal By-Laws	Adopted and gazetted
Dumping and Littering Municipal By-Laws	Adopted and gazetted
Abattoir Municipal By-Laws	Adopted and gazetted
By-Laws Relating to the Control over Buildings	Adopted and gazetted

2.10 WEBSITE

The municipal website is a critical platform for **transparency, communication, and service delivery**. It is not merely an informational site but a legally mandated tool for compliance with the Municipal Finance Management Act (MFMA). It is actively monitored and regularly updated to ensure all legislative requirements are met and that the community has access to essential documents and services.

The website currently serves two primary functions:

A. Publishing Tool

As a publishing tool, the website acts as the municipality's official digital repository. It is where the public can access all critical governance, planning, and financial documents. The list for the 2023/2024 financial year includes foundational documents like the **Annual Budget, Annual Report, and Integrated Development Plan (IDP)**, as well as operational documents such as **tender advertisements, council resolutions, and policies**. This function ensures accountability and allows residents to scrutinize the municipality's performance and decisions.

B. Marketing Tool

Beyond compliance, the website serves to promote the municipality's attractions and economic opportunities. Specifically, it is used to market **tourism assets**, such as the Balele Game and Caravan Park. By providing relevant information, the aim is to attract visitors, boost local tourism, and stimulate economic activity within the region.

2. Annual Licenses Renewal

This subsection details the proactive steps taken to maintain the municipality's core IT infrastructure and security. Renewing these software licenses is crucial for ensuring **uninterrupted, secure, and legally compliant operations**. The renewals covered:

- **Security:** Protecting the network (Sophos) and email system (Perception Point) from cyberattacks.
 - **Productivity:** Maintaining access to essential office software and cloud services (Office 365).
 - **Financial Compliance:** Using specialized software (CaseWare) for accurate financial reporting and auditing.
-

2. Hardware Procurement

The procurement of **twelve new laptops for end-users** represents an investment in staff productivity and operational capacity. It ensures employees have reliable, modern equipment to perform their duties effectively, which indirectly supports better service delivery to the community.

3. Renewed Contracts

This section outlines strategic partnerships established to enhance the municipality's IT and operational services. It highlights a focus on improving **connectivity and operational efficiency** through new service agreements:

- A contract for high-speed **internet connectivity** (100 Mbps) to ensure robust and reliable online access for municipal operations.
-

- A long-term contract for **managed printing services**, which aims to control costs, improve document management, and ensure reliable office functionality over a 36-month period.
-

4. Adopted/Reviewed Policies

Here, the document underscores the municipality's commitment to **sound IT governance and risk management**. The review and adoption of key policies during the financial year provide a structured framework for IT operations:

- **ICT Policy:** Sets the rules and guidelines for the appropriate use of technology resources within the municipality.
 - **ICT Governance Framework:** Establishes a strategic blueprint for how IT decisions are made, implemented, and measured against organizational goals.
 - **ICT Disaster Recovery Plan (DRP):** A critical risk-mitigation strategy that outlines procedures to restore IT systems and data after a significant failure or disaster, ensuring business continuity.
-

5. Ongoing Issues and Future Focus

The unit acknowledges that challenges persist, particularly regarding the municipal website. The IT unit is actively seeking solutions to enhance its functionality, reliability, and user experience to better fulfil its roles as a publishing, marketing, and platform.

EMadlangeni Local Municipality 2023/24 Annual Performance Report

PERFORMANCE MANAGEMENT PROCESS

The Municipality has an adopted Performance Management Framework in place which sets out the process that must be followed by the organization in the formulation of performance criteria that the Municipality should use in the establishment of performance management.

3.1 THE MUNICIPALITY REPORTS AS FOLLOWS:

- Management Committee (MANCO) meetings were held on monthly basis as it is stipulated law. All items to be submitted to Council structures are also tabled to MANCO for further comments and recommendations before they are forwarded to respective Portfolio Committees, EXCO and Council.
- Quarterly Departmental PMS reports are submitted to the Internal Auditors for review
- Audited report goes to the Audit Committee; please note that eMadlangeni Municipality have the fully functional Performance Audit Committee which oversees all the municipal performance.
- The municipality then compile the Annual Performance Report based on the performance plans, scorecard as well SDBIP that were submitted throughout the financial year. The Annual Performance Report is then submitted to the Internal

The Audit & Performance Committee met on a quarterly basis throughout the financial year to ensure compliance with relevant legislation, procedures and to consider the quarterly performance achievements reported in the Operational Performance Management Systems (OPMS) Scorecard/Top Layer SDBIP as well as the performance achievements reported in terms of the Departmental Service Delivery Budget Implementation Plan.

The Audit & Performance Committee convened on the following dates throughout the 2024/25 financial year:

- 08 July 2024
- 26 August 2024
- 29 August 2024
- 27 September 2024
- 29 November 2024
- 20 January 2025
- 03 March 2025

The First Draft Annual Performance Report for the 2024/25 financial year was submitted to the Internal Audit Unit on 04 August 2025 for their review and the same report was also submitted to the Audit & Performance Committee. The Audit & Performance Committee convened on 26 August 2025 to review the report and made recommendation for Implementation by the Performance Unit. An amended report inclusive of the Audit & Performance Committee recommendations was sent to the Internal Audit on 28 August 2025 prior to submitting the Report to the Auditor General for audit purposes. The Quarterly PMS reports for the 2024/2025 financial year were prepared and submitted to the Internal Audit Activity for review. Internal Audit reports were discussed with Performance Management Systems Unit prior to tabling the reports to the Audit & Performance Committee for consideration.

4. PERFORMANCE EVALUATIONS

The Municipal Council resolved that the municipality should appoint a performance evaluation panel, which was appointed for the period from February 2024 to June 2025. On 26 June 2025 the municipality conducted its first performance evaluations for Section 54 & 56 Managers for the 2023/2024 Annual Assessments, following several years of instability in senior management.

Due to unforeseen circumstances, the 2024/2025 mid-year assessments were delayed. Both the mid-year and annual assessments for 2024/2025 are now scheduled to be conducted by the end of October 2025.

PERFORMANCE EVALUATION PANEL

The eMadlangeni Municipality, guided by Section 27 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (2006), established the Performance Evaluation Panel constituted as follows:

Evaluation Panel for the assessment of the Municipal Manager	
Member	Designation
Cllr. M.L. Buthelezi	Mayor (Chairperson of the Panel)
Mr. B.L. Dhlamini	Chairperson of the Performance Audit Committee
Cllr. N.M. Dekker	Chairperson of the MPAC
Mr. T.S. Buthelezi	Acting Municipal Manager of Amajuba District Municipality
Mr. Z.W. Mcineka	Municipal Manager of Newcastle Local Municipality

Evaluation Panel for the assessment of Managers directly accountable to Municipal Manager	
Member	Designation
Mrs. G.N. Mavundla	Municipal Manager (Chairperson of the Panel)
Mr. B.L. Dhlamini	Chairperson of the Performance Audit Committee
Cllr. N.M. Dekker	Chairperson of the MPAC

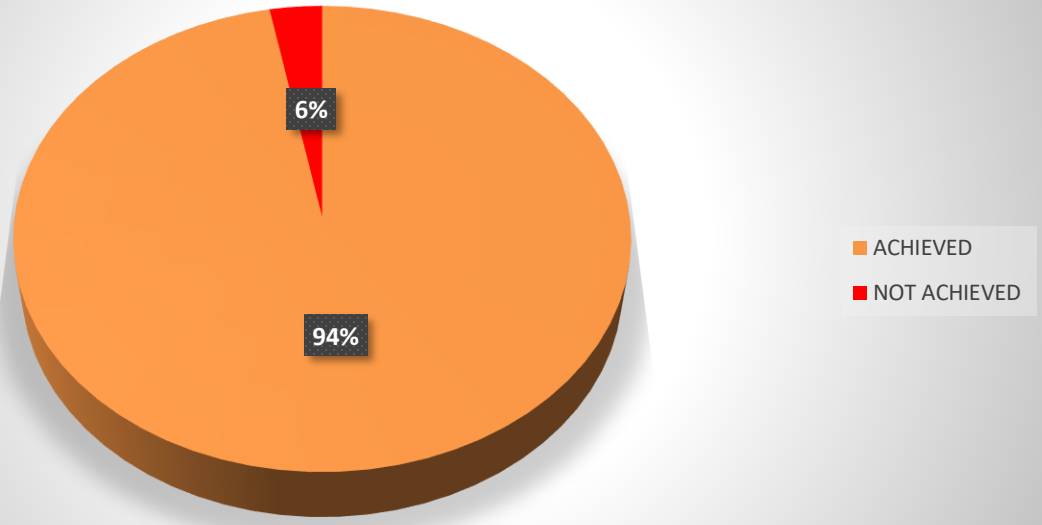
Mr. T.S. Buthelezi	Acting Municipal Manager of Amajuba District Municipality
Mr. Z.W. Mcineka	Municipal Manager of Newcastle Local Municipality

KEY PERFORMANCE MEASURES

This report includes highlights from the key performance measures included in the 2024/2025 IDP, which constitute the Municipal Scorecard for the 2024/2025 financial year.

KEY PERFORMANCE AREAS	TOTAL NO. OF ANNUAL TARGETS	TOTAL NO. OF TARGETS ACHIEVED	TOTAL NO. OF TARGETS NOT ACHIEVED	PERCENTAGE OF TARGETS ACHIEVED
BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT	23	21	2	91%
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	26	24	2	92%
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT	19	19	0	100%
GOOD GOVERNANCE & PUBLIC PARTICIPATION	22	20	2	90%
LOCAL ECONOMIC & SOCIAL DEVELOPMENT	12	12	0	100%
OVERALL 2024-25 ANNUAL PERFORMANCE	102	96	6	94%

OVERALL PERFORMANCE FOR THE 2024/25 FINANCIAL YEAR

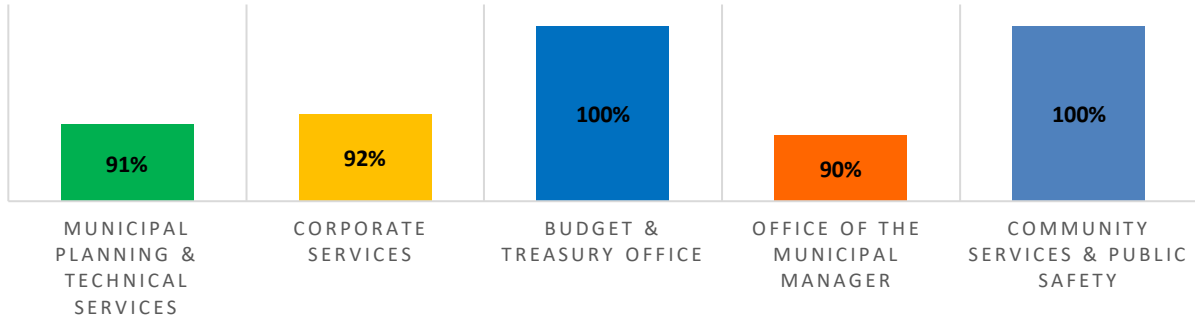


OVERALL ANNUAL PERFORMANCE PER DEPARTMENT

DEPARTMENT	TOTAL NO. OF ANNUAL TARGETS	TOTAL NO. OF TARGETS ACHIEVED	TOTAL NO. OF TARGETS NOT ACHIEVED	PERCENTAGE OF TARGETS ACHIEVED
MUNICIPAL PLANNING & TECHNICAL SERVICES	23	23	2	91%
CORPORATE SERVICES	26	24	2	92%
BUDGET & TREASURY	19	19	0	100%
OFFICE OF THE MUNICIPAL MANAGER	22	20	2	90%
COMMUNITY SERVICES AND PUBLIC SAFETY	12	12	0	100%

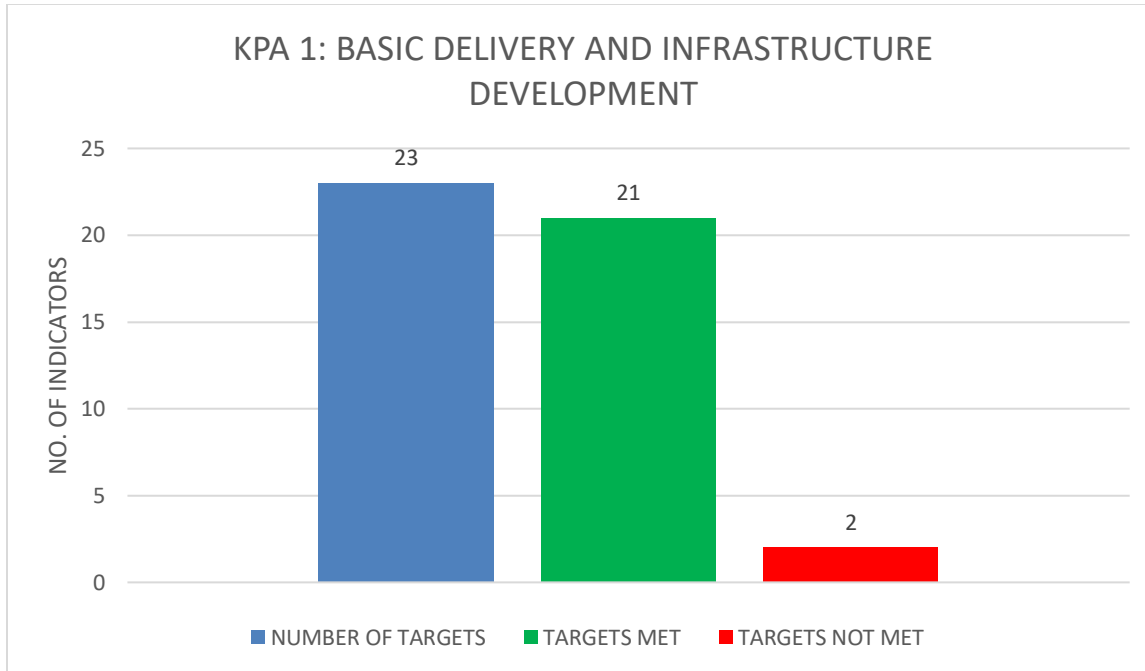
OVERALL ANNUAL TARGETS ACHIEVED PER DEPARTMENT (%)

- MUNICIPAL PLANNING & TECHNICAL SERVICES
- CORPORATE SERVICES
- BUDGET & TREASURY OFFICE
- OFFICE OF THE MUNICIPAL MANAGER
- COMMUNITY SERVICES & PUBLIC SAFETY



4.1 KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

The overall performance of KPA 1 was achieved at 91%.



spatial planning and land use

The overall performance of this KPA has improved tremendously in this financial year. Section 26(e) of the Local Government: Municipal Systems Act, No. 32 of 2000 (MSA) requires all municipalities to compile Spatial Development Frameworks (SDF) as a core component of Integrated Development Plans (IDP). The SDF & SDP was reviewed in-house. A number of sections were updated in the SDF i.e. Disaster Section, agriculture and stats data. The SDF & SDP was reviewed and adopted by Council and subsequently submitted to COGTA as a requirement the draft received great review from COGTA. The municipality ensured that the community was involved through conducting public participation meetings through Imbizo. The document was well implemented and was adopted by Council.

In terms of the Spatial Planning and Land Use Management Act, No. 16 of 2013 (SPLUMA) the municipality is SPLUMA compliant.

The Department received 11 land development application and 7 building plans. The performance in land Development application remains stable while the submission of plans has decrease compared to the past years and becomes a challenge as there are a number of illegal buildings being built around Utrecht, Bendsorp and White City.

7.1.1 KEY HIGHLIGHTS

The Department sold four residential sites in Utrecht, White City and Bendsorp as another strategy for densification/intensification of urban areas as well as enforcing the revenue enhancement strategy.

The appointment of an Environmental and Waste officer to address many issues such as the SDF's lack of efficient environmental management, where there is no alignment with the District Municipality Environmental Management Framework and no interventions related to the environmental climate change issues which is a great concern as the municipal area is environmentally sensitive.

This appointment will also assist in tackling the number of prospecting and mining applications received by the municipality.

HOUSING

The municipality is working on the initiative to eradicate mud houses, as part of efforts to provide decent quality housing to poverty-stricken communities. This initiative aims to restore the dignity of residents living in mud houses, by providing them with safe and decent housing.

The department is currently compiling a list of these beneficiaries before an application can be made to the Department of Human Settlements.

The municipality has several housing projects underway:

GOEDEHOOP HOUSING PROJECT

Stage 1: Planning: has been completed and all approvals have been granted.

Stage 2: Construction of Internal Services: This phase of the project which comprise:

- Construction of Roads (0.942 km long bus routes; 1 625 km long primary routes; and 3 319 km long secondary routes) is 95% complete. The only aspect of this phase that is incomplete is tarring of bus routes which is recommended to be done after construction of houses (stage 4 – top structure construction) to minimize black top damage during haulage of materials at this phase of the project.
- Storm water control (Roadside channels with piped storm water crossings where required and concrete-lined channels where the grade exceeds 1:10) and Erosion protection measures have all been constructed 100% accordingly.
- Reticulated Water Supply pipelines have all been connected to the main bulk water supply network and (with the exception of individual water meters) all these have been laid and connected. At unit construction stage, water meters will be connected and from there an appropriately sized reticulation water pipe will be laid linking the meter to the individual house for all houses; and
- Sanitation - Waterborne sewer lines have been laid to the vicinity of each housing unit and these lines will be linked to the reticulated sewer system of each house once the housing units have been built

Construction of individual housing units for the approved beneficiaries has been delayed by the Upgrading of Utrecht Town's Waste Water Treatment Works. This project which is a responsibility of Amajuba DM has been underway for the past 4 years with contractors being terminated due to non-performance and undergoing the process of appointment all over again.

7.1.2 PORTION 7 OF 2 OF THE FARM NO 53 WELTEVREDEN (BALGRAY).

The Provincial Department of Human Settlements has a Public Participation Unitinted Delton Projects (PTY) LTD to undertake stage 1 activities listed below for the Balgray Housing Project consisting of 300 units:

- Land assessment
- Bulk services investigation and obtaining service level agreement with district municipality
- Geotechnical Investigation
- Environmental Assessment
- Town Planning
- Social Facilitation
- Socio-economic issues
- Floodline Determination
- Civil engineering
- The provision of informal Settlement Upgrade Plan

The project is currently underway and will assist the municipality in formalising Portion 7 of 2 of the Farm No 53 Weltevreden (Balgray). The Municipality needs to put up infrastructure services plans for this property, as there is no electricity connection.

7.1.3 ERF 739

The Provincial Department of Human Settlements has appointed Stedone Developments (PTY) LTD to undertake stage 1 activities listed above for creating 300 vacant serviced sites. This project is a major highlight for the municipality as the sites will cater for middle to high-income earners. A SPLUMA application has been submitted for consideration.

GROENVLEI AGRI-VILLAGE

The Provincial Department of Human Settlements has appointed Stedone Developments (PTY) LTD to undertake stage 1 activities listed above for creating 150 agricultural living

plots measuring approximately 2500m². A SPLUMA application has been submitted for consideration.

KHAYALETHU EXTENSION

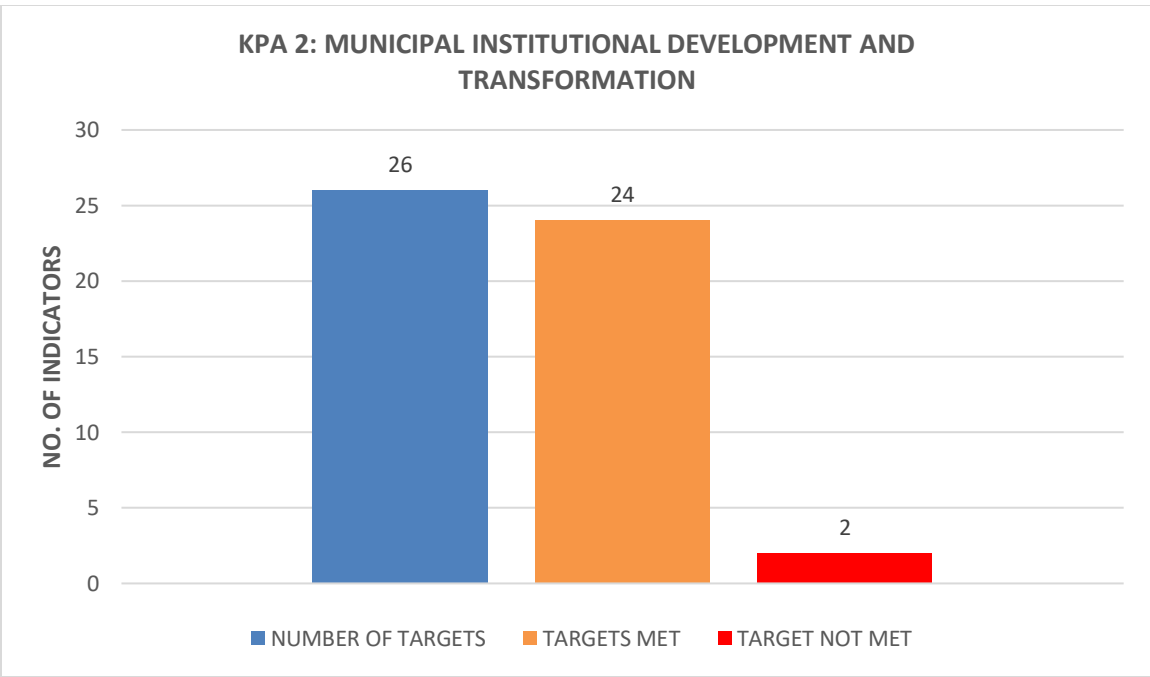
The Provincial Department of Human Settlements has appointed BSCM (PTY) LTD to undertake stage 1 activities listed above. This project has not moved at due to the consultant's failure to produce any work. The municipality has written requested the DHS to terminate the consultant due to non-performance.

7.1.5 CHALLENGES

- Quantification of engineering services for both 5 years and 20 years should be undertaken.
- Enforcing building penalties, summons on illegal buildings and issuing of contravention notices remains a major concern.
- The issuing of compliance certificate which affects rates charges.
- The Municipality needs to consider training and appointing Peace Officers to assist with the issuing of contravention notices.

7.2 KPA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

The overall performance of KPA 2 was achieved at 92%.



The municipality compiled and submitted the Work Skills Plan and Annual Employment Equity Report.

The following policies were approved and adopted by Council in the 2024/25 financial year for implementation in 2025/26.

- Skills Development Policy
- Leave Management policy
- Overtime policy
- S & T policy
- Acting allowance Policy

The municipality has developed the Performance Management and Development System (PMDS) Policy for adoption by Council. The Policy aligns with the Municipal Staff Regulations and it compels all employees' performance be assessed on annual basis. It has been cascaded to Managers and Officers, Performance Agreement has been signed for 2025.2026 financial year.

The municipality received the Local Government Sector Education Training Authority (LGSETA) Mandatory Grant of R19 640 for the financial year 2024/2025 to cover

trainings. However, the grant could not cover the Work Skills Plan training priorities therefore the municipality had to rely on the Municipal Skills Development funds for other trainings. The municipality has engaged other SETA's in order to address the skills gaps.

The municipality reviewed the Organogram and reinstated the Community Services and Public Safety department.

7.2.1 PERFORMANCE HIGHLIGHTS

- Majority of meetings and trainings were held on virtual platforms (Zoom or Microsoft Team) and some were held physical.
- Fourteen (14) appointments were made during the financial year. There were five (5) appointed through the Municipal Financial Management Internship Programme and one intern was appointed as SCM Clerk Permanently. Nine (09) were seconded by COGTA and their contract ended on 31st of January 2025.
- There were twenty-five (25) interns received from different SETA.
- The attrition rate had improved (01 early retirement, 5 resignations, 1 Deceased and 3 dismissals).

7.2.2 CHALLENGES

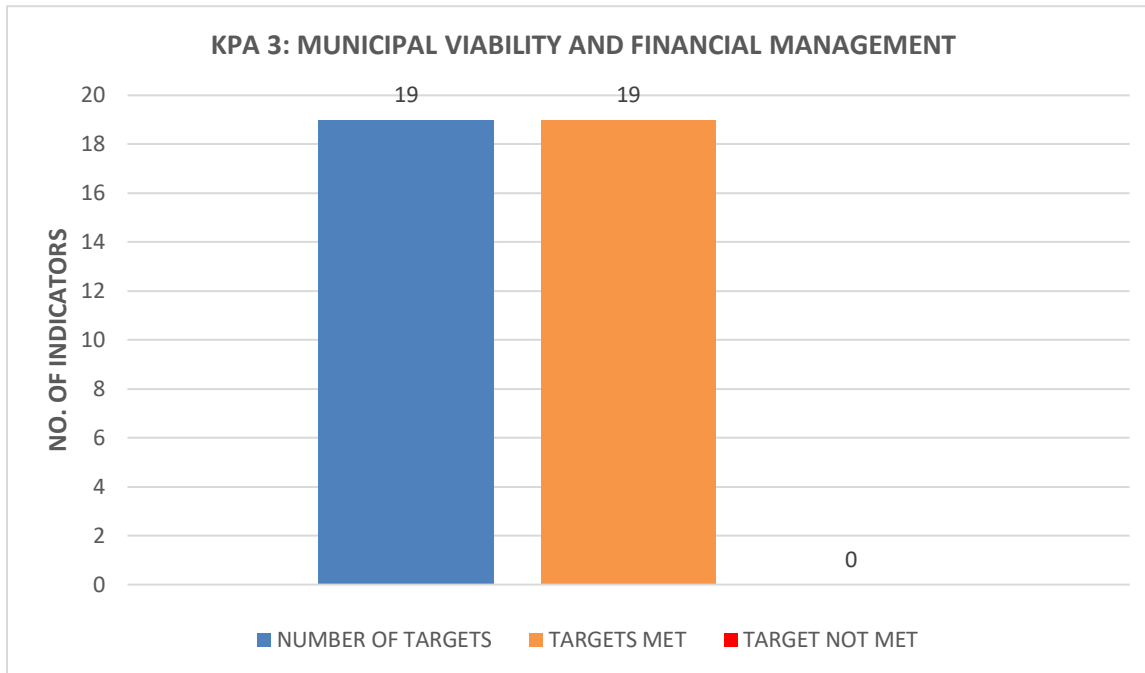
- Budgetary constraints resulted in limited trainings
- Some critical positions are unfunded on the organogram

7.2.3 MEASURES TAKEN TO IMPROVE PERFORMANCE

- Source the external funds for trainings from different SETA's.
- Positions to be filled when funds permit upon increment.

7.3 KPA 3: MUNICIPAL VIABILITY AND FINANCIAL MANAGEMENT

The overall performance of KPA 3 was achieved at 100%.



7.3.1 PERFORMANCE HIGHLIGHTS FOR 2024/25

- The municipality has obtained an unqualified Audit opinion in the previous financial year 2023/24.
- The municipality did not have qualifying matters but matters of emphasis.
- The municipality has continued assisting with social packages (indigent) to poor households or households facing other circumstances that limit their ability to pay for services, the cost of the social package of registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. The municipality has extended the indigent register to other wards within Emadlangeni where the municipality does not have licences to supply electricity, and the register was submitted to Eskom so that the customer can get free basic electricity.

7.3.2 CHALLENGES

- The electricity distribution losses are above the benchmark of 3%-7%.
- The municipality is facing a large amount of debtors' book as at the end of 2024/2025 financial year.

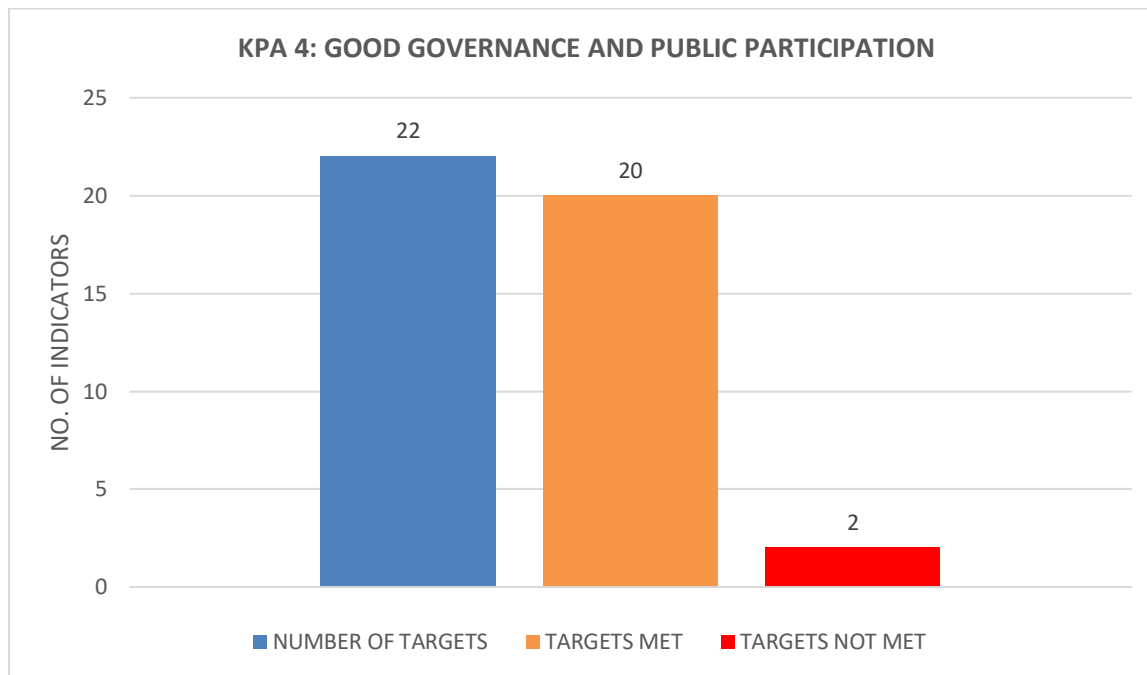
- The data cleansing of the age analysis is still on going which started with the government department.
- The municipality was not able to collect revenue as anticipated, thus affecting the timely payment of suppliers which ultimately lead to municipality incurring an unauthorized expenditure.
- Budget and Treasury Office has limited staff which affect the full functioning of the finance department.
- The municipality approved an unfunded budget as a result of (amongst others) previous financial commitments, limited equitable share allocation. In this regard the municipality also approved a budget funding plan to address all shortcomings of the unfunded budget. The budget funding plan is monitored and reported on a quarterly basis by council and provincial Treasury.

7.3.3 MEASURES TAKEN TO IMPROVE PERFORMANCE

- To improve and enhance performance, the Budget and Treasury office holds departmental meetings on a monthly basis. The departmental scorecard is a standing item on the agenda to ensure that department delivers on all its set targets. Each unit within the department is required to report on the allocated Key Performance Indicators during these meetings.
- The mechanism ensures units that are underperforming are detected and corrective measures are taken timely.
- CoGTA has been instrumental in supporting the municipality to recover debt owed by government departments.

7.4 KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATIONS- PUTTING PEOPLE FIRST

The overall performance of KPA 4 was achieved at 90%.



7.4.1 PERFORMANCE HIGHLIGHTS

The information below aims at providing insight of the functions that the Public Participation Unit undertakes on annual basis. These include activities such as Ward Committee meetings, assessments and trainings to ensure that the wards remain functional, engagements with different stakeholders and sectors IDP/BUDGET Roadshows (Izimbizo) and engagements that ensures interaction with the Municipality.

7.4.1.1 FUNCTIONS OF WARD COMMITTEE MEMBERS

The following functions and powers have been assigned to Ward Committee Members, as contained in Section 16 and Section 59 of the Municipal Systems Act, No. 32 of 2000: Encourage and create conditions for communities to participate in:

- s) The preparation, implementation and review of the IDP;
- t) Establishment, implementation and review of Councils Performance Management System;
- u) The monitoring and review of Councils performance, including the outcomes and impact of such performance and
- v) The preparation of Councils budget
- w) Participation in the above functions means that the Ward Committee members will discharge its responsibilities by way of involvement in making inputs in the form of recommendations to Council.
- x) Additional delegated functions and powers:
 - y) Assist the ward councilor in identifying challenges and needs of residents;
 - z) Create formal unbiased communication channels and co-operative partnership between the Municipality and the community within the ward;
- aa) Ensure contact between the municipality and community through use of and payment of Services;
- bb) Create harmonious relationships between residents of a ward, the ward councilor, geographic community and the municipality;
- cc) Act as advisory body on Council policies and matters affecting communities in the ward;
- dd) Serve as officially recognized and specialized participatory structures in the municipality;
- ee) May receive and record complaints from the community within the ward and provide feedback on Councils response;
- ff) May make recommendations on any matter affecting the ward to the Ward Councillor or the Council, the EXCO and the Mayor;
- gg) May act as a resource, through which Council and its departments, Provincial and National Departments must consult with and canvass community opinions on any matter they deem necessary;

- hh) Ward Committees may also be used as resources, by non-governmental organizations and non-political organizations to consult with Ward Committees, only if they do not and will not make Council liable for any expenditure to be incurred;
- ii) Ward Committees shall, within their scope of work, invite Council officials and other people with specialized knowledge to advise them on matters affecting their ward, when they deem it necessary;
- jj) Ward Committees may, subject to available capacity and resources, conduct an annual satisfaction survey in order to assist the committee in the execution of its function and powers. The satisfaction survey should be administered in the ward by the Ward Committee members under the supervision of the Ward Councilor and with the administration of the municipality.

7.4.1.2 WARD COMMITTEE ASSESSMENT

The Ward Committee functionality verification results were reported at 100% for the 2024/2025 financial year. The Ward Committee functionality assessment criteria is as follows:

- Annual Target of 72 meetings was achieved
- Annual Target of 4 Meetings was achieved
- Annual Target of 720 Reports Submitted

CoGTA conducted the ward committee functionality assessment and the municipality achieved 100% in terms of functionality.

FUNCTIONALITY RESULTS OF EACH WARD PER QUARTER IN 2024/2025 FINANCIAL YEAR

WARD	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	4 TH QUARTER	CHALLENGES
1	Functional	Functional	Functional	Functional	There were no challenges encountered for the year 2024/25.
2	Functional	Functional	Functional	Functional	
3	Functional	Functional	Functional	Functional	
4	Functional	Functional	Functional	Functional	
5	Functional	Functional	Functional	Functional	
6	Functional	Functional	Functional	Functional	

7.4.1.3 MEASURES TAKEN TO IMPROVE PERFORMANCE

- The Public Participation section ensures that all the ward committee functionality assessment elements are met.
- Ward committee members signed the code of conduct guiding them to serve their communities in an ethical manner.
- The Public Participation section ensures that ward committee members attend the quarterly ward committee meetings for debriefing, so that they will be able to serve their communities better.
- All ward committee members and ward councillors can attend Ward committee schedules for meetings, WAR ROOM meetings; and public meetings.
- Ward Based Plans and Ward Committee Operational Plans were compiled and adopted by Council.
- Ward Committees were inducted on Code of Conduct, Roles and Responsibilities and ward committee functionality assessment process.
- Ward Committee Members attend workshops, trainings and sector meetings conducted by various stakeholders in order to expand their knowledge on public participation programs and improve their report writing skills.

7.4.2 IDP/BUDGET ROAD SHOWS PERFORMANCE HIGHLIGHTS

The IDP/Budget Roadshow took place on the 09th of May 2025 at Mzilikazi Sport Field. The LM had a joint Imbizo with the Amajuba District Municipality. The Mayor of the District also presented the IDP and Budget for the District. Community members from all 6 wards within eMadlangeni were transported to the venue to attend the Imbizo. They got a chance to engage with the Principals and offered an opportunity to present inputs and recommendations concerning the IDP and Budget.

7.4.3 WARD COMMITTEE TRAININGS

There were no accredited trainings conducted for the year.

7.4.4 PUBLIC PARTICIPATION STAKEHOLDERS ENGAGEMENT

- Public Participation Unit attended agri-village meeting on the 2ND of July 2024 at DARD offices, facilitated by the OTP
- Ward committee by-election conducted at Kingsley on 8 July 2024. Three vacancies will be filled in September 2024 (ward 5, 6, 4)
- Public Participation Unit attended risk operations workshop on 18 July 2024, facilitated by dept. Of treasury
- Ward committee by-election conducted at white city on the 23rd of July 2024
- PUBLIC PARTICIPATION UNIT attended leadership and skills workshop on the 24th of July 2024; and Bato Pele workshop on the 25th of July 2024; conducted by Ms. Zimbini Mpurwana from Ugu District
- PDMC and local disaster management conducted awareness on drowning at Balele dam on the 2nd of August 2024 for 2 high schools and surrounding community members
- LTT convened on the 13th of August 2024, next meeting will be on the 10th of September 2024
- LED, Public Participation Unit and Planning unit had a meeting with officials from DMRE (legal and SLP unit) on the 22ND of August 2024
- Public Participation Unit attended Municipal Disaster Management Advisory Forum (MDMAF) on the 28th of August 2024, to discuss and finalize summer season contingency plan

- On the 29th of August 2024 14 taxis were allocated to the LM to transport women and izinduna to the Women's prayer organised by the OTP; and on the 30th of August 2024 we wrapped up Women's month with Gender Economic Empowerment Program held at Utrecht Town Hall
- Public Participation Unit attended Disaster Management Workshop on 26 September 2024 at Utrecht Town Hall, together with Councillors, Ward Committee members and government departments as well as the Amajuba District.
- Indigent applications in all six wards within the LM, which commenced on the 14th of October till the 29th of October 2024.
- Outreach program with the South African Human Rights, on the 18th, 19th and 20th November 2024
- Attended ward committee verification (for the 1st quarter) on the 4th of December 2024, at Cogta Offices in PMB
- Attended Weedbuster event hosted by the Dept. of Economic Development, Tourism and Environmental Affairs (EDTEA). The event was held at Balele Game Park on the 10th of December 2024.
- Public Participation Unit attended Local Task Team Meeting on the 21st of January 2025, Community Services Boardroom
- Public Participation Unit attended extended MANCO on the 28th of January 2025 at Council Chamber
- Public Participation Unit attended Debt Steering Committee on the 29th of January by the Council Chamber
- Public Participation Unit, Electrical Unit and BTO attended a meeting with ESKOM on the 30th of January 2025 by the Mayors Boardroom
- Public Participation Unit attended Municipal Rapid Response Team Meeting on the 12th of February 2025 by the Council Chamber. Meeting was chaired by the Municipal Speaker
- Public Participation Unit, LED and Planning Unit attended a meeting with Venatype Mine on the 18th of February at the MANCO Boardroom
- Indigent Committee Meeting was held on the 20th of February 2025 at the MANCO Boardroom

- MRRT Meeting conducted on the 6th of March 2025 aimed at addressing the illegal mining and the in availability of quarry to fix and maintain the roads. The meeting was attended by the Dept. of Minerals and Energy
- Public Participation Unit attended LTT Meeting on the 25th of March 2025 at the Planning Boardroom
- Public Participation Unit attended MDMAF on the 09th of April 2025 at the Disaster Management Boardroom
- Public Participation Unit attended and coordinated the Ward Delimitation Program facilitated by the Municipal Demarcation Board on the 7th of April 2025 at the Utrecht Town Hall
- Public Participation Unit attended awareness on Gangsterism and GBV held on the 23rd of April 2025 at oSizweni Community Hall
- Public Participation Unit attended the IDP Steering Committee on the 14th of May 2025
- Public Participation Unit attended the Portfolio Corporate Services on the 20th of May 2025 to present the WOP, WBP and the Public Participation Strategy to the portfolio committee for further adoption and approval by Council
- Public Participation Unit attended ward committee functionality verification conducted by COGTA on the 10th of June 2025 at Newcastle LM, for the 3rd quarter (January-March 2025)
- Public Participation Unit attended DDM Social Cluster on the 13th of June 2025
- Public Participation Unit attended Fraud and Risk Assessment Workshop facilitated by the Provincial Treasury on the 17th and 18th June 2025 at the Council Chamber
- Public Participation Unit and HR Unit attended a DDM TVET Partnership Linkages Workshop on the 19th of June 2025 at the Black Rock Casino in Newcastle
- Public Participation Unit attended and chaired the Induction workshop facilitated by Corporate Services on the 26th of June 2025 at the Utrecht Town Hall

7.4.5 MUNICIPAL RAPID RESPONSE TEAM (MRRT)

The MRRT is functional and is chaired by the Municipal Speaker, with PUBLIC PARTICIPATION UNIT as the Secretariat. The MRRT meets quarterly or as and when the need arises. The last meeting was on the 25th of June 2025 at the Council Chamber.

Composition of the Municipal Rapid Response Team

- The Speaker shall be the Chairperson of the eMadlangeni Municipal Rapid Response Team, as the person responsible for Public Participation
- Minimum of 3 councilors as assigned by Council
- The Municipal Manager or a consistent delegate referred by the Municipal Manager
- Public Participation Official
- Disaster Management
- Heads of Department as assigned by councils
- Community Service Manager / complaints management head

7.4.6 OPERATION SUKUMA SAKHE (OSS)

The War Room meetings are convened in all 6 wards within the eMadlangeni Local Municipality. All war rooms are functional. The Local Task Team (LTT) visits the war rooms quarterly for suPublic Participation Unit and further interventions. The War room Chairperson reports to the LTT once a month. The war room meetings are attended by Sector Departments, CCGs, CDWs, Ward Committee Members, CWP, Forum members i.e. Disability Forum, Senior Citizens Forum, Women's Forum, Men's Forum, Child Care Forum as well as Traditional Leaders and Faith Based Organizations. Ward Councillors champion the war room meetings.

7.4.7 COMMUNITY DIALOGUES

Open community dialogues on any issues of interest to the community should also be arranged. These are sessions to be held in halls, open parks or even schools to engage the community on any issue which may be of interest to the community. Though open, the sessions should not be allowed to transgress from the intention of getting the community to constructively engage on their development.

The sessions should as much as possible be used to encourage the community to discuss solutions to their problems rather than present only challenges and should be channelled

to presenting what they can do rather than what it is that government/municipality should do for them. These sessions are conducted in collaboration with the Department of Social Development and Special Programmes under the Operation Sukuma Sakhe umbrella.

7.4.8 CHALLENGES

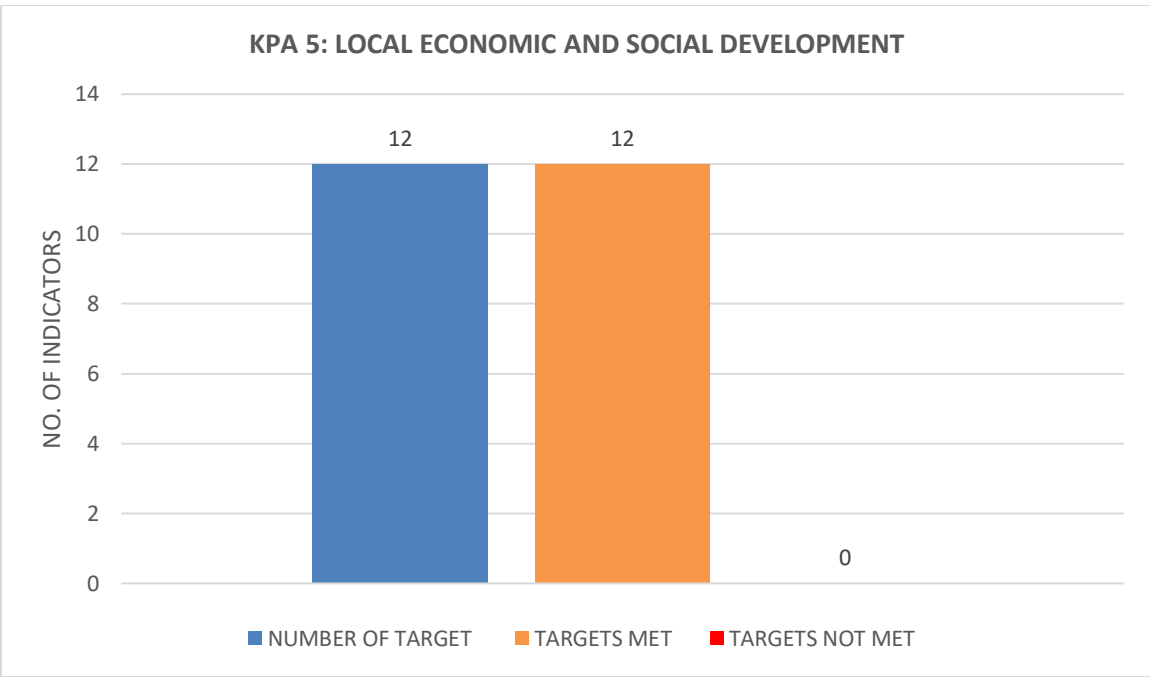
- Complaints Management System is not integrated within all Units in the Local municipality.
- Attendance for the Public Meetings in some areas within wards is poor as the areas are too scattered and some community members do not get the notices for the meetings and hence, they do not attend the meetings and are left uninformed on the activities and programmes happening in their areas. A loud hailer can bridge that gap and everyone can be able to attend the meetings and stay informed.
- Lack of resources for the Public Participation Unit i.e. car allowance, vehicle designated for the Unit to attend stakeholder and community engagements.

7.4.9 MEASURES TO IMPROVE PERFORMANCE

- An Integrated Complaints Management System in place but not yet integrated across all units.
- Prompt feedback on community issues and complaints.
- Regular presentation on the progress of planned projects for the 2025/2026 financial period to ward committees on a quarterly basis.

7.5 KPA 5: LOCAL ECONOMIC AND SOCIAL DEVELOPMENT

The overall performance of KPA 5 was achieved with 100%.



7.5.1 LOCAL ECONOMIC DEVELOPMENT PERFORMANCE HIGHLIGHTS FOR 2024/25

According to Business License Act 71 of 1991, eMadlangeni Local Municipality is required to issue business licenses to businesses trading in perishable items like food and drinks. The Local Economic Development Unit issued 22 Business Licenses and 68 permits

On 29 April 2025, eMadlangeni Local Municipality Council adopted a reviewed Local Economic Development Strategy, which is a guiding and planning document for Economic Development and provides the municipality with strategies on how to achieve Economic Development. On 29 April 2025 Emadlangeni Local Municipality adopted Informal Economy Policy, Informal Economy Policy will assist the Municipality to positively respond to any challenges faced by local SMMEs.

7.5.1.1 BALELE RENOVATIONS

1. Balele Game Park Refurbishment for Phase 2

Balele Game Park Renovation project was funded by department of Economic Development tourism, Tourism and Environmental Affairs (EDTEA) phase 2 of the project was funded with R4.5 million the project is 100% completed work, 6 dome tents were built, braaiing area, Canteen, 2 safari tents, roof changing at Kudu and giraffe play kid area, fixing of both pools and rebuilding of canteen.

2. Balele Game Park Refurbishment for Phase 3

On phase 3 of Balele Game Park refurbishment, EDTEA funded the Municipality with R3 million to complete the work that was left on Phase 2, three wooden cabins were successfully completed, family unity walls almost done roof to be installed by the 15 of July 2025, guard house has been completed, the furnitures for family units has been delivered and lapar roof is complete.

7.5.1.2 EVENTS

- Summer Picnic event took place at Balele Game Park on the 1st of January 2025 where local community members pay R50 for entrance with the following special guest: Minie Mouse, Coco Melon, Mickey Mouse.
- Balele game park hosted Balele bike rally on the 4th - 6th of April 2025 where they do the following activities: Stants and drags, Live Music, Cash bar, Lucky draws at the Prize giving, Fun games for the whole family with the attendance of plus 50 people.
- On the 27th to 29th of June 2025 Adventure Experience hosted a 2nd annual event with Balele Game Park where the participants paid R500 entrance doing the following activities: Horse riding, quad biking, boat rides, Game drive, Hiking, camping etc.

7.5.1.3 COMPLIANCE INSPECTIONS

Liquor stores inspection

On the 17th of December 2024 LED unit and other relevant units within the institution conducted liquor store inspection in ward 5, three liquor shops were identified and inspected successfully.

QUARTER FOUR BUSINESS INPECTIONS

On the 4th of May 2025 Emadlangeni LED invited all stakeholders that are relevant when conducted the quarter four business compliance inspection that took place in ward 2 and 5, more than 10 shops were inspected, expired food were taken and dumped in the Municipality dumping site.

7.5.1.4 EXTENDED PUBLIC WORKS PROGRAMME (EPWP)

Emadlangeni Local Municipality Council has resolved that for the financial year of 2024/25, the EPWP Participants they work in their respective wards, Ward Councilors identified schools, clinics, and other government facilities since those are government institutions.

The EPWP induction took place on the 20 of June 2025 and the program commenced on the 1st of July 2025 and it ended on 31 of December 2025 with 120 participants who were inducted and signed contracts.

7.5.1.5 SMMES AND CO-OPS CAPACITY BUILDING

- On the 5th of August 2024 Emadlangeni Municipality SANRAL conducted a training for local construction services. The training conducted at NQF level 2 was aimed at developing the skills of small CIDB-Register contractors to properly quote and bid tenders

- On the 7th of August 2024 Emadlangeni Municipality partnered with Amajuba District LED Unit we have able to assist our Local informal traders with cabbage seedling and fertilizers. Beneficiaries were:
 - Vusi Kunene from ward 4, 15 000 cabbage seedling, 10 000 spinach seedling and 9 of 50kg fertilizers.
 - Dumisani Sthole from ward 2 (RIP) 15 000 cabbage seedling, 10 000 spinach seedling and 9 of 50kg fertilizers
 - Mr. Ntombela and Moloï from ward 3, 10 000 cabbage seedling, 10 000 Spinach seedling and 9 fertilizers
 - Inqolobane co-op received 10 000 cabbage, 10 00 spinach and 9 fertilizers.

- LED Unit in partnership with National Youth Development Agency (NYDA) conducted a training for Emadlangeni Youth in business. The training took place at Utrecht Town Hall, the training commenced on the 30th of September 2024 till the 4th of October 2024. 21 participants who attended the training

- On 7th of October 2024 to 23rd of October 2024 LED unit identified community of ward 4 Gloenvlei as the community in need of the Hide n Skin and conducted the training in partnership with Amajuba TVET College, 24 community members successfully attended the training and received their certificates from Amajuba TVET.

- Emadlangeni Municipality partnered with Ithala hosted a Imbokodo iyazenzela women in business workshop, plus 100 women attended the workshop that took place on the 7st of November 2024 where there was various external stakeholder who assisted women with depth knowledge in establishing and running businesses.

- On the 5th of December 2024, Emadlangeni Municipality in relationship with service SETA conducted a one day E- learning training with the attendance of 11 people, they obtained certificates after they successfully completed the training.

- During the Municipality IDP roadshow that take place on the 9th of May 2025, SMMEs and informal traders from Emadlangeni Municipality benefited with Vouchers, different working materials from both Emadlangeni Municipality and Amajuba Municipality
- Emadlangeni Municipality partnered with SANRAL under DoT A Public Participation Unit service provider (Amagama enterprise) to conduct a learnership for people living with disabilities, the duration of the program is 12 Months, they spent 3 months on theory and another 9 Months will be practical. They will obtain certificates with SETA, The total number of attendees is 18. They started in April 2025 to June 2025 then the practical of 6 months in progress
- On the 29 of May 2025 The department of Economic Development, Tourism and Environmental Affairs conducted a Public Participation Unit programme to local tuck shop owners for them to comply with the requirements to apply for the advertised funding for their businesses, 18 attendees who participated in the programme
- Emadlangeni Municipality partnered with department of Labour conducted a construction constructing program aiming to uplift locals with depth knowledge in construction industry, 25 attendees who participating in the program they will obtain the certificate after successfully completed the program. The theoretical session started on 1st of June 2025 will end on the 31st of July 2025 and the practical duration will be 4 months

7.5.1.6 SPAZA SHOPS DATA COLLECTION

ON the 19th of November and the 20th of November 2024 LED Unit collected a spaza shops Database and 49 shops were located in different wards.

Ward Number	Number of Shops
1	6
2	6
3	10
4	5
5	14
6	8

All these shops were found unregistered they were not complying with regulations of the Municipality. Emadlangeni Municipality is currently assisting these shops with requested documentation so they will be compliant with the Municipal regulations.

7.5.1.7. BUSINESS COMPLIANCE INSPECTIONS

1. Liquor store inspection

- On the 17th of December 2024 LED unit and other relevant units within the institution conducted liquor store inspection in ward 5, three liquor shops were identified and inspected successfully.

2. QUARTER FOUR BUSINESS INPECTION

- On the 4th of May 2025 Emadlangeni LED invited all stakeholders that are relevant when conducted the business inspection that took place in ward 2 and 5, more than 10 shops were inspected, expired food were taken and dumped in the Municipality dumping site.

7.5.1.6 CHALLENGES

- Difficulty in implementing projects and program that were proposed in the Unit Implementation Plan due to shortage of funding.

- Lack of interacting with external funders due to not attending meetings and workshops.
- Shortage of staff.
- Rotating of internship learners/graduates
- Lack of Tools of Trade and inadequate office space.
- EMadlangeni Local Municipality does not have an in-house Environmental Health Practitioner, thus making it difficult to conduct regular formal compliance inspections.
- The Municipality's financial constraints present challenges in the successful execution of LED programmes.

7.5.1.7 MEASURES TAKEN TO IMPROVE PERFORMANCE

- Formal applications and requests have been sent to various stakeholders including KZN COGTA, KZN EDTEA, SEDA, IDT, DSBD for funding to ensure that LED programs are implemented.
- Development and implementation of Informal Economy Policy
- Development and implementation of small town by-laws.

7.5.2 SOCIAL SERVICES

The municipality is mandated by **the Municipal Systems Act No. 32 of 2000** and the Constitution of South Africa to ensure that the Municipality gives priority to the needs of vulnerable groups in the community. One of the objectives of the Municipality is **to promote Social and Economic Development as mandated by the Constitution of South Africa**. The Social Services Unit operates to ensure the accomplishment of the social upliftment and development objectives of the Municipality.

The Social Services Unit coordinated social development programmes during the 2024/2025 financial year, interacting with community based structures to facilitate

alignment of needs and priorities of: Youth Development programmes, Gender programmes, Child Care & Support Programmes, People Living with Disability Programmes, Senior Citizens Programmes, Sports, Recreation, Arts & Culture Programmes, and HIV/AIDS programmes, aimed at the development of the vulnerable groups in the community.

Programmes Undertaken during the 2024/2025 financial year are as follows:

No.	Priority Group	Date	Details	Venue
1.	Youth	12 July 2024	Youth in Business Summit	Durban
2.	Senior Citizens	03 July 2024	Local Golden Games Selection for Senior Citizens	Utrecht High School Sports Ground
3.	Senior Citizens	30 July 2024	Participation of Senior Citizens in District Golden Games	Arbour Park - Newcastle
4.	Senior Citizens	04 - 06 October 2024	Participation of Senior Citizens in Provincial Golden Games	Mandeni – iLembe District
5.	Youth	22-23 August 2024	Job Preparedness workshop for unemployed candidates	Amajuba District Municipality
6.	Men & Women	30 August 2024	Gender Economic Development Program	Utrecht Town Hall
7.	Youth	13-15 September 2024	Umkhosi Womhlanga	Enyokeni Royal Palace
8.	Youth	30 September – 04 October 2024	Entrepreneurship Training with NYDA	Utrecht Town Hall
9.	Youth	23 October 2024	Advocacy Session for the Youth Empowerment Fund	Utrecht Town Hall
10	Youth	09 November 2024	Emadlangeni Sports & Arts Festival	Bensdorp Sports Field
11	Community	20 November 2024	Human Rights Commission	Utrecht Town Hall

			Engagement with Civil Society	
12	People with Disabilities	27 November 2024	Disability Awareness Program	Waterval Correctional Centre
13	Men	29 November 2024	Men's Program	Utrecht Town Hall
14	Women & Children	25 November - 10 December 2024	16 Days of Activism for No Violence Against Women & Children	Utrecht and the surroundings
15	People with Disabilities	09-10 November 2024	Participation of People with Disability in Provincial Disability Games	EThekwini Durban Metro
16	People with Disabilities	04-05 December 2024	Disability Parliament	Richmond
17	Youth	05 – 08 December 2024	Participation of the Youth in KZN Salga DSAC Games	EThekwini Durban Metro
18	Community	13 December 2024	Mayoral Road Safety Awareness – Festive Season Roadblock	R34 next to Emalahleni School
19	Traditional Leaders	07 January 2025	Engagement with Traditional Leaders	Utrecht Country Club
20	Youth	05 February 2025	Matric Excellence Awards	Utrecht Town Hall
21	PLHIV	18 February 2025	Training of Ward Aids Committees	Community Services Boardroom
22	People with Disabilities	February to June 2025	Learnership Program on Construction	Mangosuthu Arts & Craft Centre
23	Community	14 March 2025	Peaceful Walk Against Crime, Substance Abuse, & Gender Based Violence	Caltex Garage to Utrecht Trading Stalls
24	Community	17 April 2025	Mayoral Road Safety Awareness – Easter Weekend Roadblock	R34 next to Emalahleni School
25	Religious Sector	18 April 2025	Mayoral Easter Program – Church Visits	Utrecht Churches

26	Community	22 – 23 April 2025	Mayoral IDP/Budget Stakeholder Engagement	Municipal Council Chamber
27	Senior Citizens	28 May 2025	Local Golden Games Selection for Senior Citizens	Utrecht High School Sports Ground
28	Children	13 May 2025	Child Protection Activities: Promoting Care & Protection of Children	Mlandomusha High School
29	Children & Parents	22 May 2025	Child Protection Activities: Strengthening Positive Relationships – Empowerment of Children & Parents	Gelykwater
30	Community	11 June 2025	Child Protection Activities: Role of Communities in the Care & Protection of Children	Balgrey

7.5.2.1 EMADLANGENI LOCAL FORUMS

The Municipality officially launched the current Local Forums for the vulnerable groups on the 20th of May 2022, to serve for the period of five (5) years in line with the current Administration. Forum Meetings sit on a quarterly basis. The Municipality develops and executes Social Development Programs based on the identified needs for each sector. Forums also assist in strengthening the relationship between the Municipality and the community.

The existing forums for the vulnerable groups are as follows:

- The Local Drug Action Committee
- The Local Aids Council
- The Local Youth Council
- The Local Women’s Forum

- The Local Men’s Forum
- The Local Senior Citizens Forum
- The Local Disability Forum
- The Local Arts & Culture Forum

7.5.2.2 Challenges

The following are the challenges currently experienced in the social services unit:

- Suitable transport is required in order to reach out to communities, especially deep rural communities.
- The budget allocated is not sufficient to efficiently execute special programmes.

7.5.2.3 MEASURES TO BE TAKEN TO IMPROVE PERFORMANCE

- Procurement of a vehicle in order to reach out to the community for service delivery.
- Procurement of a 22 seater taxi for transportation of forum members to district events.
- Provision of transport for Forum Members to attend Local and District meetings for effective functioning of forums.
- Increase budget for special programmes so as to execute special programmes efficiently.

7.6 CROSS CUTTING

7.6.1 DISASTER MANAGEMENT

7.6.1.1 INSTITUTIONAL ARRANGEMENTS

The disaster management unit was established in 2015 and operates 24 hours 7 days (24/7) with four teams performing a twelve-hour shift each. The Chief Fire & Disaster Manager position is vacant from 01 February 2025. There is only one (1) disaster management officer, eight (8) fire fighters, and one (1) support staff. The Municipality working together with Uitkomst Colliery (Pty) Ltd has established the Emergency Services Centre which was fully funded by Uitkomst as part of their Social and Labour Plan. The Centre was handed over on 11/11/2024 to the Municipality. The Centre is functional and in the process of sourcing funds for Phase 2 to complete a Disaster Management Centre.

The Disaster Management Act, 2002 (Act No. 57 of 2002) as amended places a legal obligation on all organs of state and other institutional role-players involved in disaster management to develop, regularly review, update, coordinate, share and implement the disaster management plan (DMP). The DMP has been reviewed and updated according to guideline-development and structure of a disaster management plan compiled by the National Disaster Management Centre (NDMC) dated 01 April 2017. The DMP has been presented to all Council structures and adopted by Council on 27/05/2025. The aim of the DMP is to give prevention and reduction of disaster risks; mitigation strategies; preparedness for effective response to disasters; minimize loss and property damage and quick recovery from the impacts. The plan will be reviewed in 2026/27 financial year.

The Municipal Disaster Management Advisory Forum (MDMAF) was established in July 2015 as required by the Disaster Management Act 57 of 2002 and sits on quarterly basis. The MDMAF meetings were held on 28/08/2024; 13/11/2024; 12/03/2025 and 09/04/2025. The primary purpose of MDMAF is to provide a mechanism for relevant role-players to consult one another and to coordinate their actions on matters relating to disaster management in the municipality (Section 51 of the Disaster Management Act, 2002).

7.6.1.2 DISASTER RISK REDUCTION

The Municipality has a responsibility to implement disaster risk reduction measures to limit the adverse impact of both man-made and natural hazards on vulnerable areas, communities and households.

(i) Contingency plans

The Municipality faces an increasing level of disaster risks and is exposed to a wide range of hazards, including weather related hazards that can trigger widespread hardship and devastation. These hazards include amongst others structural fires, strong winds, storms, heavy rains, flash floods, lightning and others that may not yet be characterised. These events are known to cause widespread disruption within the communities. In order to ensure preparedness measures for any eventuality during the 2024/25 financial year; the Municipality in partnership with the sector departments, welfare and relief organisations has prepared contingency plans for both 2024/25 summer and winter seasons. The summer and winter season plans were presented to all Council structures, and they were adopted by Council on 29/08/2024 and 26/02/2025 respectively. The aim of these plans is to give prevention and mitigation strategies, emergency response and recovery, and coordination with other organs of state and institutional role play.

(ii) Installation of lightning conductors

The Municipality is prone to lightning, which normally leads to death, injury and loss of property. One of the risk reduction strategies in preventing and mitigating lightning is the installation of lightning conductors. The Amajuba District Disaster Management Centre (DDMC) supported the Municipality with **twenty (20)** lightning conductors which were installed in June 2025 as follows:

No.	Date of Installation	Name	Ward	Area	GPS Coordinates	
					(Long)	(Lat)
1	30/06/2025	Sithole Bongiwe	6	Mancamane	30°31'46.30332	27°61'10.94184
2	30/06/2025	Masondo Xolani	5	eMadlangeni	No signal	No signal

No.	Date of Installation	Name	Ward	Area	GPS Coordinates	
					(Long)	(Lat)
3	27/06/2025	Ngema Goodhope	3	Vaalbank	30°12'25.53 66	27°44'41.52 192
4	27/06/2025	Ntokozo Cynthia	3	Vaalbank	30°13'29.16 12	27°44'05.96 256
5	27/06/2025	Nkosi Hlengiwe	5	New Look	30°16'10.13 232	27°42'14.27 44
6	27/06/2025	Magangane Thulisiwe	3	eNkululekw eni	30°16'08.83 416	27°46'50.47 32
7	27/06/2025	Nene Nomusa Amanda	5	Berouw kwaLetha	30°17'05.94 02	27°41'57.50 952
8	27/06/2025	Nkabinde John	5	Berouw	30°13'03.19 296	27°39'05.32 764
9	27/06/2025	Ncongo Alenton	5	Berouw	30°17'15.02 448	27°39'29.71 404
10	27/06/2025	Shange Nokuphila	5	Berouw	30°13'03.19 296	27°44'41.52 192
11	29/06/2025	Nkosi Ganile Maureen	5	eMadlange ni	30°12'50.20 848	27°39'06.04 764
12	29/06/2025	Xaba Mthunzi	5	eMadlange ni	30°17'16.32 228	27°39'30.39 604
13	29/06/2025	Maasondo Sanele	2	Mpongoza	30°18'39.39 104	27°39'44.06 148
14	29/06/2025	Khumalo Jabisile	2	Mpongoza	30°18'39.37 104	27°39'44.06 148
15	29/06/2025	Dlamini Thandiwe	3	Ndwakazan a	30°28'08.41 704	27°54'27.74 688
16	29/06/2025	Mtambo Elliot	6	Mancaman e	30°25'34.39 416	27°47'37.54 836
17	30/06/2025	Zulu Bethuel	3	Nhlazadolo	30°25'34.39 416	27°47'37.54 536
18	30/06/2025	Nkomonde Mbhekeni	1	eNzimane	30°33'41.57 28	27°40'33.14 604
19	30/06/2025	Vilakazi Winfridad	1	eNzimane	30°48'48.46 068	27°25'16.95 216
20	30/06/2025	Khanyile happiness	5	Berouw	No signal	No signal

(iii) Creation of fire breaks

The Municipality created the fire breaks around the Game Park and in communities to prevent and mitigate the impact that can be caused by veld fires as follows:

Date	Ward	Area
03 July 2024	2	Game Park
24 June 2025	3	eMxhakeni

7.6.1.3 RESPONSE AND RECOVERY

In terms of the Disaster Management Act 57 of 2002(as amended) and the South African National Policy Framework for Disaster Risk Management (2005), the disaster management unit of eMadlangeni Local Municipality is responsible for the co-ordination and management of incidents and disasters that occurs in its area of jurisdiction.

The Municipality has experienced numerous incidents caused by strong winds, house fires, veld fires, heavy rains, storm, snow, lightning and drowning.

Table 1: Summary statistics of the incidents that occurred from July 2024– June 2025 is as follows:

LOCAL MUNICIPALITIES	TYPES OF INCIDENTS	NUMBER OF INCIDENTS	HOUSEHOLDS AFFECTED	HOUSES DESTROYED		PEOPLE AFFECTED	FATALITIES	INJURIES	MISSING PERSONS	HOMELESS
				TOTALLY DESTROYED	PARTIALLY DAMAGED					
SW – STRONG WINDS, F – FIRES, FL – FLOODS, HR – HEAVY RAINS, S – STORM, LIGHTNING – L, DROWNING-D										
EMADLANGENI	SW	22	574	577	367	311	3	42	0	924
	HOUSE F	26								
	VELD F	88								
	HR	18								
	S	4								
	SNOW	1								

	L	26								
	D	1								
TOTALS		186	574	577	367	311	3	42	0	924

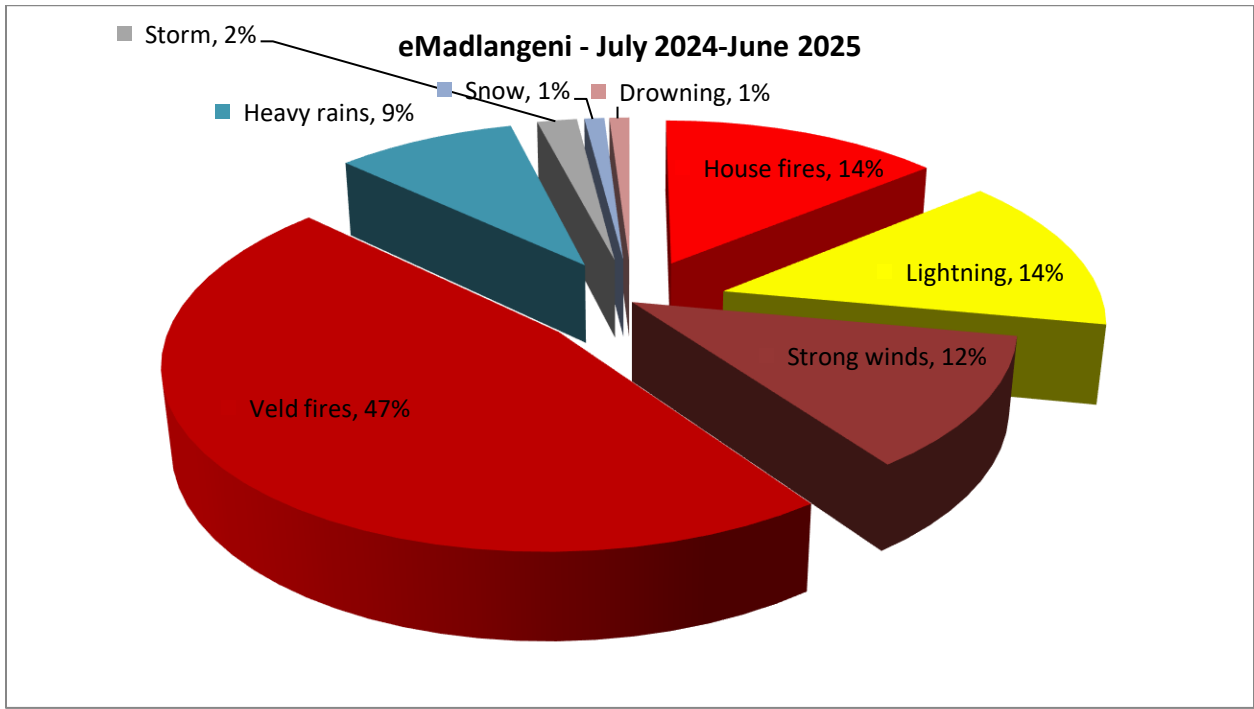


Figure 1: Distribution of incidents

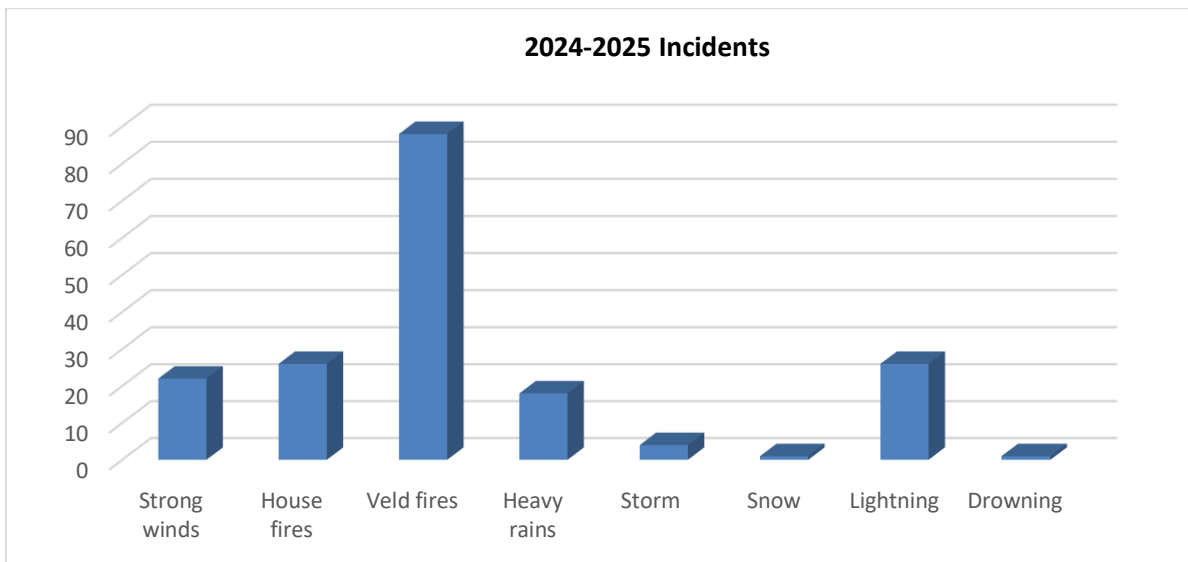


Figure 2: Number of incidents reported

Emergency relief issued by various stakeholders

The following relief was issued by the Municipality with the support of the Provincial Disaster Management Centre (PDMC), Amajuba DDMC, Department of Human Settlement (DHS), Department of Social Development (DSD), South African Social Security Agency (SASSA) and Gift of the Givers:

Blankets	Food Parcels	Emergency Shelter/Tents	Sponges	Box "B"	Plastic Sheeting	School uniform	Vanity packs
179	75	78	95	5	92	0	0

Damage to infrastructure

(A) Asphalt and gravel roads

The damage assessment for both town and rural roads was conducted and the following damages were recorded:

ASPHALT ROADS

No.	Street Name	Type of Surface	Length (km)	Width (m)	Ward	Comments
1	Hugo Street	asphalt	0.9	6	2	The roads have developed severe potholes and some edge-break due to rains and require reworking of some layers and resurfacing and storm-water management since most drainage pipes has been filled by sand and debris.
2	Loop Street	asphalt	0.9	6	2	
3.	Schefers Stret	asphalt	0.6	6	2	
	TOTAL		2.4			

GRAVEL ROADS

Ward	Area/ road Name	Type of Surface	Length (km)	Width (m)	Current Condition	Type of Maintenance Required
1	Kempslust	Gravel	1.8	5	The imported surface material has been	Road formation, Re-gravelling,
	Mgundeni road	Gravel	2.5	5		
3	Emxhakeni	gravel	2.5	5		

	Enkululekweni	gravel	2.2	5	washed away by storm water, and the roads have developed trenches and dongas across and along road. The current conditions of the roads are not conducive to any road users. Storm water pipes are clogged by sand & debris.	Up root clogged storm water drainage pipes, unblocked and re-install them. Open cut off drains.
4	Groenvlei	gravel	4	5		
	Kwa-Ntaba	gravel	2.6	5		
5	Joubert	gravel	2	6		
	Jeppe	gravel	1	6		
6	Malambane	gravel	3.5	5		
	Esikhaleni	gravel	2	5		
	TOTAL		24.1			

Bridges:

There were bridges reported to be washed away. The Department of Transport conducted assessment. Communities cannot access basic services

7.6.1.4 EDUCATION, TRAINING AND PUBLIC AWARENESS

The Disaster Management Act 52 of 2002, National and Provincial frameworks state that, a municipal disaster management centre must promote formal and informal initiatives that encourage risk-avoidance behaviour by organs of state, the private sector, non-governmental organisations, communities, households and individuals in the municipal area. The workshops and awareness campaigns to raise disaster risk awareness, disaster risk reduction, volunteerism and preparedness were conducted as follows:

Activity	Date	Ward	Venue	Target group	Number of participants
i) An overview of disaster management and basic fire education	31/07/2024	3	Watervaal Correctional Centre-Training room	Correctional officials from various units	19

Activity	Date	Ward	Venue	Target group	Number of participants
ii) Water Safety and Drowning Prevention Awareness Campaign	02/08/2024	2	Balele Dam	Learners, Educators, Traditional Healers, Izinduna, Amakhosi and Community members	105
	14/11/2024	3 & 5	Ingcuba River	Amakhosi, Izinduna, Councillors and Community members	63
(iii) Fire Safety Awareness	16/08/2024	2	Utrecht Pre-Primary School	Learners, Educators and Support Staff	95
(iv) Career simulation day & School Awareness Campaign	06/09/2024	2	eMalahleni Combined School	Learners, educators, support staff and stakeholders	442
(v) Community engagements with Human Rights Commission	18/11/2024	6	Mbathani	Amakhosi, Izinduna, Councillors and Community members	36
	19/11/2024	4	Zaaihoek Community Hall		54
	20/11/2024	2	Utrecht Town Hall		27
(vi) Disaster management workshop	26/09/2024	2	Utrecht-Town Hall	Councillors and Ward Committees	58
(vii) Community engagements in relation to fire and disaster management activities and how do we respond to incidents/disasters	10/03/2025	1	Kemplust	Community members	26
	11/03/2025	1	Ndlamlenze		16
	13/03/2025	6	Esidakeni		25
	13/03/2025	6	Mbathani School		35

Activity	Date	Ward	Venue	Target group	Number of participants
(viii) Fire & disaster management awareness	24/04/2025	2	Utrecht Town Hall - Mayoral library read aloud day	Grades 5 & 6 eMalahleni Combined, iThamsanqa Primary, Utrecht Primary, and Isibonelesihle Primary, and Izimbuthu Primary Schools	83
	25/04/2025				85
	29/5/2025	4	Zaaihoek community Hall-- Groenvlei SAPS station commanders Imbizo	Community members	66
	30/5/2025	3	New-Village (esontweni)- Community meeting	Community members	83
	9/06/2025	2	Bergsig Sport field	School learners & educators	54
	9/06/2025	2	Bergsig Sport field	School learners and community members	73
ix) Fire & Disaster awareness campaign and fire equipment distribution	11/06/2025	2	Town hall (Utrecht)	Amakhosi & Community members	50
Total number of participants					1495

7.6.2 FINACIAL IMPLICATIONS

**Immediate intervention
Asphalt roads**

Ward	Area/Road Name	Surface Type	Type of Damage	Length (km)	Costing with Professional fees of 14% in Rands (R)
2	Hugo Street	asphalt	Severe potholes & clogged storm water pipes	0.9	4 816 000.00
	Loop Street	asphalt	Severe potholes & clogged storm water pipes	0.9	3 371 000.00
	Schefers Stret	asphalt	Severe potholes & clogged storm water pipes	0.6	2 889 600.00
	TOTAL			3.7	11 076 600.00

Gravel roads

Ward	Area/ Road Name	Surface Type	Type of damage	Length (km)	Costing with Professional fees of 14% in Rands (R)
1	Kempslust	gravel	Gravel washed away	1.8	5 644 800.00
	Mgundeni road	gravel	Gravel washed away	2.5	7 840 000.00
3	Emxhakeni	gravel	Gravel washed away	2.5	7 840 000.00
	Enkululekweni	gravel	Gravel washed away	2.1	6 585 600.00
4	Groenvlei	gravel	Gravel washed away	4	12 544 000.00
	Kwa-Ntaba	gravel	Gravel washed away	2.6	8 153 600.00

5	Jourbert	gravel	Gravel washed away	2	6 272 000.00
	Jeppe	gravel	Gravel washed away	1	3 136 000.00
6	Malambane	gravel	Gravel washed away	3.5	10 976 000.00
	Enzimane	gravel	Gravel washed away	2	6 272 000.00
TOTAL				24.1	75 264 200.00

Total costs of Asphalt and Gravel roads

11 076 600.00 + 75 264 200.00= R 86 340 800.00

7.6.2 CHALLENGES AND POSSIBLE SOLUTIONS

CHALLENGES	POSSIBLE SOLUTIONS
Response time due to non-availability of response vehicles	Prioritize procurement of a rescue vehicle.
Limited staff versus vastness of wards	Fund posts for appointment of: <ul style="list-style-type: none"> ▪ 4 X Leading Fire Fighters; and ▪ 4 X Control Room Operators
Limited budget	Additional funding for fire & rescue
Enforcement of Municipal by-laws	Training of Peace Officers to enforce the by-laws
Fire hydrants are not in good condition	Installation of new hydrants
Limited resources: <ul style="list-style-type: none"> ▪ Fire truck (4500 litres); ▪ Limited fire equipment; and ▪ No relief material 	Procurement of: <ul style="list-style-type: none"> ▪ Rescue vehicle with all necessary equipment; ▪ Fire equipment; and ▪ Relief material.

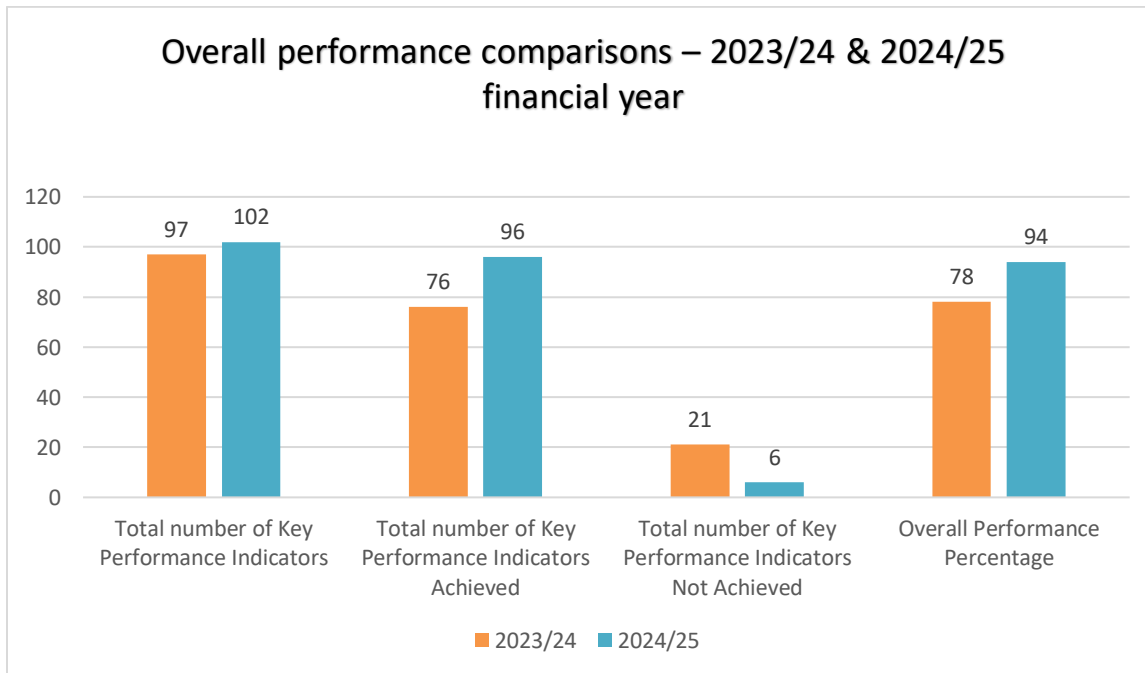
7.6.3 MEASURES TAKEN TO IMPROVE PERFORMANCE

- Establishment of Municipal Emergency Services Centre;
- Procured PPE for structural fires:
- Positive cooperation among stakeholders;
- Capacity building initiatives; and
- MDMAF meetings sit quarterly.

5. SUMMARISED ACHIEVEMENTS

5.1 overall performance comparisons – 2023/24 & 2024/25 financial year

KEY PERFORMANCE INDICATORS (KPIs)	2023-24	2024/25
total number of key performance indicators	97	102
total number of key performance indicators met	76	96
total number of key performance indicators not met	21	6
overall performance percentage (%)	78%	94%



- This report includes highlights from the key performance measures included in the 2024/25 IDP.
- This report presents the year-end performance results for 2024/2025 financial year. The results are reported using the traffic light criteria, according to their

performance against improvement targets. A dashboard that summarizes performance for the municipality’s scorecard is shown below.

- In 2024/25, performance has increased by 23% since the 2023/2024 financial year.

The traffic light system used to report performance is as follow:

- **Green** – Performance meets target
- **Red** – Performance not met target

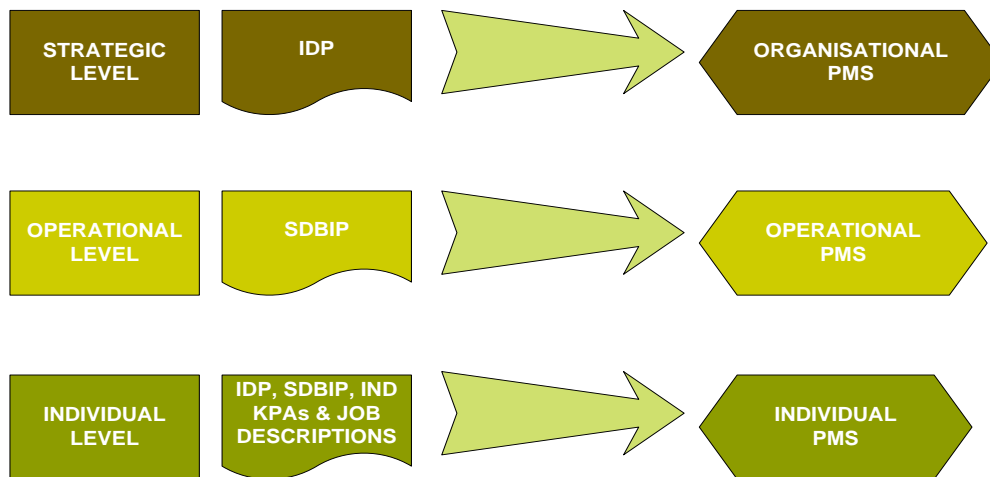
Traffic Light Status	2023/2024 Performance	2024/2025 Performance
Green – Met target	78%	94%
Red – Target Not Met	22%	6%

Audit Opinion

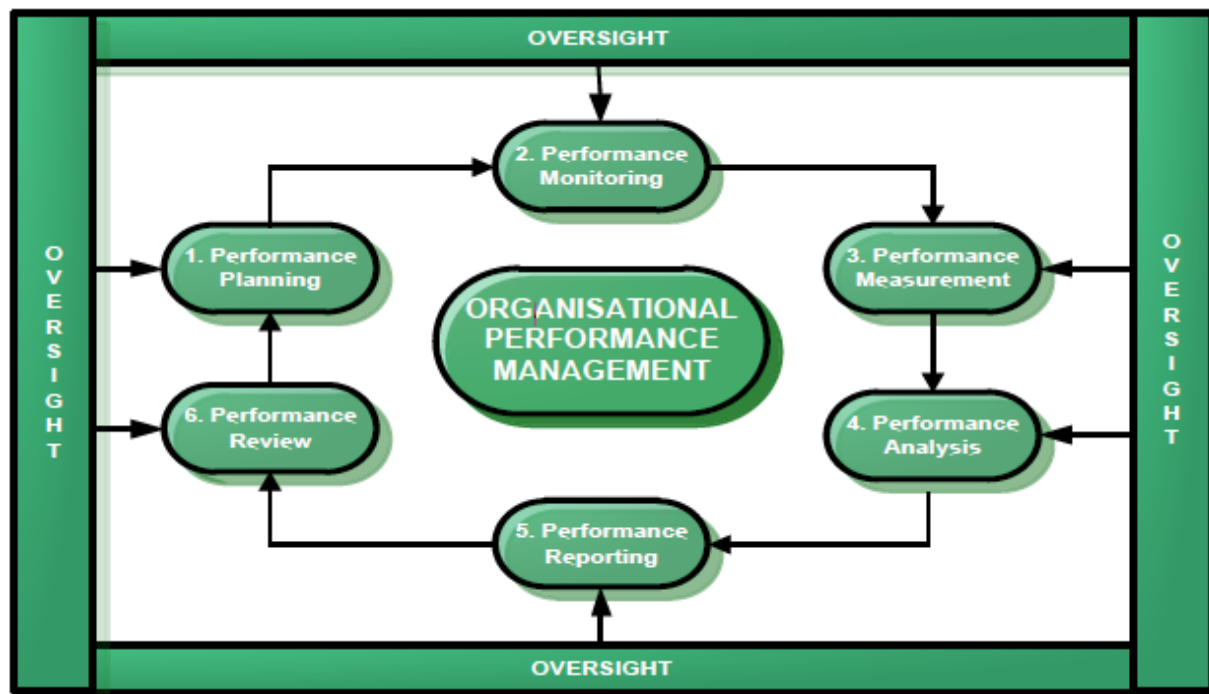
2022/23	2023/24	2024/25
Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion

9. ORGANISATIONAL PERFORMANCE MANAGEMENT PROCESS

The legislative framework as set out above provides for performance management at various levels in a municipality including Organizational (sometimes also referred to as municipal, corporate or strategic) level, operational (also referred to as services, departmental or section/team level) and lastly, at individual level as. These levels are however integrated and interdependent on each other.



The process of managing performance at Organizational level in the eMadlangeni Local Municipality involves the stages as set out in the following diagram:



Key performance indicators have been refined in Public Participation Unit of the municipality’s development priorities and objectives as set out in the revised IDP framework (aligned with the organizational structure and Council’s priorities) for the five-year IDP period to ensure consistency in measuring and reporting on long terms strategies and projects. Measurable performance targets with regard to each of these development priorities and objectives were established and are reflected in the 2024/25 OPMS Scorecard/Top Layer of the Service Delivery Budget implementation Plan. A

process to ensure regular reporting is in place and is reported quarterly to the Council via the Performance Audit Committee.

Individual performance agreements and performance plans were prepared in line with provisions prescribed in the Performance Regulations (Notice 805, published on 1 August 2006 in the official gazette) and signed by the Municipal Manager and Heads of Departments. These agreements are fully implemented and aligned with the Service Delivery and Budget Implementation Plan as required in terms of the Municipal Finance Management Act (No 56 of 2003).

10. PERFORMANCE AND SUPPORTING INFORMATION

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 Annual Performance Report highlights the key performance measures included in the Integrated Development Plan (IDP) review for the 2024/2025 financial year. These priority measures constitute the Organisational Performance Scorecard.

The annual performance reporting on the 2024/25 financial year has been completed and reflected in the Organisational Performance Scorecard / The Top Layer of Service Delivery Targets set in the Service Delivery Budget Implementation Plan in a table format (as prescribed by KwaZulu Natal Department of Corporate Governance and Traditional Affairs). The Top Layer Service Delivery Budget Implementation Plan (SDBIP) consolidated service delivery targets as contemplated in National Treasury Municipal Finance Management Act (MFMA) Circular 13 guide.

COMPARISON OF THE PERFORMANCES BETWEEN 2023/24 & 2024/25 ORGANISATIONAL PERFORMANCE SCORECARD

10.1 COMPARISON OF THE PERFORMANCES BETWEEN 2023/24 & 2024/25 ORGANISATIONAL PERFORMANCE SCORECARD

DEPARTMENT	BAS ELI NE	KEY MEASUR ABLE PERFOR MANCE INDICAT OR	ANNU AL TARGE T 2023/2 4	ANNU AL ACTUA L ACHIE VEME NT 2023/2 4 / ROLLO VER PROJE CT	ANNUAL TARGET 2024/25	AMEN DED (MID-YEAR) ANNU AL TARGE T 2024/2 5	ANNU AL ACTUA L ACHIE VEME NT 2024/2 5	MEANS OF VERICA TION	ACHIEVED/ NOT ACHIEVED	CORRECTIVE ACTION FOR TARGET NOT MET/REMARKS
Municipa l Planning and Technica l Services	Roll over	1.1.1.2 Number of Households connected through Rural electrificati on at Blue Mountain Phase 2, Ward 4 for year ending June 2025	58 Connec tions	0 connect ions	56 Connection s	58 Connec tions	58 connect ions	Quarterly progress report/Cl ose out Report	ACHIEVED	

Municipal Planning and Technical Services	Roll over	1.1.1.3 Number of Households connected through Rural electrification at Dorothea Ward 1, Phase 2 for year ending June 2025	151 Connections	0 Connections	151 Connections	155 Connections	155 Connections	Quarterly progress report/Close out Report	ACHIEVED	
Municipal Planning and Technical Services	Roll over	1.1.1.4 Number of households connected through rural electrification at KwaNtaba, Phase 3, Ward 4 for year ending June 2025	25 connections at KwaNtaba	0 connections	25 Connections	-	24 Connections	Quarterly Progress Report/Close-Out Report	ACHIEVED	One household relocated from the area before the project commenced.

Municipal Planning and Technical Services	Phase 2	1.1.1.5 Number of households connected through rural electrification at Kaarpoort, Phase 3, Ward 4 the year ending June 2025	19 connections at Kaarpoort	0 connections	19 connections at Kaarpoort	-	19 connections at Kaarpoort	Quarterly Progress Report/Close-Out Report	ACHIEVED	
Municipal Planning and Technical Services	New Indicator	1.1.1.6 Number of households connected through rural electrification at Blue Mountain, Phase 3, Ward 4 the year ending June 2025	N/A	N/A	20 Connections	23 connections	40 connections	Practical Completion Certificate	ACHIEVED	In April 2025, the municipality received an additional funding of R7 000 000,00 from DMRE and 17 new customers within Blue Mountain area were identified to be connected. The additional funding increased the total project value to R15 025 000,00 and a total of 40

										connections were achieved. This matter was brought to the attention of the council, and a council resolution was received.
Municipal Planning and Technical Services	New Indicator	1.2.1.1 Construction of 2.8 KMs access gravel road at emathangeni, ward 3 the year ending June 2025	N/A	N/A	Completion of 2.8 KMs	-	2.8 KMs Completed	Certificate of completion	ACHIEVED	
Municipal Planning and Technical Services	New Indicator	1.2.1.2 Construction of 2.6 KMs Access gravel road at Berouw,	N/A	N/A	Completion of 2.6 KMs	-	3 KMs Completed	Certificate of Completion	ACHIEVED	The variance of 0.4 KMs, is due to that fact that the actual road to be re-gravelled was 3 KM. going forward the SDBIP will be aligned with the approved designs.

		ward 5 the year ending June 2025								
Municipal Planning and Technical Services	60KM	1.2.1.4 Maintenance of 60 KMs gravel roads in all 6 Wards for year ending 30 June 2025	60 KM of Municipal gravel roads maintained	98.7 KMs	Maintenance of 60 KMs gravel roads in 6 wards	Maintenance of 60 KMs gravel roads in 6 wards	61.1 KMs maintained gravel roads in 6 wards	Completion certificate signed by supervisor and HOD	ACHIEVED	The variance of 1.1 KM(s) resulted from additional roads identified by Ward Councilors and requested them be attended too while the grader was operating in those areas. Going forward the separate file will be opened for Sportfield.
Municipal Planning and Technical Services	New Indicator	1.2.1.6 Regravelling of 4.65 KMs of Dorothea access Road 1 ward 1 for year ending 30 June 2025	4.6 KMs	0 KMs	4.65 KMs	-	4.65 KMs	Close out report	ACHIEVED	

Municipal Planning and Technical Services	New Indicator	1.2.1.8 Rehabilitation of 0.65 KMs Keerom Street in ward 2 for year ending 30 June 2025	0.6 KMs	0 KMs	0.65 KMs	-	0.65 KMs	Close out report	ACHIEVED	
Municipal Planning and Technical Services	New Indicator	1.2.1.8 Re-Gravelling of 2.49 KMs Vaalbank access road in ward 3 for year ending 30 June 2025	2.4 KMs	2.4 KMs	2.49 KMs	-	2.49 KMs	Close out report	ACHIEVED	
Municipal Planning and Technical Services	New Indicator	1.2.1.9 Re-Gravelling of 4.6 KMs Reserve Access Road ward 4 for year	4.6 KMs	0 KMs	4.6 KMs	-	4.6 KMs	Close out report	ACHIEVED	

		ending 30 June 2025								
Municipal Planning and Technical Services	New Indicator	1.2.1.10 Re-gravelling of 2.99 KMs in Lenz access Road in Ward 5 for year ending 30 June 2025	2.9 KMs	0 KMs	2.99 KMs	-	2.99 KMs	Close out report	ACHIEVED	
Municipal Planning and Technical Services	New Indicator	1.2.1.11 Re-Gravelling of 4.7 KMs of Mlwane access road in ward 6 for year ending 30 June 2025	4.6 KMs	0 KMs	4.7 KMs	-	4.7 KMs	Close out report	ACHIEVED	

Municipal Planning and Technical Services	New Indicator	1.2.1.12 Rehabilitation of Naude Street 1.3 KMs in ward 2	N/A	N/A	1.3 KMs	-	1.3 KMs	Close out report/completion certificate	ACHIEVED	
Municipal Planning and Technical Services	1	1.3.1.1 Number of Reviewed & adopted Spatial Development Framework (SDF) within 2024/25 financial year	1	1	1	-	1	Council Resolution & copy SDF	ACHIEVED	
Municipal Planning and Technical Services	0	1.3.1.2 Number of reviewed & Adopted SDP within 2024/25 financial year	N/A	N/A	1	-	1	Council Resolution and Copy of the SDP	ACHIEVED	

Municipal Planning and Technical Services	1	1.4.1.1 Number of reviewed and adopted LED Strategy within 2024/25 financial year	1	1	1	-	1	LED Strategy & Council Resolution	ACHIEVED	
Municipal Planning and Technical Services	120	1.4.1.2 Number of Job opportunities created under EPWP within 2024/25 financial year	120	121	120	-	120	Attendance Register & Signed EPWP contracts	ACHIEVED	
Municipal Planning and Technical Services	4	1.4.1.3 Number of capacity building interventions for local entrepreneurs and	4	5	4	-	4	Training Report & Attendance Register	ACHIEVED	

		SMME's provided within 2024/25 financial year								
Municipal Planning and Technical Services	New Indicator	1.4.1.4 Refurbishment of Balele Game Park Phase 2 by June 2025	N/A	N/A	N/A	6x sleeper tents, 3x Wooden cottages, Lapa, Braai area, Kudu Lodge, 6 Dome Tents, Kids Pool, Caravan Park pool		Progress Report and Practical Completion Certificate	NOT ACHIEVED	<p>The project is 100% complete however, the Municipal Assets unit is still unbundling assets and conducting assets verifications. Project Steering Committee meeting only sat after 30 June 2025 and that delayed the approval of Close Out Report and completion certificate. The Expenditure is 100%.</p> <p>For future projects, the Municipality has appointed a Civil Engineering Technician to oversee all Construction Projects, which will prevent misalignment of asset. The Municipality will communicate all scope adjustments with Project Steering Committee for approvals and that will prevent delays</p>

Municipal Planning and Technical Services	New Indicator	1.4.1.5 Refurbishment of Balele Game Park Phase 3 by June 2025	N/A	N/A	N/A	6x sleeper family unit, 1x Guard House, Re-thatching of the Main Lapa, Installation of Tarpaulin Covers		Progress Report and Practical Completion Certificate	NOT ACHIEVED	<p>The project is 100% complete however, the Municipal Assets unit is still unbundling assets and conducting assets verifications. Project Steering Committee meeting only sat after 30 June 2025 and that delayed the approval of Close Out Report and completion certificate. The Expenditure is 100%.</p> <p>For future projects, the Municipality has appointed a Civil Engineering Technician to oversee all Construction Projects, which will prevent misalignment of asset. The Municipality will communicate all scope adjustments with Project Steering Committee for approvals and that will prevent delays</p>
Community Services and Public Safety	4	1.5.1.1 Number of Disaster Management Advisory Forum	4	4	4	-	4	Notice, Agenda, Minutes & attendance register	ACHIEVED	

		Meetings conducted within the 2024/25 financial year								
Community Services and Public Safety	20	1.5.1.2 Number of lightning conductors installed within the 2024/25 financial year	40	40	30	20	20	Progress Report	ACHIEVED	
Community Services and Public Safety	2	1.5.1.3 Number of Reviewed and updated contingency plan(Summer and Winter) within the 2024/25 financial year	2	2	2	-	2	Plan and council resolution	ACHIEVED	

Community Services and Public Safety	8	1.5.1.4 Number of Disaster Management trainings & awareness campaigns conducted within the 2024/25 financial year	4	5	20	-	20	Report & Attendance Register	ACHIEVED	
Community Services and Public Safety	1	1.5.1.5 Review & Update Disaster Management Sector Plan within the 2024/25 financial year	1	1	1	-	1	Disaster Management Sector Plan & Council Resolution	ACHIEVED	

Community Services and Public Safety	1	1.5.1.6 Review & Adopt Disaster Management Plan within the 2024/25 financial year	1	1	1	-	1	Disaster management Plan & Council resolution	ACHIEVED	
Community Services and Public Safety	1	1.5.1.7 Monitor construction of Disaster Management Centre within the 2024/25 financial year	1	1	1	-	1	Progress Report	ACHIEVED	
Community Services and Public Safety		1.7.1.1 Number of Reviewed & Adopted IWMP within the 2024/25 financial year	1	1	1	-	1	Council resolution & Copy of the IWMP	ACHIEVED	

Community Services and Public Safety		1.7.1.2 Number of formal households, businesses and government areas with access to refuse removal within the 2024/25 financial year	1 320	1 323	1320	1402	1333	Quarterly Report, Billing system & Collecting Schedule	NOT ACHIEVED	<p>The set target in the SDBIP and APR included the customers that were billed as well as those transactions were the very same customers were provided with rebates.</p> <p>The APR is amended to remove the duplicates.</p> <p>The variance of 01 (one) between the amended target and reported target on the Post Billing Reconciliation Listing was due to new application received after amendment's.</p> <p>June 2025 Billing is attached,</p> <p>In the next financial year the annual target will be amended accordingly.</p>
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DEPARTMENT	BASE LINE	KEY MEASURABLE PERFORMANCE INDICATOR	ANNUAL TARGET 2023/24	ANNUAL ACTUAL ACHIEVEMENT 2024/24	ANNUAL TARGET 2024/25	AMENDED (MID-YEAR) ANNUAL TARGET 2024/25	ANNUAL ACTUAL ACHIEVEMENTS 2024/25	MEANS OF VERIFICATION	ACHIEVED/NOT ACHIEVED	CORRECTIVE ACTION FOR TARGET NOT MET/REMARKS
OBJECTIVE:										
Corporate Services	5	2.1.1.1 Number of developed, adopted and reviewed policies within the 2024/25 financial year	5	2	4	-	4	Council Resolution & Signed Policies	ACHIEVED	

Corporate Services	1	2.1.1.2 Number of Employee Wellness Campaign held within the 2024/25 financial year	1	1	1	-	1	Attendance Register	ACHIEVED	
Corporate Services	1	2.2.1.2 Number of adopted reviewed Organogram within the 2024/25 financial year	1	1	1	-	1	Council Resolution	ACHIEVED	
Corporate Services	3	2.3.1.1 Number of LLF meetings	4	3	4	-	3	Notice of meeting, agenda, Minutes and	NOT ACHIEVED	LLF meeting did not convene in October 2024 because SAMWU did not elect a new shopstewards.

		conducted						Attendance Register		Corporate Services will ensure that shopstewards are elected and delegated 3 months before the start of a new financial year
Corporate Services	8	2.3.1.2 Number of Portfolio Committee meetings conducted within the 2024/25 financial year	10	8	10	10	10	Notice of meeting, agenda, minutes, attendance register	ACHIEVED	
Municipal Planning and Technical Services	9	1.4.1.6 Number of Portfolio committee Meetings held within the 2024/25	10 Portfolio committee Meetings	9 Portfolio committee Meetings	10 Portfolio committee Meetings	Number of Portfolio committee Meetings held within the 2024/25 financial year	10 Portfolio committee Meetings	Notice, Agenda, Minutes & attendance register	ACHIEVED	

		financial year								
Corporate Services	4	2.3.1.3 Number of EXCO meeting conducted within the 2024/25 financial year	4	4	4	-	4	Notice of meeting, agenda, minutes, attendance register	ACHIEVED	
Corporate Services	4	2.3.1.4 Number of Council meetings conducted within the 2024/25 financial year	5	5	5	-	5	Notice of meeting, agenda, minutes, attendance register	ACHIEVED	
Corporate Services	4	2.3.1.5 Number of MPAC meetings conducted	4	4	4	-	4	Notice of meeting, agenda, minutes,	ACHIEVED	

		d within the 2024/25 financial year						attendance register		
Corporate Services	1	2.4.1.1 Number of approved Workplace Skills Plan submitted to LG SETA within the 2024/25 financial year	1	1	1	-	1	Acknowledgement letter from LGSETA	ACHIEVED	
Corporate Services	1	2.4.1.2 Number of induction programs conducted within the	1	1	1	-	1	Induction/Training manual and attendance register	ACHIEVED	

		2024/25 financial year								
Corporate Services	1	2.4.1.3 Number of employment equity report compiled within the 2024/25 financial year	1	1	1	-	1	Acknowledgement letter from Labour and Employment	ACHIEVED	
Corporate Services	2	2.5.1.1 Number of facilities committee meetings conducted within the 2024/25 financial year	4	2	4	-	4	Notice of meeting, agenda, minutes, attendance register	ACHIEVED	

Corporate Services	1	2.5.1.2 Number of ICT steering committee meetings for 2024/25 financial year	4	4	4	-	4	Agenda, minutes, attendance register	ACHIEVED	
Good Governance & Public Participation	24	4.1.1.1 Number of public meetings (per ward) conducted within the 2024/25 financial year	24	24	24	-	24	Minutes & Attendance register	ACHIEVED	
Good Governance & Public Participation	6	4.1.1.2 Number of Izimbizo meetings conducted within	6	6	6	-	6	Attendance register	ACHIEVED	

		the 2024/25 financial year								
Good Governance & Public Participation	72	4.1.1.3 Number of quarterly meetings per ward (ward committee) during the 2024/25 financial year	72	72	72	-	72	Minutes & Registers	ACHIEVED	
Good Governance & Public Participation	1	4.3.1.1 Number of Municipal Newsletters published within the 2024/25 financial year	1	1	1	-	1	Copy of newsletter	ACHIEVED	

Good Governance & Public Participation	New Indicator	4.3.1.2 Number of Media Engagements conducted within the 2024/25 financial year	N/A	N/A	4	-	4	Infographic	ACHIEVED	
Good Governance & Public Participation		4.3.1.3 (a) Number of Banners procured within the 2024/25 financial year	4	0	2	2	0	Invoice	NOT ACHIEVED	Due to the municipality's financial constraints, the procurement of banners was not possible, as the municipality could not afford them. Communications Unit will reduce the number of banners to be procured in the next financial year.
Good Governance & Public Participation	800 calendar's & 120 diaries	4.3.1.3 (b) Number of marketing material procured	10 000 calendar's & 200 diaries	800 calendar's & 120 diaries	1000 calendar's & 150 Diaries	300 calendar's & 20 diaries	300 calendar's & 20 diaries	Invoice	ACHIEVED	

		(calendars & diaries)								
Good Governance & Public Participation	121 pictures	4.3.1.4 Number of Photography services conducted within 2024/25 financial year	121 Pictures	121 Pictures	40 Pictures	-	40 Pictures	Invoice	ACHIEVED	
Good Governance & Public Participation	New indicator	4.3.1.5 Number of artwork services produced 2024/25	N/A	N/A	8	-	8	Artwork	ACHIEVED	
Good Governance & Public Participation	New Indicator	4.3.1.6 Number of DCF Meetings conducted 2024/25	N/A	N/A	4	-	4	Attendance Register	ACHIEVED	

Good Governance & Public Participation		4.3.1.7 Number of LGCF meetings attended in 2024/25	N/A	N/A	2	-	2	Attendance Register	ACHIEVED	
Local Economic & Social Development	4	5.1.1.1 Number of meetings' workshops for forums of vulnerable groups implemented in 2024/25 financial year	4	4	4	-	4	Agenda, Minutes & Attendance register	ACHIEVED	
Local Economic & Social Development	8	5.1.1.2 Number of special programmes coordinated to	8	8	8	-	8	Report & Register	ACHIEVED	

		empower the vulnerable groups within the 2024/25 financial year								
Office of the Municipal Manager		2.2.1.1 Number of lease agreements signed for Municipal Properties (Rental houses) within the 2024/25 financial year	18	18	16	-	16	Individual signed lease agreements	ACHIEVED	

DEPARTMENT	BASELINE	KEY MEASURABLE PERFORMANCE INDICATOR	ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	ANNUAL TARGET 2024/25	AMMEND (MID-YEAR) ANNUAL TARGET 2023/24	ANNUAL ACHIEVEMENT 2024/25	MEANS OF VERIFICATION	ACHIEVED/NOT ACHIEVED	CORRECTIVE ACTION FOR TARGET NOT MET/REMARKS
OBJECTIVE:										
Budget & Treasury	1	3.1.1.1 Number of Annual Financial Statement submitted to Auditor General within the 2024/25 financial year	1	1	1	-	1	Proof of submission and copy of annual financial statement	ACHIEVED	
Budget & Treasury	1	3.1.1.2 Number of municipal draft & final annual budget adopted within the 2024/25 financial year	1	1	1	-	1	Council Resolution and proof of submission to treasury	ACHIEVED	

Budget & Treasury	1	3.1.1.3 Number of municipal adjustment budget adopted within the 2024/25 financial year	1	1	1	-	1	Council Resolution and proof of submission to treasury	ACHIEVED	
Budget & Treasury	12	3.2.1.1 Number of monthly investments reconciliation within the 2024/25 financial year	12	12	12	-	12	Signed investment register	ACHIEVED	
Budget & Treasury	12	3.2.1.2 Number of monthly grant reconciliation within the 2024/25 financial year	12	12	12	-	12	Signed copies of grant reconciliation	ACHIEVED	
Budget & Treasury	12	3.2.1.3 Number of monthly creditors reconciliation within the	12	12	12	-	12	Signed copies of creditors reconciliation	ACHIEVED	

		2024/25 financial year								
Budget & Treasury	12	3.2.1.4 Number of monthly valuation roll reconciliation within the 2024/25 financial year	12	12	12	-	12	Signed copies of valuation roll	Achieved	
Budget & Treasury	12	3.2.1.5 Number of monthly debtors reconciliation within the 2024/25 financial year	12	12	12	-	12	Signed copies of debtors reconciliation	ACHIEVED	
Budget & Treasury	12	3.2.1.6 Number of monthly assets reconciliation within the 2024/25 financial year	12	12	12	-	12	Signed copies of assets reconciliations	ACHIEVED	

Budget & Treasury	12	3.2.1.7 Number of monthly bank reconciliation within the 2024/25 financial year	12	12	12	-	12	Signed copies of bank reconciliations	ACHIEVED	
Budget & Treasury	12	3.3.1.1 Number of monthly and quarterly Supply Chain processes reports within the 2024/25 financial year	12	12	12	-	12	Compiled monthly & quarterly reports	ACHIEVED	
Budget & Treasury	1	3.3.1.2 Number of adopted and updated SCM framework within the 2024/25 financial year	1	1	1	-	1	Proof of submission and signed procurement plan	ACHIEVED	
Budget & Treasury	4	3.4.1.1 Number of contract register reviewed and updated within	4	4	4	-	4	Signed copies of updated contract registers	ACHIEVED	

		the 2024/25 financial year								
Budget & Treasury	12	3.4.1.2 Number of monthly Section 71 reports compiled within the 2024/25 financial year	12	12	12	-	12	Proof of submission and copy of report	ACHIEVED	
Budget & Treasury	1	3.4.1.3 section 72 reports completed and submitted to council within the 2024/25 financial year	1	1	1	-	1	Extract of the report and Council resolution	ACHIEVED	
Budget & Treasury	4	3.4.1.4 Number of annual financial reports within the 2024/25 financial year	4	4	4	-	4	Proof of submission and reports	ACHIEVED	

Budget & Treasury	12	3.4.1.5 Number of VAT returns submitted to SARS within the 2024/25 financial year	12	12	12	-	12	VAT 201 statements	ACHIEVED
Budget & Treasury	New Indicator	3.4.1.6 Review and adopt indigent Policy within the 2024/25 financial year	N/A	N/A	N/A	1	1	Copy of Indigent Policy	ACHIEVED
Budget & Treasury	New Indicator	3.4.1.7 Review and adopt indigent register within the 2024/25 financial year	N/A	N/A	N/A	1	1	Copy of Indigent Register	ACHIEVED

DEPARTMENT	BASE LINE	KEY MEASURABLE PERFORMANCE INDICATOR	ANNUAL TARGET 2023/24	ANNUAL ACTUAL ACHIEVEMENT 2023/24	ANNUAL TARGET 2024/25	AMENDED(MID-YEAR) ANNUAL TARGET 2023/24	ANNUAL ACTUAL ACHIEVEMENT 2024/25	MEANS OF VERIFICATION	ACHIEVED/ NOT ACHIEVED	CORRECTIVE ACTION FOR TARGE NOT MET/ REMARKS
OBJECTIVE:										
Office of the Municipal Manager	2	4.2.1.1 Number of the IDP RF functionality within the 2024/25 financial year	2	2	2	-	2	Meeting. Invitation , minutes & Attendance register	ACHIEVED	
Office of the Municipal Manager	2023/2024 IDP	4.2.1.2 Number of prepared, adopted and submitted IDP within the 2024/25	Review and adopt 2024/25 IDP	2024/25 IDP reviewed & adopted	1	-	1	Council resolution & Proof of submission to CoGTA	ACHIEVED	

		financial year								
Office of the Municipal Manager	2023/24 SDBIP	4.2.1.3 2024/2025 Service Delivery and Budget Implementation Plan within the 2024/25 financial year	Adoption of SDBIP 2024/25	2024/25 SDBIP adopted	1	-	1	Acknowledgement of receipt from Mayor	ACHIEVED	
Office of the municipal manager	1	4.2.1.4 Number of Annual Performance Reports prepared and submitted to AG and relative	1	1	1	-	1	Extract for APR & Proof of submission	ACHIEVED	

		authorities within the 2024/25 financial year								
Office of the municipal manager	1	4.2.1.5 Number of reviewed and adopted performance management system policy within the 2024/25 financial year	1	1	1	-	1	Council resolution and extract	ACHIEVED	
Office of the municipal manager	Signed section 54 & 56 performance agreements	4.2.1.6 Number of managed performance management	4	4	4	-	4	Copy of completed assessment sheet	ACHIEVED	The 2024/2025 mid-year performance assessments were conducted for Section 56 managers on the 26 of June 2025. Due to scheduling constraints, the 2024.2025

		systems in terms of Chapter 6 MSA within the 2024/25 financial year								assessment for the Municipal Manager was conducted on 18 November 2025. POE: Attached herein is the reports for the mid-year assessments for section 56 managers conducted in July 2025 and for the Municipal Manager conducted on the 18 November 2025.
Office of the municipal manager	0	4.2.1.7 Number of quarterly Performance Reports generated and submitted to Internal Audit within the 2024/25	4	4	4	-	4	Extract of the report & proof of submission from Internal Auditor	ACHIEVED	

		financial year								
Office of the municipal manager	1	4.2.1.8 Number of Annual Reports prepared and submitted within the 2024/25 financial year	1	1	1	-	1	Council Resolution	ACHIEVED	
Office of the municipal manager	1	4.2.1.9 Number of Oversight Reports prepared and submitted to MPAC within the 2024/25 financial year	1	1	1	-	1	Extract of Oversight report, MPAC minutes, & /Council resolution	ACHIEVED	

Office of the municipal manager	4	4.4.1.1 Number of legislated council meetings within the 2024/25 financial year	4	4	4	-	4	Notice of Meeting, Agenda, Extract of minutes and attendance Register	ACHIEVED	
Office of the municipal manager	4	4.5.1.1 Number of quarterly audit committee meetings within the 2024/25 financial year	4	3	4	-	4	Notice of meetings, Agenda, Minutes and Attendance Register	ACHIEVED	
Office of the municipal manager	12	4.5.1.2 Number of internal audit report generated within the 2024/25	12	12	12	-	12	Extract of report	ACHIEVED	

		financial year								
Office of the municipal manager	1	4.5.1.3 Number of internal audit charter approved by audit committee within the 2024/25 financial year	1	1	1	-	1	Audit committee resolution on approved charter	ACHIEVED	
Office of the municipal manager	4	4.5.1.4 Number of audit committee reports tabled to council within the 2024/25 financial year	4	2	4	-	3	Council resolution	NOT ACHIEVED	Target was not tabled within the planned timeframe due to the postponement of the council meeting initially scheduled for 30 June 2025. The meeting was subsequently rescheduled for 8 July 2025, which fell into the 1 st quarter of th new financial yea.

Office of the municipal manager	1	4.5.1.7 Number of action plan prepared on audit findings and submitted to municipal manager within the 2024/25 financial year	1	1	1	-	1	Copy of Action plan & proof of submission	ACHIEVED	
Office of the municipal manager	4	4.6.1.1 Number of risk management meetings held within the 2024/25 financial year	4	3	4	-	4	Agenda, minutes and attendance register	ACHIEVED	

Office of the municipal manager	1	4.6.1.2 Number of Annual Risk Assessment & Annual Fraud Risk Assessment conducted within the 2024/25 financial year	1	1	1	-	1	Copy of reviewed risk register and attendance Register	ACHIEVED	
Office of the municipal manager	4	4.6.1.3 Number of risk registers updated quarterly within the 2024/25 financial year	4	4	4	-	4	Updated risk register	ACHIEVED	

Office of the municipal manager	New Indicator	4.6.1.4 Number of reviewed and approved Risk Committee Charter, Risk management policy and Risk management strategy within the 2024/25 financial year	N/A	N/A	Council resolution	-	Council Resolution	Minutes and Council Resolution	ACHIEVED	
Office of the municipal manager	12	4.7.1.1 Number of MANCO meetings convened within the 2024/25 financial year	12	12	12	-	12	Agenda, minutes & attendance register	ACHIEVED	

DEPARTMENT	BASELINE	KEY MEASURABLE PERFORMANCE INDICATOR	ANNUAL TARGET 2023/24	ANNUAL ACTUAL ACHIEVEMENT 2023/24	ANNUAL TARGET 2024/25	AMENDED (MID-YEAR) ANNUAL TARGET 2024/25	ANNUAL ACTUAL ACHIEVEMENT 2024/25	MEANS OF VERIFICATION	ACHIEVED/NOT ACHIEVED	CORRECTIVE ACTION FOR TARGET NOT MET/REMARKS
Community Services and Public Safety		1.7.1.3 Number of Portfolio committee Meetings conducted within the 2024/25 financial year	5	5	5	-	5		Notice of meeting, Agenda, minutes & attendance register	ACHIEVED

Community Services and Public Safety	4	5.2.1.2 Number of library orientation and outreach programmes	4	4	4	-	4		Agenda, Minutes & Attendance Register	ACHI EVED	
Community Services and Public Safety	12	5.4.3.1 Number of road blocks conducted	12	12	12	-	12		Quarterly Report	ACHI EVED	

3.2 ASSESMENTS OF EXTERNAL SERVICE PROVIDERS 2024/2025 FINANCIAL YEAR

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

Bid Number	Name of external Service Provider	Service provided in terms of the SLA	Date Contract Awarded	Completion Date	Value of project	Expenditure to Date	Comparison with previous year 2023/24		Current Financial Year 2024/25		Assessment of Service Providers Performance			User Department Comments: Time Frame/ Quality & Quantity as per specification
							Target	Actual	Target	Actual	G	S	P	
MN06/2023-24	Calmesa Consulting Group PTY LTD	System support/professional services	01/03/2024	28/02/2025	SAICA RATES	N/A	Provide monthly support of	Partially	Provide monthly support of	Achieved		X		A new service provider has been

							Financial System		Financial System					appointed.
MN06/2023-24	IFIX Business Solutions		01/03/2024	28/02/2025		N/A	Provide monthly support of Financial System	Partially						
MN10/2021-22	Umhlaba Geamatics Inc.	Compile and maintenance Of valuation roll	01/09/2022	30/06/2028	R 1 470 000.00	R 978 699.93	Development of valuation Roll	Achieved	Development of valuation Roll	Achieved		X		
MN14/2022-23	FBL enterprise	The provision of security services as well as Transit VIP protectors for a period of 12 months.	01/11/2023	31/10/2024	R 8 550 971,28	R 11 824 834.33	Security services and provision for bodyguards and vehicle hiring for mayor & speaker.	Partially achieved	Security services and provision for bodyguards and vehicle hiring for mayor & speaker.	Achieved	X			
MN14/2022-23	Double Action Security & training Academy	The provision of security services as well as Transit VIP protectors	01/11/2023	31/10/2024	R 4 385 916,00	R 6 977 602.00	Car Rental & Security Services for Mayor	Achieved	The provision of security services as well	Achieved	X			

		for a period of 12 months.					& Speaker		as Transit VIP protectors for a period of 12 months.					
MN09/2018-19 (TURKEY)	Afrilectric al consulting engineer s	Dorothea Electrification Project	01/07/2023	30/06/2025	R 16 863 683, 84	R 14 796 584.23	Dorothea Electrification Project program me on turnkey contract: Dorothea	Not Achie ved		Achie ved	X			
Regulation 32	Gutakura trading (Pty)Ltd	Construction of electrical infrastructure - Kaarport	01/07/2022	31/10/2022	R 2 645 188,80	R 2 510 772 .89	Construc tion of electrifica tion services: Electrification Kaarport	Achie ved	Construc tion of electrical infrastruc ture - Kaarport	Achie ved		X		
MN09/2018-19	NWS consultin g	Electrification of Kaarport	01/07/2022	30/11/2022	R 323 099, 12	R 287 480,06	Consultin g engineeri	Achie ved	Electrific ation of Kaarport	Achie ved		X		

	engineering (Pty) Ltd						ng services: Jiyane Nhlazadolo Esiteleng a phase 1 Kaarport Kwa Ntaba Wit Umfolozi							
MN09/2018-19 (TURNKEY)	NWS consulting engineering (Pty) Ltd	Electrification of KwaNtaba	18/09/2022	20/01/2023	R 2 866 194.41	R 2 686 430,03	x	x	Electrification of KwaNtaba	Achieved		X		
MN03/2021-22	Konica Minolta South Africa	Leasing of printers for a period of 3 years	01/10/2022	31/09/2025	R 575 690,40	R 543 709.20	Leasing of printers for a	Achieved	Leasing of printers for a	Achieved	X			

							period of 3 years		period of 3 years					
PO02768	Imvula I Technologies	Supply and Installation of 50 MBPS wireless business internet for a period of 12 months	01/09/2024	31/08/2025	R 149 040.00	R 86 940.00	x	x	Supply and Installation of 50 MBPS wireless business internet for a period of 12 months	Achieved	X			
MN09/2022-23	SDM assests management and consulting (pty) ltd	Service provider for the verification of immovable & biological assets (including valuation of biological assets) and updating of fixed assets register for a period of three years,	10/08/2023	30/11/2026	R 1 852 389,54	R 1 309 940 .90			Service provider for the verification of immovable & biological assets (including valuation of biological assets) and updating of fixed	Achieved		X		

									assets register for a period of three years,					
MN11/2022-23	Loma business enterprise	Service provider to provide pound keeper services for a period of 36 months	01/11/2023	30/10/2026	R 538 200,00	R 269 100,00			Service provider to provide pound keeper services for a period of 36 months		X			
MN12/2023-24	Urban rural construction	Regravelling of dorothea access road in ward 1	08/08/2024	20/12/2024	R 3 092 615,08	R 3 092 560,62					X			
MN13/2023-24	Amahlungu civils (pty) ltd	Rehabilitation of keerom street in ward 2	23/07/2024	26/11/2024	R 2 946 06,71	R 2 891 321,72						X		
MN14/2023-24	Jabelu plant and logistics	Regravelling of vaalbank access road in ward 3	23/07/2024	26/11/2024	R 2 289 194,6	R 2 289 194,60						X		

MN15/2023-24	Mlandomude (pty) ltd	Regravelling of reserve access road in ward 4	12/08/2024	20/12/2024	R 3 458 262,62	R 3 458 260,74							X		
MN16/2023-24	Jumbo holdings	Regravelling of lenz access road in ward 5	16/08/2024	20/11/2024	R 2 064 848,91	R 2 064 700,48							X		
MN17/2023-24	PK financial consultants	Regravelling of mlwane access road in ward 6	23/07/2024	26/11/2024	R 2 204 672,36	R 2 204 658,46							X		
MN18/2023-24	Mbogz civil (pty) ltd	Construction of emathangeni gravel access road in ward 3	16/08/2024	31/12/2024	R 4 244 049,40	R 4 244 049,40							X		
MN19/2023-24	Iskhonyane civils (pty) ltd	Construction of barouw gravel access road in ward 5	29/08/2024	31/12/2024	R 4 916 640,90	R 4 916 534,73							X		
MN20/2023-24	Siphoglad construction and general cc	Rehabilitation of naude street in ward 2	19/09/2024	04/03/2025	R 5 172 103,31	R 4 478 531,54							X		
MN21/2024-25	Siyaroro trading	Balele game park	16/09/2024	15/03/2025	R 3 471 740,76	R 3 282 027,53							X		

		refurbishment project - phase 2												
MN09/2018-19 (TURNKEY)	Igoda projects (pty) ltd	Blue mountain phase 3 electrification project	01/07/2024	30/06/2025	R 15 025 000,00	R 11 331 340,00							X	
TRANSVERSAL CONTRACT	Toyota south africa	Supply and deliver of vehicle (hilux dc 2,4 raider)	ONCE OFF	ONCE OFF	R 570 929,51	R 570 929,51							X	
TRANSVERSAL CONTRACT	Toyota south africa	Supply and deliver of vehicle (hilux sc 2,4 gd smt a/ac)	ONCE OFF	ONCE OFF	R 400 042,46	R 400 042,46							X	
MN21/2018-19	Ocean dawn trading and projects cc	Security services for a period of 24 months	01/02/2025	31/01/2027	R 6 534 185,46	R 408 386.60							X	
MN04/2024-25	Akunamu va trading cc	Balele game park refurbishment project - phase 3	01/05/2025	31/07/2025	R 2 600 879,25	R 557 060,12								

MN04/2021-22	Lateral unison insurance brokers (pty)ltd	Provision of short term insurance for a period of 3 years	31/05/2022	31/05/2025	R 3 891 083.00	R 2 418 958.22						X		
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Emadlangeni Local Municipality

CHAPTER 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

EMadlangeni Local Municipality consists of 153 staff members whom are within the Office of the Municipal Manager, Corporate Services, Department of Community Services and Public safety, Budget and Treasury, and Department of Municipal Planning & Technical Services. Functions of each Department are indicated in table below.

DEPARTMENT	FUNCTIONS
Office of the Municipal Manager	Municipal Management. Municipal Planning (IDP and PMS); and Internal Audit & Forensic Legal Services and Risk compliance Management
Corporate Services	Administration: it is responsible for advertisements in public places; skills development, labour relations, council secretariat, registry; communication and IT. Contract Management and Litigations Special programmes and Public Participation Human resources management
Community Services and Public safety	Protection Services: Public transport, public safety and roadworthy and Law enforcement. Library Services Maintenance of Parks and Gardens Provide fire and Disaster Management Services Waste and Environmental Management Council support programmes, Implementation of By-laws and Municipal Pound
Budget and Treasury Office	Income: is responsible for Revenue Management; Debt Management and internal control. Expenditure: is responsible for expenditure management; procurement; materials; insurance; internal control and properties Supply Chain Management, assets and facilities. Fleet management
Municipal Planning & Technical Services	Electrical: is responsible for electricity and gas reticulation and street lighting. Civil Services: is responsible for air pollution; municipal airports; municipal public works; storm water management; fence and fences; municipal roads; responsible for Building Regulations, infrastructure planning, housing, maintenance of assets and facilities Municipal planning: SDF, LUMS, environmental management, facilitation of human settlements (housing). Local economic development Local tourism management

Emadlangeni Local Municipality

5.2 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

This Key Performance Area encapsulates the Municipality's commitment to the provision of the highest quality of service to its constituencies and to ensure that all strategies and objectives are adhered to, resulting in a productive and sustainable Municipality.

In terms of Section 152 (1) (e) of the South African Constitution, eMadlangeni, like all Municipalities, is obligated to encourage the involvement of communities and community organisations in the affairs of Local Government. This is further emphasised by Section 16(1) of the Municipal Systems Act 32 of 2000, which requires the Municipality to develop a culture of municipal governance that complements formal representative government with a system of participatory governance.

OCCUPATION AND GENDER EQUITY ANALYSIS

In terms of Section 20 of the Employment Equity Act 55 of 1998, the Municipality adopted the Employment Equity Plan which aims at implementing affirmative action so as to redress the imbalances of the past, in the workplace. Section 21 of the quoted Act requires the Municipality to report on progress achieved in implementing affirmative action.

- The municipality compiled and submitted the Work Skills Plan and Annual Employment Equity Report.
- Work Skills Plan was submitted on the 30th April 2025 to LGSETA and acknowledgement letter was received.

Legislations

Skills Development Act (No. 97 of 1998)

Skills Development Levies Act (NO. 9 of 1999)

SETA Grant Regulations

- Annual Employment Equity Report was submitted on the 15th January 2025 to Department of Employment and Labour.

Legislations

Employment Equity Act (EEA)

Employment Equity Amendment Act (No. 4 of 2022)

Emadlangeni Local Municipality

Employment Equity Regulation

The following policies were approved and adopted by Council in the 2024/25 financial year for implementation in 2025/26.

ITEM NUMBER	HUMAN RESOURCES POLICY & OTHER POLICIES	STATUS	REVIEWED DATES
1.	Skills Development Policy	Adopted Reviewed	27.06.2019 27.05.2025
2.	Leave Management Policy	Adopted Reviewed	27.06.2019 27.05.2025
3.	Overtime Policy	Adopted Reviewed	27.06.2019 27.05.2025
4.	Subsistence and Travel	Adopted Reviewed	27.06.2016 26.02.2025
5.	Acting Allowance Policy	Adopted Reviewed	27.05.2025 27.05.2025

- The municipality has developed the Individual Performance Management System (PMS) Policy & Procedures Manual, for adoption by Council. The Policy aligns with the Municipal Staff Regulations and it compels all employees' performance be assessed on annual basis. It has been cascaded to Managers and Officers, Performance Agreement has been signed.
- INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM (PMS) POLICY & PROCEDURES MANUAL was adopted by Council on **23 May 2024**.
- The municipality received the Local Government Sector Education Training Authority (LGSETA) Mandatory Grant of R19 640 for the financial year 2025/2026 to cover trainings. However, the grant could not cover the Work Skills Plan training priorities therefore the municipality had to rely on the Municipal Skills Development funds for other trainings. The municipality has engaged other SETA's in order to address the skills gaps.

Performance Highlight and Training Report

Emadlangeni Local Municipality

TRAINING INTERVENTION	NO. OF EMPLOYEES TRAINED
CMAM (internal Audit & Risk Training on asset Management)	01
Traffic Training College KZN	01
MSCOA Training	18
Integrated Complaints Management System and Customer Relation Management Training	27
Fire Fighter	01

- The municipality reviewed the Organogram and reinstated the Community Services and Public Safety department.
- Majority of meetings and trainings were held on virtual platforms (Zoom or Microsoft Team) and some were held physical.
- Fourteen (14) appointments were made during the financial year. There were five (5) appointed through the Municipal Financial Management Internship Programme and one intern was appointed as SCM Clerk Permanently. Nine (09) were seconded by COGTA and their contract ended on 31st of January 2025. There were twenty-five (25) interns received from different SETA.
- The attrition rate had improved (01 early retirement, 6 resignations, 1 Deceased and 4 dismissals).

EARLY RETIREMENT	RESIGNATIONS	DECEASED	DISMISSALS	APPOINTMENT

Emadlangeni Local Municipality

Secretary: Director Technical -1	Waste Management Officer – 1 Manager Human Resource & Administration – 1 Conservation Officer – 1 Manager of the Mayor’s Office – 1 Licencing clerk- 1 Artisan Electrician – 1	Tipper Truck Driver Operator -1	Licencing Clerk -1 Senior Licencing Clerk -1 Meter Reader- 1 General Worker- 1	Meter reader- 1 Senior technician -1 SCM Clerk -1 Cashier 1 Heavy duty operator -1 Deputy Director Corporate service -1 Driver (Crane Operator)1 Senior Technical planner -1 Waste & Environmental Officer- 1 Cyber Cadet- 1 Licencing Clerk -1 Artisan Electrician- 1 ICT Officer - 1
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Challenges

- Budgetary constraints resulted in limited trainings.
- Unfunded positions in the organogram.

Measures taken to improve performance

- Source the external funds for trainings from different SETA’s.
- Positions to be filled when funds permit upon increment.

LABOUR RELATIONS MATTERS

Grievances	0
Suspension	7

EMadlangeni Local Municipality

Dismissal after hearing	4
Arbitration	2

4.2 HOUSING

GOEDEHOOP HOUSING PROJECT

The project is at stage two internal reticulations and progressing accordingly. The implementing agent has started with the application of phase 3 top structure with the Department of Human Settlement.

- EMadlangeni Local Municipality provides electricity within ward 2 which is set out to be a town of Utrecht and ward 5 Bendsdorp, the Council adopted its indigent policy/register in 2024/25 financial year to ensure the provision of free service such as electricity to the deserving households.
- In terms of refuse removal, the municipality collect waste within town twice a week in 1 323 households, this forms part of the municipal revenue as the rates are paid to the municipal accounts for this service.

Emadlangeni Local Municipality

CHAPTER 5: FINANCIAL PERFORMANCE

GENERAL INFORMATION

Nature of business and principal activities

The main business of the municipality is to structure and manage the administration, budgeting and planning process to give priority to basic needs of the community and to promote the social and economic development of the community. The main type of services rendered by the municipality includes the provision of electricity, refuse removal, municipal health services, provision of cemeteries and crematoria, fire fighting and disaster management, local sports facilities, building regulations, municipal roads, disposal of waste and the construction and maintenance of infrastructure within the area.

MAYORAL COMMITTEE

Mayor	Cllr ML Buthelezi
12	Cllr PF Chongo
	Cllr PX Qwabe (Speaker)
Councillors	Cllr SM Khoza (Whip of Council)
	Cllr VC Ndlovu
	Cllr NM Dekker (MPAC chairperson)
	Cllr MJ Mthethwa
	Cllr N Nkosi
	Cllr NA Madida
	Cllr MR Khumalo
	Cllr KV Sibisi
Grading of local authority	Grade 1
Accounting Officer	G.N Mavundla
Chief Finance Officer (CFO)	PP. Sithole
Registered office	34 Voor Street Utrecht Kwa Zulu Natal 2980
Postal address	P.O. Box 11

Emadlangeni Local Municipality

Utrecht

Kwa Zulu Natal

2980

Bankers

Standard Bank

First National Bank

Auditors

Auditor General of South Africa

Registered Auditors

Attorneys

Mdledle Incorporated

Nompumelelo Hadebe Inc

INDEX

The reports and statements set out below comprise the annual financial statements presented to the council:

PAGE

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 she 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, she is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 6.

Emadlangeni Local Municipality

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2025 and were signed on its behalf by:

ACCOUNTING
OFFICER
DESIGNATION

Emadlangeni Local Municipality

Annual Financial Statements for the year ended 30
June 2025

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

AUDIT & PERFORMANCE COMMITTEE MEMBERS AND ATTENDANCE

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year 8 number of meetings were held.

Name of member	Number of meetings attended
Buhle Dlamini (Chairperson)	8
Adv Jabulani Mhlongo	7
Ms Thandeka Ndlovu	8
Mr Velaphi M Kubeka	8

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA and Regulation 14 (2) (a) of Local Government: Municipal Planning and Performance Management Regulations, 2001.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

THE EFFECTIVENESS OF INTERNAL CONTROL

The system of internal controls applied by the municipality over financial and risk management is effective, efficient and transparent. In line with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom.

Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

The quality of in year management and monthly/quarterly reports submitted in terms of the MFMA and the Division of Revenue Act is considered efficient and effective.

The audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the accounting officer of the municipality during the year under review.

EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The audit committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the accounting officer;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

Emadlangeni Local Municipality

Annual Financial Statements for the year ended 30
June 2025

The audit committee concur with and accept the Auditor-General of South Africa's report the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

INTERNAL AUDIT

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audits.

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

Chairperson of the Audit and Performance Committee

Emadlangeni Local Municipality

Annual Financial Statements for the year ended 30
June 2025

Date: _____

Emadlangeni Local Municipality

ACCOUNTING OFFICER'S REPORT

The accounting officer submits her report for the year ended 30 June 2025.

1. REVIEW OF ACTIVITIES

Main business and operations

The municipality is engaged in the main business of the municipality is to structure and manage the administration, budgeting and planning process to give priority to basic

needs of the community and to promote the social and economic development of the community. The main type of services rendered by the municipality includes the provision of electricity and water, collection, purifying and disposal of waste water and the construction and maintenance of roads and provision of parks, sport and recreation facilities. and operates in South Africa].

The operating results and state of affairs of the municipality are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. GOING CONCERN

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus (deficit) of R 134 569 910 and that the municipality's total assets exceed its liabilities by R 134 569 910.

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.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality.

3. SUBSEQUENT EVENTS

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

4. ACCOUNTING POLICIES

The annual financial statements prepared in accordance with the South African Statements of Generally Recognised Accounting Practices (GRAP), including any interpretations of such Statements issued by the Accounting Standards Board, and in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

5. ACCOUNTING OFFICER

Emadlangeni Local Municipality

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	9&11	20 219 558	22 578 509
Receivables from non-exchange transactions	10&11	32 065 408	26 390 744
Prepayments	12	174 840	148 654
Cash and cash equivalents	13	3 568 075	17 013 333
		56 027 881	66 131 240
Non-Current Assets			
Investment property	5	38 197 041	38 614 685
Property, plant and equipment	6	138 241 334	108 465 801
Intangible assets	7	-	3 440
Heritage assets	8	1 190 581	1 190 581
		177 628 956	148 274 507
Total Assets		233 656 837	214 405 747
Liabilities			
Current Liabilities			
Payables from exchange transactions	14	64 036 651	40 804 575
Payables from non-exchange transactions	15	2 841 075	2 719 490
Consumer deposits	17	189 584	185 684
Employee benefit obligation	18	3 028 227	2 971 745
Unspent conditional grants and receipts	19	823 683	25 815 387
		70 919 220	72 496 881
Non-Current Liabilities			
Employee benefit obligation	18	1 410 121	1 636 000
Provisions	20	26 757 586	26 044 934
		28 167 707	27 680 934
Total Liabilities		99 086 927	100 177 815
Net Assets		134 569 910	114 227 932
Accumulated surplus		134 569 910	114 227 932
Total Net Assets		134 569 910	114 227 932

Emadlangeni Local Municipality

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Sale of goods	22	482 616	321 901
Service charges	23	21 523 392	17 292 837
Construction contracts	24	19 580 870	26 278 507
Operational Income	25	723 778	619 542
Rental of facilities and equipment	26	1 410 999	1 495 217
Interest received	27	1 111 916	1 454 352
Licences and permits	28	2 510 293	2 307 035
Actuarial gains/losses	42	426 223	-
Penalties and Interest- Exchange Transactions	29	2 323 550	1 918 044
Total revenue from exchange transactions		50 093 637	51 687 435
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	30	43 789 767	37 400 183
Property rates - penalties imposed	30	7 280 295	4 374 114
Transfer revenue			
Government grants & subsidies	31	87 084 219	63 295 523
Fines, Penalties and Forfeits	32	1 102 428	1 003 831
Donations	60	3 449 269	-
Total revenue from non-exchange transactions		142 705 978	106 073 651
Total revenue	21	192 799 615	157 761 086
Expenditure			
Employee related costs	33	(53 291 962)	(50 905 705)
Employee costs - Remuneration of councillors	34	(4 904 567)	(4 701 594)
Depreciation and amortisation	35	(9 167 188)	(13 350 011)
Finance costs	36	(1 165 631)	(307 054)
Lease rentals on operating lease	37	(167 382)	(171 987)
Debt Impairment	38	(21 196 569)	(15 248 453)
Bulk purchases	39	(24 125 970)	(19 297 998)
Contracted Services	40	(21 780 225)	(18 288 826)
Construction expenses	41	(19 580 870)	(26 278 507)
Actuarial gains/losses	42	-	(84 150)
Donation	43	-	(5 747 830)
General Expenses	44	(15 313 890)	(13 322 736)
Total expenditure		(170 694 254)	(167 704 851)
Surplus (deficit) for the year from continuing operations		22 105 361	(9 943 765)
Loss on disposal		(1 763 385)	(302 943)
Surplus (deficit) for the year		20 341 976	(10 246 708)

Emadlangeni Local Municipality

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Balance at 01 July 2023	124 474 640	124 474 640
Changes in net assets		
Surplus for the year	(10 246 708)	(10 246 708)
Total changes	(10 246 708)	(10 246 708)
Restated* Balance at 01 July 2024	114 227 934	114 227 934
Changes in net assets		
Surplus for the year	20 341 976	20 341 976
Total changes	20 341 976	20 341 976
Balance at 30 June 2025	134 569 910	134 569 910
Note(s)		

Emadlangeni Local Municipality

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		41 946 205	38 882 742
Property rates		28 929 731	44 806 766
Fines		57 624	79 421
Interest income		1 111 916	1 454 352
Other receipts		5 127 685	4 743 695
VAT		7 448 977	16 104 275
Grants		58 589 149	63 295 523
		143 211 287	169 366 774
Payments			
Employee costs		(58 088 043)	(54 378 667)
Suppliers		(63 247 023)	(83 097 092)
Finance costs		(1 149 025)	(182 504)
		(122 484 091)	(137 658 263)
Net cash flows from operating activities	45	20 727 196	31 708 511
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(34 176 353)	(17 629 551)
Net cash flows from investing activities		(34 176 353)	(17 629 551)
Cash flows from financing activities			
Consumer Deposits		3 900	10 190
Net cash flows from financing activities		3 900	10 190
Net increase/(decrease) in cash and cash equivalents		(13 445 257)	14 089 150
Cash and cash equivalents at the beginning of the year		17 013 333	2 924 181
Cash and cash equivalents at the end of the year	13	3 568 076	17 013 331

Emadlangeni Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

	Approved	Adjustment	Final Budget	Actual amounts basis	Difference budget and	Reference
Figures in						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Other revenue	331 200	(61 854)	269 346	482 616	213 270	79%
Service charges	23 300 462	(2 320 448)	20 980 014	21 523 392	543 378	3%
Construction contracts	13 493 913	6 086 956	19 580 869	19 580 870	1	0%
Operational revenue	850 058	(779 557)	70 501	723 778	653 277	927%
Rental of facilities and equipment	1 726 126	(643 345)	1 082 781	1 410 999	328 218	30%
Interest received	1 169 101	498 385	1 667 486	1 111 916	(555 570)	-33%
Licences and permits	2 066 351	525 048	2 591 399	2 510 293	(81 106)	-3%
Penalties and interest- exchange transactions	3 549 000	(1 660 000)	1 889 000	2 323 550	434 550	100%
Total revenue from exchange transactions	46 486 211	1 645 185	48 131 396	49 667 414	1 536 018	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	47 566 650	2 113 166	49 679 816	43 789 767	(5 890 049)	-12%
Property rates - penalties imposed	3 549 000	2 624 323	6 173 323	7 280 295	1 106 972	18%
Transfer revenue						
Government grants & subsidies	46 303 000	6 938 320	53 241 320	87 084 219	33 842 899	64%
Fines, Penalties and Forfeits	1 004 033	(300 747)	703 286	1 102 428	399 142	57%
Donation	-	-	-	3 449 269	3 449 269	100%
Total revenue from non-exchange transactions	98 422 683	11 375 062	109 797 745	142 705 978	32 908 233	
Total revenue	144 908 894	13 020 247	157 929 141	192 373 392	34 444 251	
Expenditure						
Employee Related Costs	(52 089 849)	(3 440 388)	(55 530 237)	(53 291 962)	2 238 275	4%
Remuneration of councillors	(4 740 489)	-	(4 740 489)	(4 904 567)	(164 078)	-3%
Depreciation and amortisation	(9 332 041)	-	(9 332 041)	(9 167 188)	164 853	2%
Finance costs	-	-	-	(1 165 631)	(1 165 631)	-100%
Lease rentals on operating lease	(250 000)	-	(250 000)	(167 382)	82 618	33%
Debt Impairment	(2 851 852)	-	(2 851 852)	(21 196 569)	(18 344 717)	-643%
Bulk purchases	(22 883 173)	(2 528 021)	(25 411 194)	(24 125 970)	1 285 224	5%
Contracted Services	(14 229 961)	(6 097 587)	(20 327 548)	(21 780 225)	(1 452 677)	-7%
Construction Expenses	(13 493 913)	(6 086 956)	(19 580 869)	(19 580 870)	(1)	0%
General Expenses	(17 644 844)	(2 236 311)	(19 881 155)	(15 313 890)	4 567 265	23%
Total expenditure	(137 516 122)	(20 389 263)	(157 905 385)	(170 694 254)	(12 788 869)	
Operating surplus	7 392 772	(7 369 016)	23 756	21 679 138	21 655 382	
Actuarial gains/losses	-	-	-	426 223	426 223	100%
Surplus before taxation	7 392 772	(7 369 016)	23 756	22 105 361	22 081 605	

Emadlangeni Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

	Approve d	Adjustmen t	Final Budget	Actual amounts basi	Difference budget and	Referenc
Figures in						
Surplus for the year from continuing operations	7 392 772	(7 369 016)	23 756	22 105 361	22 081 605	
Discontinued operations	-	-	-	(1 763 385)	(1 763 385)	-100%

Emadlangeni Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Figures in	Approved	Adjustment	Final Budget	Actual amounts basis	Difference budget and	Reference
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	7 392 772	(7 369 016)	23 756	20 341 976	20 318 220	

Reasons for all variances in excess of 10% has been provided in note 57

Emadlangeni Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

	Approved	Adjustments	Final Budget	Actual amounts basis	Difference budget and	Reference
Figures in						
Statement of Financial Position						
Assets						
Current Assets						
Receivables from exchange transactions	14 785 914	464 245	15 250 159	20 219 558	4 969 399	33%
Receivables from non-exchange transactions	48 858 071	(3)	48 858 068	32 065 408	(16 792 660)	-34%
VAT receivable	12 607 966	2 019 292	14 627 258	-	(14 627 258)	-100%
Prepayments	-	-	-	174 840	174 840	100%
Cash and cash equivalents	18 359 268	(14 804 447)	3 554 821	3 568 075	13 254	0%
	94 611 219	(12 320 913)	82 290 306	56 027 881	(26 262 425)	
Non-Current Assets						
Biological assets	4 349 646	-	4 349 646	-	(4 349 646)	-100%
Investment property	32 804 311	-	32 804 311	38 197 041	5 392 730	16%
Property, plant and equipment	122 121 928	23 260 506	145 382 434	138 241 334	(7 141 100)	-5%
Intangible assets	315 188	(128 000)	187 188	-	(187 188)	-100%
Heritage assets	1 190 581	-	1 190 581	1 190 581	-	0%
	160 781 654	23 132 506	183 914 160	177 628 956	(6 285 204)	
Total Assets	255 392 873	10 811 593	266 204 466	233 656 837	(32 547 629)	
Liabilities						
Current Liabilities						
Other current liabilities	252 859	-	252 859	-	(252 859)	-100%
Payables from exchange transactions	55 822 071	-	55 822 071	64 036 651	8 214 580	15%
Payables from non-exchange transactions	8 167 539	-	8 167 539	2 841 075	(5 326 464)	-65%
VAT payable	(311 279)	40 838	(270 441)	-	270 441	-100%
Consumer deposits	180 290	-	180 290	189 584	9 294	5%
Employee benefit obligation	1 623 102	-	1 623 102	3 028 227	1 405 125	87%
Unspent conditional grants and receipts	-	-	-	823 683	823 683	100%
	65 734 582	40 838	65 775 420	70 919 220	5 143 800	
Non-Current Liabilities						
Other current liabilities	2 795 559	-	2 795 559	-	(2 795 559)	-100%
Employee benefit obligation	-	-	-	1 410 121	1 410 121	100%
Provisions	25 920 384	-	25 920 384	26 757 586	837 202	3%
	28 715 943	-	28 715 943	28 167 707	(548 236)	
Total Liabilities	94 450 525	40 838	94 491 363	99 086 927	4 595 564	
Net Assets	160 942 348	10 770 755	171 713 103	134 569 910	(37 143 193)	

Emadlangeni Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Figures in	Approve d	Adjustmen t	Final Budget	Actual amounts basi	Difference budget and	Referenc
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	160 942 348	10 770 755	171 713 103	134 569 910	(37 143 193)	-22%

Reasons for all sub-component area in excess of 15% has been provided in note 57

Emadlangeni Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Figures in	Approved	Adjustments	Final Budget	Actual amounts basis	Difference budget and	Reference
CASH FLOW STATEMENT						
Cash flows from operating activities						
Receipts						
VAT	-	-	-	7 448 977	7 448 977	100%
Sale of goods and services	17 901 820	(68 807)	17 833 013	41 946 205	24 113 192	135%
Grants	80 269 617	28 829 703	109 099 320	58 589 149	(50 510 171)	-46%
Interest income	8 267 727	(435 727)	7 832 000	1 111 916	(6 720 084)	-86%
Fines	-	-	-	57 624	57 624	100%
Other receipts	4 326 618	(269 574)	4 057 044	5 127 685	1 070 641	26%
Property rates	38 372 589	1 371 265	39 743 854	28 929 731	(10 814 123)	-27%
	149 138 371	29 426 860	178 565 231	143 211 287	(35 353 944)	
Payments						
Employee costs	(56 916 858)	(3 505 572)	(60 422 430)	(58 088 043)	2 334 387	4
Suppliers	(62 040 933)	(9 206 948)	(71 247 881)	(63 247 023)	8 000 858	11%
Finance costs	-	-	-	(1 149 025)	(1 149 025)	-100%
	(118 957 791)	(12 712 520)	(131 670 311)	(122 484 091)	9 186 220	
Net cash flows from operating activities	30 180 580	16 714 340	46 894 920	20 727 196	(26 167 724)	
Cash flows from investing activities						
Purchase of property, plant and equipment	(33 612 063)	(26 741 586)	(60 353 649)	(34 176 353)	26 177 296	43%
Cash flows from financing activities						
Consumer deposits	-	-	-	3 900	3 900	100%
Net increase/(decrease) in cash and cash equivalents	(3 431 483)	(10 027 246)	(13 458 729)	(13 445 257)	13 472	
Cash and cash equivalents at the beginning of the year	21 790 751	(4 777 418)	17 013 333	17 013 333	-	
Cash and cash equivalents at the end of the year	18 359 268	(14 804 664)	3 554 604	3 568 076	13 472	
Reconciliation						

Reasons for all sub-component areas in excess of 15% has been provided in note 57

Emadlangeni Local Municipality

Annual Financial Statements for the year ended 30
June 2025

Figures in Rand	Note(s)	2025	2024
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3. 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.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

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 MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

Emadlangeni Local Municipality

Annual Financial Statements for the year ended 30
June 2025

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.

Emadlangeni Local Municipality

Annual Financial Statements for the year ended 30
June 2025

1.5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED) RECEIVABLES FROM EXCHANGE AND NON- EXCHANGE TRANSACTIONS

The municipality assesses its 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 receivables is calculated as the difference between the assets carrying amount and the present value of estimated future cashflows discounted. Future cashflows is estimated based on the history of past collection rates which is discounted at the effective rate of interest. The discounted future cashflows is therefore influenced by factors such as poor economic conditions, significant financial difficulty of the debtor or delinquency in debtor payments as well as economic effects on the prime lending rates which is used as a factor to calculate the effective interest rate.

Refer to notes 8 and 9: Receivables from exchange and non-exchange transactions for the carrying values.

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 20 - Provisions. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

CONTINGENT LIABILITIES

Contingent liabilities are disclosed based on managements best estimate of the potential outflow of economic benefits. The contingent liability disclosure is based on the assumptions of matters being settled within an assumed future timeframe and expected costs. Changes in both future events and economic conditions may alter the amounts as disclosed. Refer to note 45: Contingencies for associated values.

USEFUL LIVES OF FIXED ASSETS

The municipality's management determines the estimated useful lives and related depreciation charges for the fixed assets. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives. For details, carrying values and related useful lives and depreciation rates for fixed assets refer to notes 1.7: Investment Property, 1.8: Property plant and equipment and 1.9: Intangible assets read in conjunction with notes 3: Investment property, 4: PPE, 5: Intangible assets and 6: Heritage assets.

POST-RETIREMENT BENEFITS

Emadlangeni Local Municipality

Annual Financial Statements for the year ended 30
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The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The mortality rates, gender and age together with a discount factor and market conditions forms part of the assumptions utilised. Refer to Note 7: Employee benefit obligations for other information and the carrying values.

The mortality rates, gender and age together with a discount factor and market conditions forms part of the assumptions utilised. Refer to Note 18: Employee benefit obligations for other information and the carrying values

ENVIRONMENTAL REHABILITATION PROVISION

The provision is raised for the rehabilitation of waste disposal landfill site to its original state once the site has reached the end of the useful life. For key assumptions and estimates relating to the Environmental rehabilitation provision, refer to note : 20 Provisions.

Emadlangeni Local Municipality

Annual Financial Statements for the year ended 30
June 2025

1.6 BIOLOGICAL ASSETS

Biological assets are living resources (animals) that undergo biological transformation held by the municipality in the game park. These assets are held for conservation purposes.

The municipality recognises biological assets when, and only when:

the municipality controls the asset as a result of past events;

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

Measurement

Biological assets are recognized at cost and where these assets are acquired through a non-exchange transaction, its cost is measured at fair value at the date of acquisition.

Subsequent Measurement

Biological assets are subsequently measured at revalued amount, which is the fair value at the revaluation date less any accumulated depreciation and accumulated impairment losses. The revaluation is performed annually on the reporting date. Should the carrying amount of a living resource increase as a result of a revaluation, the increase shall be credited directly to a revaluation surplus. The increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same living resource previously recognised in surplus or deficit.

Should the carrying amount of a living resource decrease as a result of a revaluation, the decrease shall be recognised in surplus or deficit. The decrease shall be debited directly in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that living resource. The decrease recognised directly in net assets reduces the amount accumulated in net assets under the heading revaluation surplus.

Derecognition

The carrying amount of a living resource is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a living resource is included in surplus or deficit when the item is derecognised.

Upon disposal of the living resource or a group of living resources, the compensation received and the amount recognised in the statement of financial performance.

1.7 INVESTMENT PROPERTY

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

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

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Emadlangeni Local Municipality

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Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

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

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Emadlangeni Local Municipality

Annual Financial Statements for the year ended 30
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1.7 INVESTMENT PROPERTY (CONTINUED) COST MODEL

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on the straight-line method to write down the cost, less estimated residual value over the useful life of the property.

Property - land	indefinite
Property - buildings	10-30 years
Infrastructure-other	10-40 years
Infrastructure- Dam	88 years

1.8 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.

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

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the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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

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

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

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

Property, plant and equipment are depreciated on the 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.

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

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1.8 Property, plant and equipment (continued)

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	10-50 Years
Plant and machinery	Straight-line	2-50 Years
Furniture and fixtures	Straight-line	2-30 Years
Motor vehicles	Straight-line	2-30 Years
IT equipment	Straight-line	2-20 Years
Infrastructure	Straight-line	2-90 Years
Community	Straight-line	2-90 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.

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.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

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

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

1.9 INTANGIBLE ASSETS

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An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

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1.9 INTANGIBLE ASSETS (CONTINUED)

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
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Computer software, other	Straight-line	3-6 Years
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1.10 Heritage assets

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.

RECOGNITION

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

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1.10 HERITAGE

ASSETS

(CONTINUED) INITIAL

MEASUREMENT

Heritage assets are measured at cost.

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

SUBSEQUENT MEASUREMENT

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

IMPAIRMENT

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

TRANSFERS

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset. Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

DERECOGNITION

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.11 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

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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.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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1.11 FINANCIAL INSTRUMENTS (CONTINUED)

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
- 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.

Loan commitment is a firm commitment to provide credit under pre-specified terms

and conditions. Loans payable are financial liabilities, other than short-term

payables on normal credit terms.

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Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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.

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1.11 FINANCIAL INSTRUMENTS (CONTINUED)

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.

1.12 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

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The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

INITIAL MEASUREMENT

The municipality initially measures statutory receivables at their transaction amount.

SUBSEQUENT MEASUREMENT

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1.12 Statutory receivables (continued)

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

ACCRUED INTEREST

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

OTHER CHARGES

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

IMPAIRMENT LOSSES

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, 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

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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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1.12 STATUTORY RECEIVABLES (CONTINUED)

- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.13 VA

T VAT

The municipality is a registered VAT vendor. The municipality accounts for VAT on the payments basis in terms of section 15 of the VAT Act. VAT receivable from SARS is a statutory receivable accounted for in accordance with GRAP 108.

VAT payable to SARS is a statutory payable and is accounted for in accordance with the municipality's policy on statutory obligations.

VAT input/output accruals and VAT control balances are not offset unless a legal right to set-off exists and the municipality intends to settle on a net basis. Commitments: Commitments are stated exclusive of VAT.

1.14 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

FINANCE LEASES - LESSOR

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

FINANCE LEASES - LESSEE

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Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

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1.14 LEASES

(CONTINUED)

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.

1.15 CONSTRUCTION CONTRACTS AND RECEIVABLES

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

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The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by completion of a physical proportion of the contract work.

The municipality is a participant in the Integrated National Electrification Programme (INEP). Funds are received from Eskom or the Department of Mineral resources and Energy (DMRE) to construct electrification infrastructure on behalf of Eskom in Eskom designated licencing areas.

The municipality is considered to be a contractor in terms of GRAP 11.

Funds are received in advance and recognised as a liability. Qualifying INEP expenditure is recognised as construction expenses when the expenditure is incurred. Construction revenue is recognised to the extent of the expenditure incurred which is reduced by the advance funds received.

Construction revenue comprises: The initial amount agreed in the Contract, and any variations to the agreement

Construction revenue is recognised when it is probable that they will result in revenue and they are capable of being measured reliably

Construction costs comprise costs that relate directly to the specific contract and costs that are attributable to the contract activity.

Any unused funds advanced to the municipality remain as a

Construction liability. Presentation

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1.15 CONSTRUCTION CONTRACTS AND RECEIVABLES (CONTINUED)

Construction revenue: disclosed as construction revenue as a separate line on the face of the statement of financial performance under revenue from exchange transactions.

Contract Costs: disclosed as construction costs as a separate line on the face of the statement of the statement of financial performance.

Contract creditor: Disclosed as a payable under payables from exchange transactions in the statement of financial position.

1.16 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.

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1.17 EMPLOYEE BENEFITS

Short-term employee benefits

Employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of municipality sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

DEFINED BENEFIT PLANS

For defined benefit plans the cost of providing the benefits is determined through actuarial valuations using the Projected Unit Credit discounted cashflow method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. Consideration is given to any event that could impact the funds up to end of the reporting period.

Past service costs are recognised immediately to the extent that the benefits are already vested.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Other post retirement obligations

The entity provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations.

1.18 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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-
- 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.

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1.18 PROVISIONS AND CONTINGENCIES (CONTINUED)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus (deficit).

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 47.

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.

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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.

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1.18 PROVISIONS AND CONTINGENCIES (CONTINUED)

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, an 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
- 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.

1.19 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

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1.20 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.

SALE OF GOODS

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

RENDERING OF SERVICES

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

INTEREST, ROYALTIES AND DIVIDENDS

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Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised 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.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

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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1.21 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

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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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1.21 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.

EXPENSES

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets.

Expenses are recognised when:

It is probable that the economic benefits or service potential associated with the transaction will flow out of the municipality, and The amount of the expense can be measured reliably

Expenditure arising from Bulk purchases, contracted services and general expenses are measured at the cost of the outflow of resources from the municipality.

1.22 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.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in

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accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.23 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.24 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.

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1.24 IRREGULAR EXPENDITURE (CONTINUED)

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).

1.25 SEGMENT INFORMATION

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

MEASUREMENT

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.26 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 economic classification linked to performance outcome objectives.

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The approved budget covers the fiscal period from 2024/07/01 to 2025/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.27 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.

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1.27 RELATED PARTIES (CONTINUED)

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are 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.

1.28 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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1.29 ACCOUNTING BY PRINCIPALS AND AGENTS IDENTIFICATION

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit. Additional text

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 GRAP 109.

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 GRAP 109.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

KZN Department of Transport: The municipality acts as an agent in terms of the agreement it has with the department. The Department is responsible for registration, licensing and testing functions in terms of applicable national and provincial road traffic legislation. The Department, to provide greater access to clients throughout the Province, transfers specified registration, licensing and testing functions to appropriately identified agents, which act as agents for the Department to process these functions.

The Department and the Municipality entered into an agreement for the transfer of registration and licensing of motor vehicle and learners license testing functions.

The municipality recognises agency fees from the department for the services it renders. Any amounts owing from the department at year end is reflected as a receivable

Under this agreement, any physical hardware to deliver on the agreement remains the asset of the department.

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Spar and Dix take aways: The municipality acted as a principal in terms of the agreement it has with the these parties. The municipality appointed Spar and Dix take-aways for the purposes of dispensing and selling electricity coupons to

consumers. These agreements terminated on the 30 June 2024. Under the Spar and Dix agreements, any physical hardware to deliver on the agreements, remained the assets of the municipality.

Contour: The municipality entered into an agreement with Contour for the sale of prepaid electricity in the 2025 period. Prepaid electricity sales is recognised based in the month the sale occurred. The full amount collected by Contour is paid to the municipality within a few days after month end. Contour invoices the municipality for the commission due to them. Under this agreement, all assets belong to Contour.

The municipality recognises commission expenses for the amounts payable to the parties for the services they render on behalf of the municipality. Any amounts due to the parties at year end is reflected as a payable.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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4. NEW STANDARDS AND INTERPRETATIONS

4.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 2023 Improvements to the Standards of GRAP 2023	To be determined	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined	Unlikely there will be a material impact
• GRAP 103 (amended): Heritage Assets	To be determined	Unlikely there will be a material impact
• GRAP 105 on Transfer of Functions Between Entities Under Common Control (amended)	To be determined	Unlikely there will be a material impact
• GRAP 106 on Transfer of Functions Between Entities Not Under Common Control (amended)	To be determined	Unlikely there will be a material impact
• GRAP 107 on Mergers (amended)	To be determined	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	Unlikely there will be a material impact

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5. INVESTMENT PROPERTY

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	44 508 815	(6 311 774)	38 197 041	44 656 464	(6 041 779)	38 614 685

RECONCILIATION OF INVESTMENT PROPERTY - 2025

Opening balance	Disposals	Depreciation	Total
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Investment property	38 614 685	(19 211)	(398 433)	38 197
041				

RECONCILIATION OF INVESTMENT PROPERTY - 2024

	Open ing balanc e	Transfers	Depreciation	Total
Investment property	39 099 380	(84 080)	(400 615)	38 614
685				

Restrictions and Contractual obligations

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

No restrictions or contractual obligations exist on Investment Property.

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5. INVESTMENT PROPERTY (CONTINUED)

Maintenance of investment property

The following maintenance costs were incurred:

Repairs and Maintenance: Investment property	-	10 982
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There was no repairs and maintenance incurred in the current period. .

Amounts recognised in surplus or deficit

Rental revenue from Investment property	990 056	1 282 885
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Emadlangeni Local Municipality

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6. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	2 812 330	-	2 812 330	2 812 330	-	2 812 330
Buildings	18 547 583	(11 606 444)	6 941 139	15 218 676	(11 104 037)	4 114 639
Plant and machinery	4 498 780	(2 357 531)	2 141 249	4 404 197	(2 112 253)	2 291 944
Furniture and fixtures	4 310 555	(2 742 262)	1 568 293	3 871 662	(2 491 167)	1 380 495
Motor vehicles	6 198 878	(4 467 665)	1 731 213	5 280 085	(4 098 648)	1 181 437
IT equipment	2 343 657	(1 569 030)	774 627	2 143 554	(1 299 285)	844 269
Infrastructure	189 250 010	(84 207 404)	105 042 606	165 393 117	(87 798 970)	77 594 147
Community	37 804 762	(20 574 885)	17 229 877	43 637 517	(25 390 977)	18 246 540
Total	265 766 555	(127 525 221)	138 241 334	242 761 138	(134 295 337)	108 465 801

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6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED) RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2025

	Open ing balanc e	Additions in/	Donations	Disposals	Transfers out	Depreciation nt	Impairme nt loss	Total
Land	2 812 330	-	-	-	-	-	-	2 812 330
Buildings	4 114 639	6 500	3 322 407	-	-	(461 615)	(40 792)	6 941 139
Plant and machinery	2 291 944	94 584	-	-	-	(241 467)	(3 812)	2 141 249
Furniture and fixtures	1 380 495	179 152	52 058	-	207 684	(250 397)	(699)	1 568 293
Motor vehicles	1 181 437	918 793	-	-	-	(369 017)	-	1 731 213
IT equipment	844 269	125 299	74 804	-	-	(268 425)	(1 320)	774 627
Infrastructure	77 594 147	35 511 228	-	(1 744 136)	(207 684)	(5 808 288)	(302 661)	105 042 606
Community	18 246 540	-	-	(40)	-	(1 016 623)	-	17 229 877
	108 465 801	36 835 556	3 449 269	(1 744 176)	-	(8 415 832)	(349 284)	138 241 334

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6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	2 796 477	-	-	15 853	-	-	2 812 330
Buildings	5 014 505	-	-	-	(419 659)	(480 207)	4 114 639
Plant and machinery	2 159 692	366 266	-	-	(234 014)	-	2 291 944
Furniture and fixtures	1 221 845	430 250	-	-	(271 600)	-	1 380 495
Motor vehicles	1 563 363	-	-	-	(381 926)	-	1 181 437
IT equipment	984 737	183 252	-	-	(323 720)	-	844 269
Infrastructure	76 501 362	11 231 483	-	-	(10 138 698)	-	77 594 147
Community	17 966 891	-	(6 050 774)	6 989 274	(658 851)	-	18 246 540
	108 208 872	12 211 251	(6 050 774)	7 005 127	(12 428 468)	(480 207)	108 465 801

Reconciliation of Work-in-Progress 2025

	Included within Infrastructure	Total
Opening balance	834 484	834 484
Additions/capital expenditure	34 972 983	34 972 983
Transferred to completed items	(30 831 762)	(30 831 762)
	4 975 705	4 975 705

Reconciliation of Work-in-Progress 2024

	Included within Infrastructure	Total
Opening balance	4 065 543	4 065 543
Additions/capital expenditure	15 890 770	15 890 770
Transferred to completed items	(19 121 829)	(19 121 829)

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834 484	834 484
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6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
Expenditure incurred to repair and maintain property, plant and equipment		
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Buildings	132 580	438 285
Motor Vehicles	365 176	534 237
Machinery	435 393	5 939
	933 149	978 461

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

GRAP 17: Property, Plant and Equipment requires that the eMadlangeni Local Municipality shall at each reporting date assess whether there has been an indication that the Municipality's expectation about the remaining useful lives of assets have changed. Such review has been completed and the following results were achieved.

The indicator, "The asset is approaching the end of its previously expected useful life", was identified in respect of 642 immovable assets and 1689 movable assets. Management determined that these assets will still be in use for at least the next two financial periods and the remaining useful lives of these assets were extended accordingly.

The impact of the adjustment is that depreciation charges on Property, Plant and Equipment for the 2024 financial period has decreased by R 598 315 made up of R 373 928 Infrastructure assets and R 224 387 Movable assets. This change in depreciation is expected to remain the same over the next 24 months.

The municipality had not accounted for structures erected on leased property owned by the council. A prior period adjustment to Property, plant and Equipment was made in the current financial period. In accordance with GRAP 17, Property, Plant, and Equipment, the entity has made extensive efforts to determine the opening balances for the current financial period. However, it has been deemed impracticable to do so due to the following reasons:

Lack of access to adequate historical records or documentation to accurately determine the opening balances due to the passage of time resulting in the challenge and impracticability to reconstruct the necessary data.

Lack of market information dating back to the period when the assets ought to have been recorded.

There's insufficient publicly available information to determine the depreciated replacement cost specific to areas around Utrecht and surrounding towns.

The cost associated with getting an expert to perform the recalculations in managements opinion is not considered practical.

Significant challenges in valuing these leasehold improvements due to the absence or lack of market data or comparable transactions for the period in question.

The municipality used the services of the property valuator already contracted perform the municipal valuation roll to assist in sub-dividing the properties and determining the market value for the leasehold improvements.

As a result, the municipality has taken due consideration in applying relevant standards to determine the deemed cost for these assets. Thus, the applied accounting policies will be applied prospectively from the beginning of the current financial period.

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7. INTANGIBLE ASSETS

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1 560 201	(1 560 201)	-	1 560 201	(1 556 761)	3 440

RECONCILIATION OF INTANGIBLE ASSETS - 2025

Opening balance	Amortisation	Total
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Computer software, other	3 440	(3 440)	-
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RECONCILIATION OF INTANGIBLE ASSETS - 2024

	Open ing balanc e	Amortisation	Total
Computer software, other	53 978	(50 538)	3 440

RESTRICTIONS AND CONTRACTUAL OBLIGATIONS

No restrictions or contractual obligations exist.

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8. HERITAGE ASSETS

	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Heritage assets which fair values cannot be reliably measured: (Para .94)						
Heritage Assets (Land and Buildings- refer to reconciliation below)	1 490 000	(299 419)	1 190 581	1 490 000	(299 419)	1 190 581
Reconciliation of heritage assets 2025				Opening Balance	Total	
Buildings				942 247	942 247	
Land				248 334	248 334	
				1 190 581	1 190 581	
Reconciliation of heritage assets 2024				Opening Balance	Total	
Buildings	-	-	-	942 247	942 247	
Land	-	-	-	248 334	248 334	
	-	-	-	1 190 581	1 190 581	

No expenditure was incurred in the period under review for heritage assets.

Restrictions and contractual obligations

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No restrictions or contractual obligations exist.

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Figures in Rand	2025	2024
9. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Input Vat accrual	11 309 830	9 546 142
SARS receivable	-	1 305 898
Consumer debtors - Electricity	5 208 928	7 149 272
Consumer debtors - Refuse	2 842 968	3 148 060
Consumer debtors - Other	857 832	942 140
Accrued Interest Income	-	486 997
	20 219 558	22 578 509

The financial assets that give rise to a contractual right to receive cash or another financial asset is indicated above. Financial assets exclude the Input Vat accrual as this represents a statutory obligation as opposed to a contractual obligation. No debtors has been pledged as security.

Refer to note 11 for further details on gross and impairment balances.

INTEREST OR OTHER CHARGES LEVIED/CHARGED

Consumers are charged interest at 1.5% on all outstanding balances over 30 days.

PROVISION FOR IMPAIRMENT

Receivables from exchange transactions: the municipality first assesses whether objective evidence of impairment exists individually for debtors that are individually significant. If the municipality determines that no objective evidence of impairment exists for an individually assessed debtor, it includes the asset in a group of debtors with similar credit risk characteristics and collectively assesses them for impairment.

Debtor balances outstanding for more than 30 days serves as an indication of possible impairment. Organs of state is seen as a financial asset falling within a different credit profile to the usual community consumers. For all intents and purposes, all inter-governmental debt should be fully collectible. Government debt is therefore not provided for.

The impairment loss is calculated as the difference between the assets carrying amount and the present value of estimated future cashflows discounted. A discount rate applied to the estimated future cash flows of 11% (2024:12%) was used which was calculated as the effective interest rate.

The past payment history of consumer debtors is used as the basis to estimate the future cashflows. Once the estimated cashflow is established, it is discounted. Government debt also forms part of the estimated future cashflows.

TRADE AND OTHER RECEIVABLES PAST DUE BUT NOT IMPAIRED

The amount past due but not impaired relates to all government debt that is past the due date of 30 days. Government debt is considered recoverable and has not been provided for. At 30 June 2025, the amount past due and not impaired amounts to R26 702 411.

The ageing of amounts past due but not impaired is as follows:

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Category of service	31-60 days	61-90 days	91-120 days	> 121 days	Total
Property rates	-	403 758	373 570	14 130 893	14 908 221
Electricity	-	330 271	317 541	2 817 470	3 465 282
Refuse	-	3 466	3 466	144 710	151 642
Rental	-	4 825	4 825	70 475	80 125
Other	-	-	-	558	558
Interest	-	339 152	325 454	7 431 976	8 096 582
	-	1 081 472	1 024 856	24 596 082	26 702 410

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Figures in Rand	2025	2024
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9. RECEIVABLES FROM EXCHANGE

TRANSACTIONS (CONTINUED)

STATUTORY RECEIVABLES GENERAL

INFORMATION

Transaction(s) arising from statute

Statutory receivables are receivables that:

- (a) arise from legislation, supporting regulations, or similar means; and
- (b) require settlement by another entity in cash or another financial asset.

The municipality is a registered VAT vendor in terms of the VAT act. The municipality accounts for VAT on the payments basis in terms of section 15 of the VAT Act. The input vat accrual represents VAT on expenses incurred by the municipality. It represents VAT on cash that is still to be paid to suppliers.

Vat input on expenses declared and assessed by SARS and receivable from SARS is represented through the VAT control account. This is therefore considered a Statutory Receivable from exchange transactions.

During the previous reporting period the net VAT (input and output accrual and balance payable or receivable) was presented on the Statement of Financial Position. Given that the nature of the VAT accounts is different, it was not be appropriate to offset these amounts on the Statement of Financial Position. As a result, the VAT receivable from or payable to SARS is separately presented as a receivable. VAT relating to expenses incurred but not yet paid is presented as an Input VAT accrual. VAT relating to revenue raised but not yet received is presented as an output VAT Accrual. Comparative figures have been adjusted.

DETERMINATION OF TRANSACTION AMOUNT

Vat is levied at 15% on vatable goods and services from registered VAT vendors.

INTEREST OR OTHER CHARGES LEVIED/CHARGED

Interest and penalties are levied by SARS on late payments or returns not submitted timeously. The basis of such interest and penalties is determined per the tax administration act.

BASIS USED TO ASSESS AND TEST WHETHER A STATUTORY RECEIVABLE IS IMPAIRED

The basis used to assess whether a SARS receivable is impaired is done by assessing the probability of recovery such as whether the claim is valid, reasons for dis-allowing claims or timing factors. The VAT balance is not considered to be be impaired.

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10. Receivables from non-exchange transactions

Fines	31 127	48 266
Consumer debtors - Rates	32 034 281	26 342 478
	32 065 408	26 390 744

No debtors has been pledged as security.
Refer to note 11 for further details on gross and impairment balances.

The provision for impairment for traffic fines is R4 061 235 (2024: R3 124 546). Refer to provision for impairment reconciliation below.

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10. RECEIVABLES FROM NON-EXCHANGE

TRANSACTIONS (CONTINUED)

STATUTORY RECEIVABLES GENERAL

INFORMATION

Transaction(s) arising from statute

Traffic fines-section 56 and 139 of the traffic management act determines the type of fines that maybe levied by the municipality to motoroists that contraves these acts.

Property rates-property rates are levied in acordance with the MPRA that requires different percentage to be levied on different properties depending on the use and the extent of those properties.

DETERMINATION OF TRANSACTION AMOUNT

Traffic fines: The transaction amount is determined by reference to the traffic fines issues per the traffic fine books used by the traffic fines department which is in accordance with section 56 and 139 in relation to traffic fines.

Property rates: The transaction amount is levied in acordance with the MPRA that requires different percentage to be levied on different properties depending on the use and the extent of those properties.

INTEREST OR OTHER CHARGES LEVIED/CHARGED

The municipality does not levy interest on late payments on traffic fines. Interest on late payments of property rates is levied at 1.5% on accounts overdue for more than 30 days.

BASIS USED TO ASSESS AND TEST WHETHER A STATUTORY RECEIVABLE IS IMPAIRED

Traffic fines: The municipality is using the collection rate as a basis to perform the assessment for the estimate of the provision for impairment of traffic fines.

Property rates: the municipality first assesses whether objective evidence of impairment exists individually for debtors that are individually significant. If the municipality determines that no objective evidence of impairment exists for an individually assessed debtor, it includes the asset in a group of debtors with similar credit risk characterics and collectively assesses them for impairment.

Debtor balances outstanding for more than 30 days serves as an indication of possible impairment. Organs of state is seen as a financial asset falling within a different credit profile to the usual community consumers. Its is anticipated that all balances from organs of state will be received and is therefore not considered for impairment.

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The impairment loss is calculated as the difference between the assets carrying amount and the present value of estimated future cashflows discounted.

The past payment history of consumer debtors is used as the basis to estimate the future cashflows. Once the estimated cashflow is established, it is discounted. A discount rate applied to the estimated future cash flows of 11% (2024:12%) was used which was calculated as the effective interest rate.

The difference between the carrying value and the discounted cashflows is results in the provision amount.

STATUTORY RECEIVABLES PAST DUE BUT NOT IMPAIRED

The amount past due but not impaired relates to all traffic fines that is past the due date of 30 days. At 30 June 2025, R31 127 were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

> 121 days	31 127	48 266
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RECONCILIATION OF PROVISION FOR IMPAIRMENT

FOR STATUTORY RECEIVABLES RECONCILIATION:

TRAFFIC FINES

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10. Receivables from non-exchange transactions (continued)		
Gross balance	4 092 362	3 172 812
Allowance for impairment	(4 061 235)	(3 124 546)
	31 127	48 266
Opening balance	3 124 546	1 533 426
Increase in provision for impairment	936 689	1 655 270
Amounts written off as uncollectible	-	(64 150)
	4 061 235	3 124 546

Refer to note 11 for the reconciliation on rates.

11. Consumer debtors disclosure

Gross balances

Consumer debtors - Rates	76 014 984	53 874 652
Consumer debtors - Electricity	12 366 227	14 621 424
Consumer debtors - Refuse	6 746 178	6 438 295
Consumer debtors - Other	2 097 250	1 972 247
	97 224 639	76 906 618

Less: Allowance for impairment

Consumer debtors - Rates	(43 980 703)	(27 532 174)
Consumer debtors - Electricity	(7 157 299)	(7 472 152)
Consumer debtors - Refuse	(3 903 210)	(3 290 235)
Consumer debtors - Other	(1 239 418)	(1 030 107)
	(56 280 630)	(39 324 668)

Net balance

Consumer debtors - Rates	32 034 281	26 342 478
Consumer debtors - Electricity	5 208 928	7 149 272
Consumer debtors - Refuse	2 842 968	3 148 060
Consumer debtors - Other	857 832	942 140
	40 944 009	37 581 950

Rates

Current (0 -30 days)	5 237 252	3 113 623
31 - 60 days	-	1 222
61 - 90 days	2 356 427	1 789 795
91 - 120 days	2 262 378	1 347 905
> 365 days	66 158 927	47 622 108
	76 014 984	53 874 653

Electricity

Current (0 -30 days)	2 435 508	2 096 354
61 - 90 days	835 389	147 471
91 - 120 days	836 946	408 390
> 365 days	8 258 384	11 969 209
	12 366 227	14 621 424

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11. Consumer debtors disclosure (continued)		
Refuse		
Current (0 -30 days)	349 276	310 153
31 - 60 days	(68)	1 015
61 - 90 days	147 386	(68 965)
91 - 120 days	137 882	128 170
> 365 days	6 111 702	6 067 922
	6 746 178	6 438 295
Traffic Fines		
Current (0 -30 days)	79 000	-
31 - 60 days	81 500	-
61 - 90 days	71 550	-
91 - 120 days	52 100	-
121 - 365 days	3 808 212	-
	4 092 362	-
Accrued Income		
Current (0 -30 days)	-	486 997
Input VAT accrual	11 309 830	9 546 142
Other		
Current (0 -30 days)	195 806	143 214
61 - 90 days	55 753	(248 418)
91 - 120 days	45 013	42 148
> 365 days	1 800 678	2 035 303
	2 097 250	1 972 247
Other debtors relates to rental of houses and municipal sites.		
Accrued Income		
Accrued Income- Interest income	-	154 337

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11. Consumer debtors disclosure (continued)		
Reconciliation of allowance for impairment: Summary		
Balance at beginning of the year	39 324 670	32 956 210
Contributions to allowance including Debt impairment written off against allowance	16 955 960	6 368 460
	56 280 630	39 324 670
Reconciliation of provision for impairment: Rates		
Balance at beginning of the year	27 532 175	25 703 207
Contributions to allowance	16 448 527	7 155 033
Debt impairment written off against allowance	-	(5 326 065)
	43 980 702	27 532 175
Reconciliation of provision for impairment: Electricity		
Balance at beginning of the year	7 472 152	4 173 065
Contributions to allowance	(314 853)	3 299 087
	7 157 299	7 472 152
Reconciliation of provision for impairment: Refuse		
Balance at beginning of the year	3 290 235	2 135 668
Contributions to allowance	612 977	1 154 567
	3 903 212	3 290 235
Reconciliation of provision for impairment: Other		
Balance at beginning of the year	1 030 106	944 269
Contributions to allowance	209 313	85 837
	1 239 419	1 030 106
12. Prepayments		
Prepayments	174 840	148 654
13. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	1 083	1 083
Bank balances	676 928	77 611
Short-term deposits	2 890 064	16 934 639
	3 568 075	17 013 333

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13. CASH AND CASH EQUIVALENTS (CONTINUED)

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
Account 62864159366	676 928	77 611	603 038	676 928	77 611	603 038
INEP 06 850 0947 - 102	-	24 310	824	-	24 310	824
(Account closed October 2024)						
Nguni Cattle - 42 880 052 1 - 003 (Account closed October 2024)	-	6 085	6 085	-	6 085	6 085
KZN Wildlife - 06 850 094 7 - 070	10 313	10 313	10 313	10 313	10 313	10 313
VAT refund account - 42 880 052 1 - 002	32 215	29 866	27 890	32 215	29 866	27 890
Repairs 376 houses - 06 850 418 7 - 001 & 6850-0947-33	2 496 521	2 312 835	2 159 027	2 496 521	2 312 835	2 159 027
General investments - 06 850 094 7 - 030	269 517	9 147 495	67 095	269 517	9 147 495	67 095
Proceeds from auction - 06 850 094 7 - 050 (Account closed October 2024)	-	5 038	4 820	-	5 038	4 820
MIG 20192020 06 850 0947 - 096 (Account closed October 2024)	-	5 165 454	9 881	-	5 165 454	9 881
Consumer deposits - 06 850 094 7 - 084	10 518	10 035	9 563	10 518	10 035	9 563
Housing rentals - 06 850 094 7 - 094 (Account closed October 2024)	-	5 830	5 830	-	5 830	5 830
INEP Retention - 06 850 094 7 - 087	1 547	1 475	1 411	1 547	1 475	1 411
Spatial planning - 06 850 094 7 - 090 (Account closed October 2024)	-	1 283	1 283	-	1 283	1 283
EPWP 06 850 0947 - 097	4 015	4 015	4 015	4 015	4 015	4 015
FMG 06 850 0947 - 099 (Account closed October 2024)	-	40 716	2 648	-	40 716	2 648
Balele 06 850 0947 - 105	9 376	9 376	9 375	9 376	9 376	9 375
FNB Call Account Investment 63061842928	28 584	160 513	-	28 584	160 513	-
Disaster 068500947109	27 458	-	-	27 458	-	-
Total	3 566 992	17 012 250	2 923 098	3 566 992	17 012 250	2 923 098

14. Payables from exchange transactions

Trade payables	27 484 831	7 606 075
Retentions	12 110 547	9 451 344
Leave pay accrued	4 053 251	3 827 656
Direct deposits, third parties and other	(55 340)	926 650
Deposits received	23 702	22 212
Credit balances: receivable from exchange transactions	3 090 187	3 083 200
Output Vat accrual	17 329 473	14 581 924
Other Payable: INEP	-	1 305 514

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64 036 651	40 804 575
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14. PAYABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Debtors with credit balances: R5 931 262 (2024: R5 802 690) is split between R3 090 187 (2024: R3 083 200) relating to receivables from exchange transactions and R2 841 075 (2024:R2 719 490) which relates to receivables from non exchange transactions.

Other payables: INEP relates to the unspent portion of the funds in terms of the agreement the municipality has in place with Eskom/Department of mineral resources and energy. The municipality has an agreement in place to construct electrical infrastructure in Eskom liscenced areas. The construction contract expenses consist mainly of contracted services where-in the Municipality procures the services of contractors for the construction related expenditure. Revenue is recognised excluding Vat when the expenditure is incurred. The roll-over balance of R1 305 514 was not approved and was written off against equitable share in the current period, therefore the current period balance is nil.

During the previous reporting period the net VAT (input and output accrual and balance payable or receivable) was presented on the Statement of Financial Position. Given that the nature of the VAT accounts is different, it was not be appropriate to offset these amounts on the Statement of Financial Position. As a result, the VAT receivable from or payable to SARS is separately presented as a receivable. VAT relating to expenses incurred but not yet paid is presented as an Input VAT accrual. VAT relating to revenue raised but not yet received is presented as an output VAT Accrual. Comparative figures have been adjusted.

15. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Credit non exchange debtors	2 841 075	2 719 490
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The debtors with credit balances amounting to R5 931 262 (2024: R5 802 690) is split between R3 090 187 (2024: R3 083 200) relating to receivables from exchange transactions and R2 841 075 (2024:R2 719 490) which relates to receivables from non exchange transactions.

16. STATUTORY PAYABLE FROM EXCHANGE TRANSACTIONS - VAT

Statutory payables arise from obligations imposed by legislation. The municipality is a registered VAT vendor in terms of the VAT act. The municipality accounts for VAT on the payments basis in terms of section 15 of the VAT Act. The output VAT accrual represents VAT levied by the municipality on vatable goods or services that it raised. It represents VAT on cash that is still to be received.

Vat output on revenue declared and assessed by SARS and payable to SARS is represented through the VAT control account. VAT is therefore considered a Statutory payable from exchange transactions.

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Determination of the transaction value: Vat is levied at 15% on vatable goods and services raised by the municipality. The transaction value of VAT contained within the Vat payable control account represents VAT on receipts from customers or other parties and assessed by SARS as payable to SARS.

Interest due or other charges levied: Interest and penalties are levied by SARS on late payments or returns not submitted timeously. The basis of such interest and penalties is determined per the tax administration act.

17. CONSUMER DEPOSITS

Electricity	189 584	185 684
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The consumer deposits represents the amounts paid by consumers in obtaining the connections for services. These amounts are refundable to consumers when the consumer accounts are transferred or closed.

18. EMPLOYEE BENEFIT OBLIGATIONS

The employee benefit obligation includes the plan for the post employment medical benefit plan and Long service award and the provision for the 13th cheque.

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18. Employee benefit obligations (continued)		
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Opening balance	(4 607 745)	(4 368 495)
Current service cost	(211 000)	(192 000)
Interest cost	(347 000)	(330 000)
Benefits paid	370 068	382 000
Actuarial gain/(loss)	409 617	(77 000)
Provision for 13th cheque	(52 288)	(22 250)
	(4 438 348)	(4 607 745)
Non-current liabilities	(1 410 121)	(1 636 000)
Current liabilities	(3 028 227)	(2 971 745)
	(4 438 348)	(4 607 745)

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18. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date: 30 June 2025 & 2024 respectively

Discount rates used	8,97 %	10,70 %
Consumer price inflation	3,90 %	5,52 %
Health care cost inflation	5,40 %	7,02 %
Net discount rate	3,38 %	3,44 %
Discount rate	9,49 %	11,23 %
Future CPI Expectation	4,26 %	5,81 %
Salary increase rate	5,26 %	6,81 %
Net discount rate	4,02 %	4,14 %

1. POST EMPLOYMENT MEDICAL SUBSIDY

The employer's post-employment health care liability consists of a commitment to pay a portion of the pensioners' postemployment medical scheme contributions. This liability is also generated in respect of dependants who are offered continued membership of the medical scheme on the death of the primary member.

Emadlangeni Municipality does not have a formal medical subsidy policy for retired employees

Emadlangeni Municipality is aware of five (5) continuation pensioners that are currently subsidised for medical contributions with the following subsidy requirements:

- subsidy percentages of 60% to current pensioners and their dependents; and
- subsidy percentages of 60% to deceased pensioners' spouses and their dependents.

ELIGIBLE EMPLOYEES

We summarise the participants eligible for post employment medical aid subsidy as at the current valuation date, 30 June 2025, as provided by Emadlangeni.

The employees' contributions are those payable to the employees and their spouses in retirement, at the current rates. The contributions include risk and the medical savings account.

VALUATION METHOD

In accordance with the requirements of GRAP25, the Projected Unit Credit method has been applied. The assumption underlying the funding method is that the employer's post-employment medical scheme costs in respect of an employee should be fully recognised by the time that the employee reaches fully accrued age. The valuation has been made with reference to Actuarial Society of South Africa (ASSA) guidelines, in particular, the Advisory Practice Note 207, and is consistent with the requirements of GRAP25.

VALUATION ASSUMPTIONS

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NET DISCOUNT RATE

The key assumptions used in the valuation, with the prior years' assumptions shown for comparison, are summarised above:

GRAP25 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.

The methodology of setting the financial assumptions has been updated to be more duration specific. At the previous valuation date, 30 June 2024 the duration of liabilities was 10.70% per annum. At this duration the discount rate as at 30 June 2025 is 8.97% per annum.

A healthcare cost inflation rate of 5.40% (2024:7.02%) was assumed.

It is the relative levels of the discount rate and healthcare inflation to one another that are important, rather than the nominal values. We have thus assumed a net discount factor of 3.38% (2024:3.44%) per annum. This year's valuation basis is consistent with the previous year's basis from a discount rate perspective. basis used to determine the overall expected rate of return on assets is as follow:

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18. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED) DEMOGRAPHIC AND DECREMENT ASSUMPTIONS

The demographic and decrement assumptions were consistent in the previous and current valuation period.

CONTINUATION PERCENTAGES

We have assumed continuation of the post-employment health care subsidy would be at 100% of active employees, or their surviving dependants.

2.LONG SERVICE AWARDS

Emadlangeni offers bonuses for every 5 years of completed service from the 10th year in service to 45 years. Below we outline the benefits awarded to qualifying employees. Long service accumulated leave must be taken within one year of receiving such leave or may be wholly or partially cashed.

VALUATION METHOD

In accordance with the requirements of GRAP25, the Projected Unit Credit method has been applied. Accrued liabilities are defined as the actuarial present value of all benefits expected to be paid in future based on service accrued to the valuation date and awards projected to retirement date. In determining these liabilities, due allowance has been made for future award increases.

The valuation has been made with reference Actuarial Society of South Africa (ASSA) guidelines, in particular, the Advisory Practice Note 207, and is consistent with the requirements of GRAP25.

VALUATION ASSUMPTIONS NET DISCOUNT RATE

The key assumptions used in the valuation are consistent with the prior years' assumptions shown for comparison, are summarised above:

GRAP25 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

At this duration the discount rate determined as at 30 June 2025 was 9.49%

(2024:11.23%) per annum. We have assumed that salary inflation to be 5.26%,

(2024:6.81%) per annum.

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However, it is the relative levels of the discount rate and salary inflation to one another that are important, rather than the nominal values. We have thus assumed a net discount factor of 4.02% (2024: 4.14%) per annum.

DEMOGRAPHIC AND DECREMENT ASSUMPTION

The demographic and decrement assumptions were consistent in the previous and current valuation period.

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18. Employee benefit obligations (continued)

Sensitivity analysis

Long Service Assumption	Variation	Change in accrued liability	Change in annual expense
Salary inflation	+1%	+6,68	+8,34%
Salary Inflation	-1%	-6,07%	-7,46%
Withdrawal rates	-20%	+7,8%	+11,07%
Withdrawal rates	+20%	-6,89%	-9,43%
Discount rate	+1%	-5,80%	-7,13%
Discount rate	+1%	+6,48%	+8,07%
Post Employee Benefit Assumption	Variation	Change in accrued liability	Change in annual expense
Mortality	PA(90) -1	+4,28%	+4,57%
Mortality	PA(90) -2	+8,65%	+9,25%
Healthcare cost inflation	+1%	+6,96%	+7,45%
Healthcare cost inflation	-1%	-6,28%	-6,72%
Discount	+1%	-5,59%	+4,47%
Discount	-1%	+6,28%	-5,15%

19. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts	2025	2024
Repair of 376 Houses	813 725	813 725
Balele	9 958	6 938 320
Disaster	-	17 563 342
Local economic development	-	500 000
	823 683	25 815 387

Movement during the year

Balance at the beginning of the year	25 815 387	5 916 910
Receipts during the year	22 707 000	45 125 000
Income recognition during the year	(47 148 219)	(25 226 523)
	(550 485)	-
	823 683	25 815 387

An amount of R550 485 relating to the prior period unspent portion was reduced through the current year equitable share. See note 31 for reconciliation of grants from National/Provincial Government.

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20. PROVISIONS

Reconciliation of provisions - 2025

	Open- ing Balanc e	Re- measur em ent	Total
Environmental rehabilitation	26 044 934	712 652	26 757
586			

RECONCILIATION OF PROVISIONS - 2024

	Open- ing Balanc e	Re- measur em ent	Total
Environmental rehabilitation	25 920 384	124 550	26 044
934			

The provision is raised for the rehabilitation of waste disposal landfill site to its original state once the site has reached the end of the useful life.

Key Assumptions

INFLATION RATE:

An inflation rate of 2.8% (2024:5.2%) has been assumed to estimate future costs. This rate is based on historical inflation trends and future economic forecasts.

COST ESTIMATES:

The cost estimates for environmental rehabilitation are based on current market prices for similar restoration activities. This is based on the conceptual closure design used to compile the rehabilitation and closure cost. These estimates are reviewed annually and adjusted for any significant changes in market conditions.

TIMING OF THE COMMENCEMENT OF THE REHABILITATION:

The waste management licence expired in December 2023. A letter indicating that the rehabilitation process will commence in stages as a result of financial constraints was sent to EDTEA in December 2023. The decommissioning has since commenced and the full technical requirements to have the site rehabilitated is underway and will be completed in stages.

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LEGAL AND REGULATORY REQUIREMENTS:

Current legal requirements as stipulated in the licence has been taken into consideration

TECHNOLOGICAL

The site rehabilitation would require a 100mm soil levelling layer to be imported as no clay is available in close proximity to the site. Allowance was made for the gas extraction system, leachate cut off drain, Septic tank and new monitoring boreholes. These assumptions are based on current technological trends and expert opinions.

21. Revenue

Sale of goods	482 616	321 901
Service charges	21 523 392	17 292 837
Construction contracts	19 580 870	26 278 507
Operational Revenue	723 778	619 542
Rental of facilities and equipment	1 410 999	1 495 217
Interest received- investment	1 111 916	1 454 352
Licences and permits	2 510 293	2 307 035
Penalties and Interest- Exchange Transactions	2 323 550	1 918 044
Property rates	43 789 767	37 400 183
Property rates - penalties imposed	7 280 295	4 374 114
Government grants & subsidies	87 084 219	63 295 523
Fines, Penalties and Forfeits	1 102 428	1 003 831
Donations	3 449 269	-
	192 373 392	157 761 086

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21. Revenue (continued)

The amount included in revenue arising from exchanges of goods or services are as follows:

Sale of goods	482 616	321 901
Service charges	21 523 392	17 292 837
Construction contracts	19 580 870	26 278 507
Operational Revenue	723 778	619 542
Rental of facilities and equipment	1 410 999	1 495 217
Interest received - investment	1 111 916	1 454 352
Licences and permits	2 510 293	2 307 035
Penalties and Interest- Exchange Transactions	2 323 550	1 918 044
	49 667 414	51 687 435

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue		
Property rates	43 789 767	37 400 183
Property rates - penalties imposed	7 280 295	4 374 114
Transfer revenue		
Government grants & subsidies	87 084 219	63 295 523
Fines, Penalties and Forfeits	1 102 428	1 003 831
Donations	3 449 269	-
	142 705 978	106 073 651

22. Sale of goods

Sale of goods	482 616	321 901
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Sale of goods

Consumables	101 235	24 060
Sub-division and consolidation fees	15 602	8 923
Tender documents	177 827	91 827
Building plans	10 837	30 974
Camping fees	39 726	57 870
Cemetery and burial	68 053	33 346
Clearance certificates	18 031	16 796
Entrance fees	39 412	47 860
Photocopies and faxes	11 893	10 245
	482 616	321 901

23. Service charges

Sale of electricity	19 518 680	15 289 023
Refuse removal	2 004 712	2 003 814
	21 523 392	17 292 837

The service charges represents revenues earned by the municipality from the provision of electricity and refuse removal services.

24. CONSTRUCTION REVENUE

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INEP Construction revenue	19 580 870	26 278 507
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Figures in Rand

	2025	2024
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24. CONSTRUCTION REVENUE (CONTINUED)

The construction revenue relates to the revenue recognised in terms of the agreement the municipality has in place with Eskom/Department of mineral resources and energy. The municipality has an agreement in place to construct electrical infrastructure in Eskom licenced areas. The construction contract expenses consist mainly of contracted services where-in the Municipality procures the services of contractors for the construction related expenditure. Revenue is recognised excluding Vat when the expenditure is incurred.

25. Operational revenue

Operational Revenue	723 778	619 542
Operational Revenue comprises of:		
Administrative and handling fees	69 926	618 239
Breakages and losses recovered	-	1 303
SDL income	55 155	-
Property sales	598 696	-
	723 777	619 542

26. Rental of facilities and equipment

Rental of Investment properties	975 140	1 077 137
Other ad-hoc rentals	435 859	418 080
	1 410 999	1 495 217

27. Interest on investment

Short term deposits	1 111 916	1 454 352
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28. Licences and permits

Game	249 143	246 130
Trading	14 295	12 951
Drivers licence certificate	1 141 600	1 179 360
Learner licence application	382 892	413 440
Agency revenue- commission	533 539	250 052
Operators and public drivers permit	188 824	205 102
	2 510 293	2 307 035

29. Penalties and Interest- Exchange Transactions

Penalties & Interest	2 323 550	1 918 044
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Figures in Rand	2025	2024
30. Property rates		
Property rates and penalties		
Property rates	43 789 767	37 400 183
Property rates - Penalty on late payments	7 280 295	4 374 114
	51 070 062	41 774 297

Penalties/ interest is levied on outstanding debtor balances owing for non- exchange transactions being rates.

Valuations

Residential	486 834 000	486 785 000
Commercial	108 491 000	108 491 000
State	511 981 000	511 981 000
Municipal	100 240 000	96 990 000
Small holdings and farms	3 608 833 000	3 608 833 000
Other (PBO, Public worship, Vacant etc)	60 627 000	59 693 000
	4 877 006 000	4 872 773 000

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2023. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

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Figures in Rand	2025	2024
31. Government grants & subsidies		
Operating grants		
Equitable share	39 936 000	38 069 000
Finance Management Grant	3 000 000	3 000 000
Expanded Public Works Programme	1 331 000	1 124 000
Library	2 036 000	1 950 000
Balele Tourism grant	6 928 363	1 164 865
Disaster	23 192 856	959 658
Local economic development	500 000	-
	76 924 219	46 267 523
Capital grants		
Municipal Infrastructure Grant (MIG)	10 160 000	17 028 000
	87 084 219	63 295 523

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Repair of 376 Houses

Balance unspent at beginning of year	813 725	813 725
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Conditions still to be met - remain liabilities (see note 19).

The purpose of this grant is to fund the repair of houses.
Withheld/delayed grant: None.

Finance Management Grant

Current-year receipts	3 000 000	3 000 000
Conditions met - transferred to revenue	(3 000 000)	(3 000 000)
	-	-

Conditions still to be met - remain liabilities (see note 19).

The purpose of this grant is to promote sound financial management
Grant withheld/delayed: None.

MIG

Current-year receipts	10 160 000	17 028 000
Conditions met - transferred to revenue	(10 160 000)	(17 028 000)
	-	-

Conditions still to be met - remain liabilities (see note 19).

The purpose of this grant is for the infrastructure development.
Grant withheld/delayed: None

EPWP

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Current-year receipts	1 331 000	1 124 000
Conditions met - transferred to revenue	(1 331 000)	(1 124 000)

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31. GOVERNMENT GRANTS & SUBSIDIES (CONTINUED)

Conditions still to be met - remain liabilities (see note 19).

The purpose of this grant is to reduce poverty and unemployment through the provision of temporary work. Grant withheld/delayed: None.

Library grant

Current-year receipts	2 036 000	1 950 000
Conditions met - transferred to revenue	(2 036 000)	(1 950 000)
	-	-

Conditions still to be met - remain liabilities (see note 19).

The purpose of this grant is to fund salaries of the librarians and library related expenditure.
Withheld/delayed grant: None.

Balele Grant

Balance unspent at beginning of year	6 938 320	5 103 185
Current-year receipts	-	3 000 000
Conditions met - transferred to revenue	(6 928 362)	(1 164 865)
	9 958	6 938 320

Conditions still to be met - remain liabilities (see note 19).

The purpose of this grant is to fund the re-furbishment of the Balele game park.
Withheld/delayed grant: None.

Disaster

Balance unspent at beginning of year	17 563 342	-
Current-year receipts	6 180 000	18 523 000
Conditions met - transferred to revenue	(23 192 857)	(959 658)
Written off through equitable share	(550 485)	-
	-	17 563 342

Conditions still to be met - remain liabilities (see note 19).

An amount of R550 485 was withheld through a decreased payment of equitable share in respect of the disaster grant.

The purpose of this grant is to alleviate the consequences arising from disasters.
Withheld/delayed grant: None.

Local economic development

Balance unspent at beginning of year	500 000	-
Current-year receipts	-	500 000
Conditions met - transferred to revenue	(500 000)	-
	-	500 000

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Conditions still to be met - remain liabilities (see note 19).

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Figures in Rand	2025	2024
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31. GOVERNMENT GRANTS & SUBSIDIES (CONTINUED)

The purpose of this grant is to encourage local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area.

32. Fines, Penalties and Forfeits

Fines- illegal electricty connections	182 609	-
Fines, Penalties and Forfeits	919 819	1 003 831
	1 102 428	1 003 831

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33. Employee related costs		
Basic	38 308 256	37 141 989
Bonus	2 845 508	2 669 419
Medical aid - company contributions	1 246 657	1 152 670
UIF	284 601	287 238
Bargaining Council	20 339	19 507
Leave pay provision charge	640 990	400 524
Travel, motor car, accommodation, subsistence and other allowances	1 162 351	1 070 171
Overtime payments	728 035	604 770
13th Cheques	52 288	22 250
Housing benefits and allowances	206 666	235 679
Pension contributions	5 190 040	4 891 965
Stand By	2 259 231	2 079 523
Current interest costs- employee benefits	347 000	330 000
	53 291 962	50 905 705

Remuneration of municipal manager Mrs GN Mavundla

Annual Remuneration	1 013 873	1 037 823
Backpay	-	45 482
Subsistence and travel	29 083	29 794
	1 042 956	1 113 099

Remuneration of chief finance officer PP Sithole

Annual Remuneration	832 444	852 108
Cellphone Allowance	9 600	9 600
Backpay	-	7 526
Subsistence and travel	75 800	94 386
Other	10 442	-
	928 286	963 620

CFO was Acting MM for 14 days with effect from 16 September 2024 to 04 October 2024.

Remuneration of Infrastructure Director - SM Nkwanyana

Annual Remuneration	852 108	852 108
Cellphone Allowance	9 600	9 600
Backpay	-	7 526
Subsistence and travel	52 900	76 292
	914 608	945 526

Remuneration Director Community Services - Mrs Zungu

Annual Remuneration	719 978	676 699
Acting Allowance	50 118	81 800
Cellphone Allowance	9 000	6 600
Backpay	4 550	-
Bonus	54 101	-
Subsistence and travel	31 778	-
Housing	7 705	-
	877 230	765 099

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Ms N Zungu was appointed as the Director of Community Services on 03 February 2025. Ms N Zungu was acting as Director Community Services from July 2024 to September 2024 and also from November 2024 to January 2025.

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33. Employee related costs (continued)

Director Corporate Services - GNZ Maphisa

Annual Remuneration	-	413 221
Cellphone Allowance	-	4 800
Backpay	-	105 685
Subsistence and travel	-	39 723
	-	563 429

Mrs Maphisa resigned on 22 January 2024.

Acting Chief Financial Officer - SG Simelane

Annual Remuneration	5 749	-
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Mr SG Simelane was the Acting CFO for 14 days with effect from 16 September 2024 to 04 October 2024.

34. Remuneration of councillors

Annual remuneration	4 345 297	4 198 382
Cellphone allowance	448 800	448 800
Subsistence and Travel	110 470	54 412
	4 904 567	4 701 594

Mayor- ML Buthezi

Annual Remuneration	856 666	827 829
Cellphone Allowance	40 800	40 800
Subsistence and travel	2 600	4 095
	900 066	872 724

Deputy Mayor- Mr PF Chongo

Annual Remuneration	382 325	369 456
Cellphone Allowance	40 800	40 800
Subsistence and travel	7 680	2 484
	430 805	412 740

Speaker - PX Qwabe

Annual Remuneration	686 006	662 264
Cellphone Allowance	40 800	40 800
Subsistence and travel	825	2 000
	727 631	705 064

Exco Member- Mr VC Ndlovu

Annual Remuneration	358 432	346 367
Cellphone Allowance	40 800	40 800
Subsistence and travel	8 421	1 477
	407 653	388 644

MPAC Chairperson - NM Dekker

Annual Remuneration	347 917	336 206
Cellphone Allowance	40 800	40 800
Subsistence and travel	15 493	703

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404 210

377 709

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Figures in Rand	2025	2024
34. Remuneration of councillors (continued)		
Chief WHIP - SM Khoza		
Annual Remuneration	358 432	346 367
Cellphone Allowance	40 800	40 800
Subsistence and travel	14 417	35 326
	413 649	422 493
Ward Councillor - N Nkosi		
Annual Remuneration	271 104	261 978
Cellphone Allowance	40 800	40 800
Subsistence and travel	12 685	1 482
	324 589	304 260
PR Councillor - NA Madida		
Annual Remuneration	271 104	261 978
Cellphone Allowance	40 800	40 800
Subsistence and travel	15 716	4 782
	327 620	307 560
PR Councillor - MR Khumalo		
Annual remuneration	271 104	261 978
Cellphone Allowance	40 800	40 800
Subsistence and travel	13 173	703
	325 077	303 481
PR Councillor - KV Sibisi		
Annual Remuneration	271 104	261 978
Cellphone Allowance	40 800	40 800
Subsistence and travel	12 510	703
	324 414	303 481
Ward Councillor - MJ Mthethwa		
Annual Remuneration	271 424	261 978
Cellphone Allowance	40 800	40 800
Subsistence and travel	6 629	655
	318 853	303 433

IN-KIND BENEFITS

The Mayor and Speaker are employed full-time and are provided with an office and secretarial support at the cost of the Council and own vehicle for official duties and two bodyguards.

The allowances and benefits of councillors of Emadlangeni Local Municipality for the year under review were paid in terms of Government Gazette 46470 upper limits of remuneration of public office bearers).

35. Depreciation and amortisation

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Property, plant and equipment	9 167 188	13 350 011
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Depreciation and amortisation comprises of:

Property, plant and equipment	8 416 034	12 375 850
Property, plant and equipment- Impairment	350 690	523 007
Investment Property	398 433	400 616
Intangible assets	3 440	50 538
	9 168 597	13 350 011

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36. Finance costs		
Finance costs- trade payables & landfill	1 165 631	307 054
Finance costs comprise of:		
Trade and other payables	436 374	182 504
Landfill sites	729 257	124 550
	1 165 631	307 054
37. Lease rentals on operating lease		
Lease rentals		
Leased Machinery	167 382	171 987

Operating leases represents the amounts paid to service providers in leasing out the photocopying machines that are used the municipal buildings.

38. DEBT IMPAIRMENT

Debt impairment	21 196 569	15 248 453
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The debt impairment represents the movement in the provisions for consumer debtors and traffic fines as well as the debt written off. In addition, refer to debtors provision reconciliation within note 9 .

Movement in debt impairment		
Movement in consumer debtors provision	16 955 961	11 694 525
Debt write-off	3 303 919	1 655 270
Movement in traffic fine provision	936 689	1 898 658
	21 196 569	15 248 453

39. Bulk purchases

Electricity - Eskom	24 125 970	19 297 998
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Bulk purchases represents the total costs of electricity purchased from Eskom.

Electricity losses

Electricity units (kWh) purchased	11 830 306	10 498 643
Electricity units (kWh) sold	(6 119 632)	(6 002 430)
Total loss	5 710 674	4 496 256
Percentage loss	48 %	43 %

Comprising of:		
Technical losses	3 620 912	3 375 231

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Non-technical losses	2 089 762	1 120 981
Total	5 710 674	4 496 212
Percentage Loss:		
Technical losses	63 %	75 %
Non-technical losses	37 %	25 %
Total	100 %	100 %

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Figures in Rand	2025	2024
40. Contracted services		
Outsourced Services		
Burial Services	16 104	26 133
Professional Staff	169 650	178 845
Valuer and Assessor	116 835	173 509
Consultants and Professional Services		
Accounting And Auditing	834 807	252 582
Infrastructure and Planning	961 726	548 126
Audit Committee	301 843	176 000
Legal advise and Litigations	1 442 035	1 835 980
Contractors		
Catering Services	277 771	236 156
Electrical	445 345	405 004
Internet charge	109 177	96 497
Maintenance of Buildings and Facilities	379 101	451 266
Maintenance of Equipment	14 198	51 441
Maintenance of other Assets	3 536 853	3 339 431
Electricity	-	36 640
Pest Control and Fumigation	-	19 700
Transportation	157 480	152 400
Safeguard and Security	13 017 300	10 309 116
	21 780 225	18 288 826

41. Construction expense

Construction expenses: INEP	19 580 870	26 278 507
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The construction expenses relates to the expenses recognised in terms of the agreement the municipality has in place with Eskom/Department of mineral resources and energy. The municipality has an agreement in place to construct electrical infrastructure in Eskom liscenced areas. The construction contract expenses consist mainly of contracted services where-in the Municipality procures the services of contractors for the construction related expenditure. Revenue is recognised excluding Vat when the expenditure is incurred.

The amount payable for work still to be done is recognised as a liability and disclosed under payables.

42. Actuarial gains/losses

Actuarial gains/losses	409 617	(84 150)
Gains/ losses on landfill	16 606	-
	426 223	(84 150)

43. Donation

Inventories losses/write-downs	-	(5 747 830)
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Donation for the previous year relates to assets donated to community members.

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Figures in Rand	2025	2024
44. General expenses		
Advertising	203 066	221 375
Auditors remuneration	4 372 952	3 487 724
Bank charges	263 249	326 566
Consumables	2 315 852	1 639 766
Daily Allowance	21 970	42 038
Food and beverage	31 059	49 362
Entertainment	3 835	8 000
Insurance	175 587	100 929
Agency fees- commission expense	163 027	55 278
Levies	84 042	50 729
Motor vehicle licence and registrations	144 911	50 366
Fuel and oil	1 461 587	1 672 221
Placement fees	53 063	193 739
Postage and courier	-	945
Printing and stationery	254 368	7 421
Gifts and promotional items	97 951	45 951
Research and development costs	400 608	1 018 662
Subscriptions and membership fees	612 712	517 707
Telephone and fax	578 058	510 879
Own transport	437 157	695 538
Training	145 716	431 880
Travel - local	59 816	24 261
Accomodation	870 394	725 704
Uniforms	1 117 699	798 572
Seating Allowance for Traditional Leaders	72 000	6 000
Skills Development Levy	461 694	442 403
Remuneration to ward committees	834 000	141 300
Bursaries-Community	64 400	41 700
Licences	4 555	265
Toll gate	8 562	15 455
	15 313 890	13 322 736
45. Cash generated from operations		
Surplus (deficit)	20 341 976	(10 246 401)
Adjustments for:		
Depreciation and amortisation	9 167 188	13 350 011
Actuarial (gain)/loss	(426 223)	84 150
Interest income	(1 111 916)	(154 337)
Finance costs	30 448	124 550
Debt impairment	21 196 569	15 248 453
Interest on penalties	(9 603 845)	(6 292 465)
Leave pay provision movement	56 196	637 132
Loss on disposal of assets	1 763 386	302 943
Donation	(3 449 269)	5 747 830
Other receipts	(5 127 685)	-
VAT	(7 448 977)	-
Equitable share non-cash component	(1 856 000)	-
Changes in working capital:		
Receivables from exchange transactions	(3 348 611)	(6 511 725)
Prepayments	(26 186)	-
Payables from exchange transactions	25 020 468	(5 555 763)
VAT	(1 874)	4 711 856
Provisions	712 652	124 550
Unspent conditional grants and receipts	(24 991 704)	19 898 477
Post employee benefits	(169 397)	239 250
	20 727 196	31 708 511

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46. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	2 416 898	11 016 000
Total capital commitments		
Already contracted for but not provided for	2 416 898	11 016 000
Authorised operational expenditure		
Already contracted for but not provided for		
• Operational Expenditure	7 543 914	7 739 204
Total operational commitments		
Already contracted for but not provided for	7 543 914	7 739 204
Total commitments		
Total commitments		
Authorised capital expenditure	2 416 898	11 016 000
Authorised operational expenditure	7 543 914	7 739 204
	9 960 812	18 755 204

This committed expenditure relates to capital and operational projects and will be financed by available, retained surpluses, existing cash resources and funds internally generated.

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Figures in Rand 2025 2024

47. CONTINGENCIES

The municipality is defending various litigation and claim cases against the Municipality. The municipality's Attorney and management strongly believe that the municipality has a strong defence.

NAME OF CLAIMANT OF CASE	MUNICIPAL ATTORNEYS CONTINGENT LIABILITY	DESCRIPTION
LATERAL UNISON INSURANCE	Mdledle Attorneys Inc	During the 2022 year ELM advertised a tender for the procurement of short term insurance. Lateral Unison Insurance submitted a bid and was subsequently appointed annum from 1st as the successful bidder February 2024 on 1 June 2022. During to 30 June 2025 is R the 2022/23 audit the Auditor General found the appointment of Lateral Unison Insurance to be irregular. The Municipality then took a mated legal costs to decision not to continue finalise the matter: R400 with the service provider. According to the tender document of Lateral Unison, the insurance would lapse if premiums
		R 1 417 191 Interests claimed up to 31st January 2024 R98 087.08. Interest @ 11.75% per
		222 027.57 Total Liability: R 1 737 305.55 Esti

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paid. The 000

Municipality took a decision to allow the insurance to lapse and issue the tender be re-advertised in order to regularize the appointment. After failing to receive payment from the ELM, the insurance did not lapse but instead the service provider decided to bring a claim against ELM through the PMB High Court and has alleged that the Municipality has breached the contract. The Municipality is defending this matter as upon consultation it was evident that there are high prospects of success.

The claim amount is the amount claimed in the summons.

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Figures in Rand	2025	2024
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47. CONTINGENCIES (CONTINUED)

Evictions matters- These matters will require at least one Court Appearance each before the matters are concluded. The attorneys will have to depose affidavits on behalf of the Municipality. The matters are expected to be finalised by the 31st December 2025. Given the rate charged by the attorneys for the year 2024/25 the estimated legal costs to finalise the matters is R 190 000

48. RELATED PARTIES

The Municipality does not have any related party transactions other than those disclosed in note 33 and 34 of the financial statements.

49. PRIOR PERIOD ERRORS

The correction of the error(s) results in adjustments as follows:

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Figures in Rand	2025	2024
49. Prior period errors (continued)		
Plant and Machinery: Cost		
Balance previously reported		6 613 714
Reclassifications to accumulated depreciation		52 237
Reclassifications to Infrastructure		(2 261 755)
		4 404 196
Plant and Machinery: Accumulated Depreciation		
Balance previously reported		2 106 580
Reclassifications to cost		52 237
Adjustment to depreciation for mis-classifications		(37 024)
Adjustment to depreciation for mis-classifications		(9 540)
		2 112 253
Infrastructure: Cost		
Balance previously reported		164 865 567
Reclassifications to accumulated depreciation		2 261 755
Cost of assets previously disposed off		(2 114 205)
Assets not previously capitalised		380 000
		165 393 117
Infrastructure: Accumulated Depreciation		
Balance previously reported		89 688 853
Adjustment for depreciation upon reclassification for years prior to 2024		79 826
Adjustment for depreciation upon reclassification for 2024		56 011
Depreciation on assets disposed and not accounted for		(2 025 720)
		87 798 970
Community assets: Cost		
Balance previously reported		37 404 526
Reclassifications		6 232 991
		43 637 517
Community assets: Accumulated depreciation		
Balance previously reported		19 157 986
Reclassifications		6 232 991
		25 390 977
Prepayments		
Balance previously reported		164 943
Bulk purchases understated and prepayment expenses overstated in the fy 24 period		(16 289)
		148 654
Accrued Income		
Balance previously reported		154 337
Prepaid electricity sales for part of June 2024 not raised		332 660
		486 997

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Figures in Rand	2025	2024
49. Prior period errors (continued)		
Service Charges		
Amount previously reported		17 004 414
Prepaid electricity sales for part of June 2024 not raised		289 270
Municipality incorrectly billed themselves refuse		(847)
		17 292 837
Accumulated Surplus		
Balance previously reported		113 796 036
Adjustment for net loss on previously disposed assets		(88 485)
Adjustment for net effect on depreciation upon reclassifications		(46 471)
Assets not previously capitalised		380 000
Adjustment for net effect on depreciation upon reclassifications 2024 period		(42 802)
Bulk purchases understated and prepayment expenses overstated in the fy 24 period		(16 289)
Prepaid electricity sales for part of June 2024 not raised		289 270
Municipality incorrectly billed themselves rental income, refuse and interest		(10 428)
Incorrect recognition of lease revenue due to absence of a signed lease agreement: SASSA		(32 900)
		114 227 931
Profit and Loss		
Loss previously reported		10 435 661
Net effect on depreciation upon reclassifications		42 800
Bulk purchases understated and prepayment expenses overstated in the fy 24 period		16 289
Prepaid electricity sales for part of June 2024 not raised		(289 270)
Municipality incorrectly billed themselves rental income, refuse and interest		10 428
Incorrect recognition of lease revenue due to absence of a signed lease agreement: SASSA		30 800
		10 246 708
Depreciation and amortisation		
Amount previously reported		13 307 211
Adjustment for net effect on depreciation upon reclassifications 2024 period		42 802
		13 350 013
Bulk Purchases		
Amount previously reported		19 281 709
Bulk purchases understated and prepayment expenses overstated in the fy 24 period		16 289
		19 297 998
Rental of facilities		
Previously reported		1 535 291
Municipality incorrectly billed themselves refuse		(9 274)
Incorrect recognition of lease revenue due to absence of a signed lease agreement: SASSA		(30 800)
		1 495 217
Penalties and Interest- Exchange Transactions		
Previously reported		1 918 351
Municipality incorrectly billed themselves refuse		(307)
		1 918 044
Vat Payable		
Balance previously reported		3 462 435

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Figures in Rand	2025	2024
49. Prior period errors (continued)		
Vat input accrual re-classified to receivables from exchange transaction		9 770 328
Vat control account reclassified to Payables from exchange transactions		(14 538 661)
Vat control account reclassified to receivables from exchange transactions		1 305 898
		-
Receivables from Exchange transactions		
Balance previously reported		11 437 264
Vat Input accrual accounts incorrectly reflected under payables from exchange transactions in the prior year		(224 186)
Vat input accrual re-classified from Vat Payable		9 770 328
Vat control account reclassified from Vat Payable		1 305 898
Prepaid electricity sales for part of June 2024 not raised		332 660
Municipality incorrectly billed themselves rental income and refuse		(10 555)
Incorrect recognition of lease revenue due to absence of a signed lease agreement: SASSA.		(32 900)
		22 578 509
Payables from exchange transactions		
Balance previously reported		26 446 837
Vat on prepaid electricity sales for part of June 2024 not raised		43 390
Vat Input accrual accounts incorrectly reflected under payables from exchange transactions in the prior year		(224 186)
Vat output accrual re-classified from Vat Payable		14 538 661
Municipality incorrectly billed themselves interest		127
		40 804 829

50. Risk management

Financial risk management

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. Risk management is carried out by a upper management and leadership. The accounting officer provide guidance for overall 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 counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

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Financial assets exposed to credit risk at year end is contained within notes 9 and 10 Receivables from exchange and non exchange transactions and note :13 Cash and cash equivalents.

Financial assets exposed to credit risk at year end were as follows:

51. GOING CONCERN

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.

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Figures in Rand 2025 2024

51. GOING CONCERN (CONTINUED)

The municipality's current liabilities exceed its current assets by R15 098 120. (2024: R6 595 294). The municipality has a net surplus of R20 091 868 ,(2024: deficit of R10 435 661). The municipality's cash and cash equivalents were R3 568 075 (2024: R17 013 333) which is not sufficient to cover the current liabilities of the municipality. Unspent grants are cashed backed.

The collection rate has improved slightly however there is still a risk that all the outstanding debtors will not be collected.

Over the next 12 months the municipality is still committed to ensure that the expenditure is kept within the funded and approved budget funding plan approved by council.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the municipality will continue to bill for rates and other services. In addition Provincial and National Government has neither the intention nor the need to liquidate the municipality or curtail the scale of the municipal funding and operations.

52. Unauthorised expenditure

Opening balance as previously reported	83 144 388	67 218 886
Add: Unauthorised expenditure - current	22 890 488	16 037 612
Unauthorised written off against prior period balances	(57 413 956)	(112 110)
Closing balance	48 620 920	83 144 388

The expenditure in the prior year was due to over-spending on the budget line items but the overall expenditure was within the approved budget however majority of these line items are non cash items which have no monetary impact.

The unauthorised expenditure incurred in the current year was due to actual expenditure line items exceeding the budgeted expenditure figures on the following line items.

Unauthorised Expenditure	Final Budget	Actual	Unauthorised Expenditure
Remuneration of councillors	4 740 489	4 904 567	164 078
Debt Impairment	2 851 852	21 196 569	18 344 717
Finance costs	-	1 165 631	1 165 631
Contracted services	20 327 548	21 780 225	1 452 677
Loss on disposal of assets	-	1 763 385	1 763 385
Subtotal	27 919 889	50 810 377	22 890 488

The unauthorised expenditure will be submitted to MPAC for further investigation.

53. Fruitless and wasteful expenditure

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Opening balance as previously reported	1 648 149	1 483 279
Add: Fruitless and wasteful expenditure identified - current	437 128	181 749
Less: Amount written off- current	(2 322)	(16 879)
Write off against prior period balance	(1 500 678)	-
Closing balance	582 277	1 648 149

Fruitless and wasteful expenditure is caused by interest incurred on late payments.

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Figures in Rand	2025	2024
54. Irregular expenditure		
Opening balance as previously reported	166 695 399	138 492 713
Add: Irregular expenditure - current	32 957 304	47 293 563
Correction of error: Write off not previously accounted for	-	(19 090 877)
Less: Amount written off - current	(400 114)	-
Closing balance	199 252 589	166 695 399

The current year irregular expenditure relates to SCM processes not being followed as well as expired contracts exceeding

the 15% threshold stipulated in MFMA Circular 62. The irregular expenditure is under investigation by the municipal disciplinary board.

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Figures in Rand	2025	2024
55. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Audit fees		
Opening balance	-	21 563
Current year subscription / fee	7 949 635	4 010 883
Amount paid - current year	(6 622 170)	(4 032 446)
	1 327 465	-
PAYE and UIF		
Opening balance	412 293	375 616
Current year subscription / fee	8 140 017	7 525 747
Amount paid - current year	(8 140 017)	(7 489 070)
	412 293	412 293
Pension and Medical Aid Deductions		
Opening balance	11 461	11 461
Current year subscription / fee	10 774 304	10 171 405
Amount paid - current year	(10 774 304)	(10 171 405)
	11 461	11 461
VAT		
VAT payable	-	3 462 435

VAT output payables and VAT input receivables are shown in note 16.

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

No councillors had arrear accounts.

56. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of major functional areas. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

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Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

A segment is an activity of an entity:

- (a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity.
- (b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- (c) for which separate financial information is available.

The identified reportable segments are: Community and Social Services, Governance and Administration, Planning and Development, Trading services.

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Figures in Rand	2025	2024
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56. SEGMENT
INFORMATION
(CONTINUED)
AGGREGATED
SEGMENTS

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered.

TYPES OF GOODS AND/OR SERVICES BY SEGMENT

The type of goods and services in these services are those consistent with the provision of basic services to municipal customers and community. The nature of the services generate economic benefits for the municipality as well improve the service potential of the municipality.

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56. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2025

	Community and Social Services	Governance and Administration	Planning and Development	Trading Services	Total
Revenue					
Revenue from exchange transactions	2 110 727	2 667 784	1 680 440	43 634 686	50 093 637
Revenue from non-exchange transactions	13 010 285	94 479 865	35 033 219	182 609	142 705 978
Total segment revenue	15 121 012	97 147 649	36 713 659	43 817 295	192 799 615
Entity's revenue					192 799 615
Expenditure					
Employee related costs	16 449 173	20 457 532	11 849 166	4 536 091	53 291 962
Councillors	-	4 904 567	-	-	4 904 567
Depreciation and impairment	1 013 044	1 482 029	5 438 877	1 233 238	9 167 188
Lease rentals	-	167 382	-	-	167 382
Debt impairment	-	20 313 966	-	882 603	21 196 569
Bulk purchases	-	-	-	24 125 970	24 125 970
Contracted services	826 568	19 138 710	1 697 564	117 383	21 780 225
Construction expenses	-	-	-	19 580 870	19 580 870
General expenses	4 355 768	9 872 128	612 997	472 997	15 313 890
Finance costs	-	1 165 631	-	-	1 165 631
Loss on disposal of asset	-	1 763 385	-	-	1 763 385
Total segment expenditure	22 644 553	79 265 330	19 598 604	50 949 152	172 457 639
Total segmental surplus/(deficit)	(7 523 541)	17 882 319	17 115 055	(7 131 857)	20 341 976
Assets					
Current Assets	(37 788 058)	100 548 171	-	(6 732 232)	56 027 881
Non-current assets	60 638 198	77 463 317	9 835 443	29 691 998	177 628 956
Total segment assets	22 850 140	178 011 488	9 835 443	22 959 766	233 656 837

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2025

Notes to the Annual Financial Statements

	Community and Social Services	Governance and Administration	Planning and Development	Trading Services	Total
56. Segment information (continued)					
Total assets as per Statement of financial Position					233 656 837
Liabilities					
Current liabilities	11 756 468	(77 496 299)	(402 521)	(4 776 868)	(70 919 220)
Non-current liabilities	(28 167 707)	-	-	-	(28 167 707)
Total segment liabilities	(16 411 239)	(77 496 299)	(402 521)	(4 776 868)	(99 086 927)
Total liabilities as per Statement of financial Position					(99 086 927)

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

2024

	Community and Social Services	Governance and Administration	Planning and Development	Trading Services	Total
Revenue					
Revenue from exchange transactions	1 863 567	1 679 742	940 382	45 749 392	50 233 083
Revenue from non- exchange transactions	3 402 475	82 394 653	20 276 523	-	106 073 651
Interest revenue	-	1 454 352	-	-	1 454 352
Total segment revenue	5 266 042	85 528 747	21 216 905	45 749 392	157 761 086
Entity's revenue					157 761 086

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56. Segment information (continued)

Expenditure

Employee related costs	14 872 663	18 212 247	13 093 489	4 727 306	50 905 705
Councillors remuneration	-	4 701 594	-	-	4 701 594
Depreciation and amortisation	579 496	3 541 501	7 551 973	1 677 041	13 350 011
Finance costs	-	307 054	-	-	307 054
Lease on operating	-	171 987	-	-	171 987
Debt Impairment	-	15 248 453	-	-	15 248 453
Bulk Purchases	-	-	-	19 297 998	19 297 998
Contracted services	1 221 916	15 730 203	912 444	424 263	18 288 826
Construction expenses	-	-	-	26 278 507	26 278 507
Actuarial	-	84 150	-	-	84 150
General expenses	-	13 322 736	-	-	13 322 736
Loss on disposal	-	302 943	-	-	302 943
Donation	-	5 747 830	-	-	5 747 830
Total segment expenditure	16 674 075	77 370 698	21 557 906	52 405 115	168 007 794
Total segmental surplus/(deficit)	(11 408 033)	8 158 049	(341 001)	(6 655 723)	(10 246 708)

Assets

Current assets	-	71 296 184	(5 164 944)	-	66 131 240
Non-current assets	(4 919 776)	185 428 644	(13 034 184)	(19 200 177)	148 274 507
Total segment assets	(4 919 776)	256 724 828	(18 199 128)	(19 200 177)	214 405 747
Total assets as per Statement of financial Position					214 405 747

Liabilities

Current Liabilities	-	53 458 890	(520 902)	19 558 893	72 496 881
Non-current liabilities	-	27 680 934	-	-	27 680 934
Total segment liabilities	-	81 139 824	(520 902)	19 558 893	100 177 815
Total liabilities as per Statement of financial Position					100 177 815

57. BUDGET DIFFERENCES

Material differences between budget and actual amounts

STATEMENT OF FINANCIAL PERFORMANCE

Other Revenue: More revenue was raised from entry into the game park due to the upgrade of the game park.

Operational Revenue: More revenue was billed through property sales.

Rental of facilities: More rental was received from rental of game park facilities.

Interest earned: Funds from unspent grants at the end of the prior period were spent during the current period leading to lower interest income.

Licences and Permits: Greater number of customers applied for Licences and Permits in the first of the year. The adjustment budget was adjusted upwards, however applications made throughout the year did not mirror the sales trajectory from the first half of the year.

Penalties and interest-exchange: Penalties and interest - exchange transactions and property rates - penalties imposed were budgeted together on the budget documents. On the statement of financial performance penalties and interest from non-exchange transactions is however shown as one line item. The combined amount from the budget documents equals the amount shown on the statement of budget to actuals.

Actuarial gain: Not budgeted for.

Property Rates: Over-budgeted on property rates.

Government Grants & Subsidies: Grants are based on DORA allocation. Municipality has not anticipated the increase in the Disaster grant.

Fines, penalties and forfeits: More fines were raised.

Donation: Not budgeted for.

Debt Impairment: Only the debt write off component was budgeted for and not the debt impairment component.

Finance Charges: Finance costs payable to suppliers on late payment as well as the non-cash element of finance costs on the re-measurement of the landfill site was not budgeted for.

Contracted services: Municipality did not have sufficient funds to spend on contracted services.

General expenses: Less spending due to cost cutting measures being implemented.

Lease on operating rentals: Less number of printers were rented compared to the budgeted amount.

Contracted expenses: More spending on security expenses due to a change in tariffs in the new contract

General expenses: Less spending due to cost cutting measures being implemented.

Loss on disposal of assets: Not budgeted for

STATEMENT OF FINANCIAL POSITION

Current Assets: Greater impairment balance decreasing the receivables net balance. The amount budgeted for VAT receivable was lower than actual.

Non-current assets: PPE additions was over-budgeted for.

Current liabilities: Payables was under-budgeted for and given the cashflow position of the municipality, the payables and retentions balances were greater at year end. The employee benefit obligation was under-budgeted for and unspent grant liabilities not budgeted for.

CASHFLOW STATEMENT

Cashflows from operating activities: The municipality had under budgeted cashflows from operating activities.

Cashflows from investing activities: The municipality had budgeted to spend more on the acquisition of PPE.

Cashflow from financing activities: Consumer deposits was not budgeted for.

Split of suppliers and employees for purposes of cashflow budget comparison	Approved budget	Adjustments	Final
Suppliers and employees B7 Budget document	118 957 791	12 712 520	- 131 670 311
Less employee cost and remuneration of concillors B4 Budget document	(56 916 858)	(3 505 572)	- (60 422 430)
Budget: Suppliers	62 040 933	9 206 948	- 71 247 881

Changes from the approved budget to the final budget

The changes between the approved and final budget is a consequence of upward and downward adjustments based on actual results during the mid-term review as well as reallocations within the approved budget parameters. For details on these changes please refer to section 10.1 of the annual report.

58. ACCOUNTING BY PRINCIPALS AND AGENTS

The entity a party to a principal-agent arrangement(s).

DETAILS OF THE ARRANGMENT(S) IS|ARE AS FOLLOWS:

KZN Department of Transport: The Department and the Municipality entered into an agreement for the transfer of registration and licensing of motor vehicle and learners license testing functions. The municipality acts as an agent in terms

of the agreement it has with the department in so far as the registration and licencing of motor vehicles is concerned

Renewal of drivers licences: The Municipality charges R250 per License. Off the R250, R79 is payable to the Department and the remaining R171 is the revenue of the municipality. The R79 per license becomes a payable to the Department. The department does not have the ability to use all or substantially all of the resources that result from this transaction for its own benefit. This component of the agreement therefore does not form part of the principal-agent relationship.

Under this agreement, any physical hardware to deliver on the agreement remains the asset of the department.

Spar and Dix take aways: The municipality appointed Spar and Dix take-aways for the purposes of dispensing and selling electricity coupons to consumers. The municipality acts as a principal in terms of the agreement it has with the these parties. A commission of 2 cents per unit sold which is the equivalent of 2% is payable to the agent.

Under both these agreements, any physical hardware to deliver on the agreements, remains the assets of the municipality.

In the current period, the municipality entered into an agreement with Contour for the sale of prepaid electricity. The municipality is a principal in an agreement with Contour for the sale of prepaid electricity and pays commission to Contour. In considering whether a principal- agent relationship exists, management uses the provisions contained within GRAP 109 to assess if a binding arrangement in which one entity (the agent) undertakes transactions with third parties on behalf and for the benefit of another entity (the principal).

Key considerations were if a binding arrangement exists, if one party was required to undertake transactions with another party on behalf of and for the benefit of the other party, who has the power to determine the significant terms and conditions of the transaction, who has the ability to use or substantially use all of the resources that result from the transaction for its own benefit and who is exposed to the variability in the results of the transaction.

The assessment of the agreement with the Department of Transport, it has been assessed that the municipality is agent as it has been directed by another entity (the department), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

The assessment of the agreement with Spar and Dix and Contour, it has been assessed that the municipality is a principal as the municipality directs another entity (Spar and Dix), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

**58. ACCOUNTING BY PRINCIPALS
AND AGENTS (CONTINUED) ENTITY
AS AGENT**

Revenue recognised

Motor vehicle registration and licences: Commission revenue is earned at 10% (inclusive of Vat) on sale of every motor vehicle transaction undertaken by the municipality on behalf of the Department. The full transactional value is transferred to the Department. The department then transfers the 10% (inclusive of Vat) commission over to the municipality.

The aggregate amount of commission revenue for the sale of licences and permits that the entity recognised as compensation for the transactions carried out on behalf of the principal is R533 539 (2024: R250 052).

Refer to note 26 : Licence and permits.

There are no expenses accrued on rendering these services that is claimable from the Department.

**RIGHTS OF REIMBURSEMENT RECOGNISED AS ASSETS
RIGHTS OF REIMBURSEMENT RECOGNISED AS ASSETS**

Amounts receivable from the Principal at year end of R45 813 (2024: R30 123) have been recognised as receivables and is included in note 9: receivables from exchange.

Reconciliation of receivable

Opening balance	30 123	12 615
Commission revenue earned	533 539	250 052
Revenue received	(517 850)	(232 544)
	45 812	30 123

Entity as principal

**AMOUNTS PAYABLE TO AGENTS RECOGNISED AS A LIABILITY
AMOUNTS PAYABLE TO AGENTS RECOGNISED AS A LIABILITY**

Amounts owing to the the Agents at year end are as follows and have been recognised as liabilities and is included in note :14 Payables.

Reconciliation of payable

Opening balance	14 053	9 183
Commission expense incurred	-	55 278
Expense paid	-	(50 408)
	14 053	14 053

Fee paid

Fee paid as compensation to the agent 163 027 55 278

The Spar and Dix contract was terminated at the end of June 2024. The municipality entered into an agreement with Contour for the sale of prepaid electricity. The municipality is a principal in an agreement with Contour for the sale of prepaid electricity and pays commission to Contour.

Refer to note 44 for commission paid. With the Spar and Dix agreements, a commission of 2 cents per unit sold which is the

equivalent of 2% is payable to these agents. Commission is paid to Contour as per the agreement signed between the municipality and Contour. IT equipment in the form of computers and a printer was provided to the agents with the following carrying values: R5 155 and R2 951 to Dix and Spar in the 2023 year.

On termination of the agreement between Spar and Dix, the equipment provided to these entities in terms of the agreement were re-possessed as they were the assets of the municipality.

No equipment or assets have been provided to Contour

RESOURCE AND/OR COST IMPLICATIONS FOR THE ENTITY IF THE PRINCIPAL-AGENT ARRANGEMENT IS TERMINATED

58. ACCOUNTING BY PRINCIPALS AND AGENTS (CONTINUED)

Under both agreements, the parties are allowed to terminate the agreement with written notice. With respect to the agreement with the Department of transport, the financial impact will be that the municipality will no longer earn the commission revenue. With respect to the contour agreement, the financial impact will be that the municipality will not have an avenue to sell prepaid electricity to the community and will no longer be liable for the commission expense. The qualitative impact will be on the community members who will no longer have an accessible avenue to the services.

59. LIVING RESOURCES NOT RECOGNISED

The entity did not recognise the following living resources, due to the definition and/or recognition criteria not being met

:

BIOLOGICAL ASSETS ENTITY AS CUSTODIAN

The nature of the entity's custodial responsibility, including the legislation or similar means that establishes the custodial responsibility over the resources, are as follows:

The National Environmental Management: Protected Areas Act, 2003 (Act No 57 of 2003) is the overarching legislation that facilitates the existence and management of protected areas. The Act aim is to "Provide for the protection and conservation of ecologically viable areas representative of South Africa's biological diversity and natural landscape and seascapes; for the establishment of a national register of all national, provincial and local protected areas; for the management of those areas in accordance with the national norms and standards; for intergovernmental co-operation and public consultation in matters concerning protected areas; and for matters in connection therewith"

The Balele Game Park was proclaimed then gazetted on 17 October 2002, under the KwaZulu Natal Nature Conservation Management Act, 1997 (Act no 9 of 1997). Gazette No 394, 2002.

The custodial nature of living and non-living things (Collectively known as biodiversity) in the Balele Game Park, is derived from Chapter 3 of the Protected Areas Act Section 17 (a) – (l) which deals (Declaration of protected areas).

KEY JUDGEMENTS MADE AND ASSUMPTIONS APPLIED (INCLUDING DETERMINATION OF CONTROL):

Animals in Balele Game Park are left to roam freely and are left in their natural environment or habitat. The game park only restricts the movement of wild animals by fencing off the park generally for access control and accommodation areas for security purposes thus to limit exposure to our guests and exposure of neighbouring landowners and communities to the risks associated with keeping wild animals in a reserve. These fences have not been maintained well in the past couple of years and has let to animals roaming beyond the borders of the game park. Therefore animals are able to move in and out through unfenced areas. Furthermore though the game park have fences, animal migration occurs frequently and animals do from time to time jump over, or burrow under fences.

Access control is therefore restrictive and as such Emadlangeni Municipality has concluded does not have control, which is a key requirement for asset recognition, of the individual animals within the park.

The game park performs ad-hoc aerial game count to take census in order to maintain the numbers held in the park with view of sustaining the eco system, tourism attractiveness of the town and generate revenues for the municipality.

There's no restrictions on the sale of these assets except for permits regulations for hunters allowed for cull hunting.

An aerial count was performed on the 28th of June 2024. Due to financial constraints, the game park conducted its own game count for the current period.

The entity did not recognise the following living resources, due to the definition and/or recognition criteria not being met. The following species were found and counted within the park's borders: animal groups:

59. Living resources not recognised (continued)

Blesbok	57	44
Blue Wildebeest	260	260
Plains Zebra	63	63
Red Hartebeest	6	6
Warthog	28	28
Waterbuck	20	20
Bushpig	5	5
Eland	10	10
Impala	131	131
Nyala	10	10
Giraffe	35	35
Kudu	31	31
Grey Duiker	5	5
Bushbuck	5	-
	666	648

Revenue generated from game park activities is contained within note 28: Licences and permits.

60. Donation

Donation: Disaster Management and Library	3 449 269	-
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CHAPTER 6: AUDITOR-GENERAL

6.1. AUDITOR GENERAL AUDIT FINDINGS

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the Council on Emadlangeni Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Emadlangeni 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, the 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 the Emadlangeni 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 Standards of Generally Recognised Accounting Practices (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Material impairment – Consumer debtors disclosure

7. As disclosed in note 11 to the financial statements, the municipality recognised an impairment allowance of R56,28 million (2023-24: R39,32 million) on consumer debtors, as the recoverability of these amounts was considered doubtful.

- 1.2.1.8. Re-gravelling of 2,49 kilometres at Vaalbank access road in Ward 3
- 1.2.1.9. Re-gravelling of 4,6 kilometres at Reserve access road in Ward 4
- 1.2.1.10. Re-gravelling of 2,99 kilometres at Lenz access road in Ward 5
- 1.2.1.11. Re-gravelling of 4,7 kilometres at Mlwane access road in Ward 6
- 1.2.1.12. Rehabilitation of 1,3 kilometres of Naude Street, Ward 2
- 1.4.1.2. Number of job opportunities created under expanded public works programme (EPWP) within the 2024-25 financial year
- 1.4.1.3. Number of capacity-building Interventions for Local Entrepreneurs and SMMEs provided within the 2023-24 financial year
- 1.4.1.4. Refurbishment of Balele Game Park Phase 2 by 30 June 2025
- 1.4.1.5. Refurbishment of Balele Game Park Phase 3 by 30 June 2025
- 1.5.1.2. Number of lightning conductors installed within the 2024-25 financial year
- 1.5.1.4. Number of disaster management trainings & awareness campaigns conducted within the 2024-25 financial year
- 1.7.1.2. Number of formal households, businesses and government areas with access to refuse removal within the 2024-25 financial year

19. I evaluated the reported performance information for the selected material performance indicators 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 of its mandate and objectives.

20. I performed procedures to test whether:

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

- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and measures taken to improve performance.

21. I performed the procedures to report material findings only, and not to express an assurance opinion or conclusion.

22. I did not identify any material findings on the reported performance information for the selected indicators.

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

25. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.

Basic service delivery and infrastructure development key performance area

<i>Targets achieved: 28/31*100 = 90%</i>		
Key service delivery indicators not achieved	Planned target	Reported achievement
1.4.1.4 Refurbishment of Balele Game Park Phase 2 by 30 June 2025	6x sleeper tents 3x wooden cottages Lapa Braai area Kudu lodge 6 dome tents Kids pool Caravan Park pool	Nil
1.4.1.5 Refurbishment of Balele Game Park Phase 3 by 30 June 2025	6x sleeper family units 1x guard house Re-thatching of the main Lapa Installation of tarpaulin covers	Nil

Material misstatements

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

Report on compliance with legislation

27. 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.

28. 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.

29. 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.

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

Annual financial statements

31. The annual financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of the statement of comparisons of budget and actuals and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

32. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of section 2(1)(a) of the Preferential Procurement Policy Framework Act 5 of 2000 and its regulations.

33. 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.

Expenditure management

34. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R22,90 million, as disclosed in note 52 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending on budgeted expenditure and various non-cash items.
35. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R0.44 million, as disclosed in note 53 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest incurred on late payments to suppliers/ service providers.
36. Reasonable steps were not taken to prevent irregular expenditure amounting to R32,96 million, as disclosed in note 54 to the financial statements, as required by section 62(1)(d). The majority of the irregular expenditure was caused by non-compliance with procurement processes and payments made relating to expired contracts.
37. Reasonable steps were not taken to ensure that money owed by the municipality was always paid within 30 days, as required by section 65(2)(e) of the MFMA.

Consequence management

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

Governance and oversight

41. The Internal Audit unit did not advise the accounting officer and/or did not report to the audit committee on the implementation of the internal audit plan on matters relating to risk and risk management, as required by section 165(2)(b)(iv) of the MFMA.

Other information in the annual report

42. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in basic service delivery and infrastructure development key performance area presented in the annual performance report that have been specifically reported on in this auditor's report.
43. My opinion on the financial statements, the reports on the audit of the annual performance report and the report on 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.

44. 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 material indicators in the scoped-in basic service delivery and infrastructure development key performance area presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
45. 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

46. 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.
47. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
48. The accounting officer and management did not exercise adequate oversight and review controls over financial and performance reporting was adequate and not implemented in a timely manner to ensure the fair presentation of the financial statements and the annual performance report.
49. Management did not ensure that the action plan of the prior year was timeously implemented to prevent repeat findings as well as to prevent non-compliance with legislation.

Auditor-General

Pietermaritzburg

30 November 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

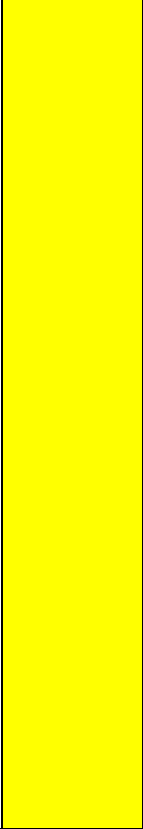
Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations, 2022	Regulations: 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation: 43
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)

Legislation	Sections or regulations
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

6.2 AUDITOR GENERAL ACTION PLAN

Nature of the Audit Query	Audit Query	Root Causes	Audit Response/ Action to be taken	Responsible Official	Due Date	Progress to Date	Status	POE
Annual Financial Statements								
Material Impairment - Consumers Debtors Disclosure	As disclosed in note 11 to the financial statements, the municipality recognised an impairment allowance of R56,28 million (2024-25: R39,32 million) on consumer debtors, as the recoverability of these amounts was considered doubtful.	1. Large Billing of Farms which have been transferred to local Trusts.	<p>1. To conduct the Data cleansing exercise to ensure all customer details are accurately updated. Findings of the exercise will be taken to Council for all irrecoverable debts to be written off. To enhance the existing billing communication and debt collection methods:</p> <p>2. Offer customer incentives to encourage payments of outstanding amounts.</p> <p>3. Address illegal electricity connections as a means of improving collections through monitoring of the Monthly electricity report with non- purchasing customers.</p> <p>4. Implement the recommendations of the debt recovery war rooms to pursue government,</p>	CFO Finance Manager Revenue Accountant	<p>1. On-going/ Weekly Monitoring</p> <p>2. 31 May 2026</p> <p>3. Monthly</p> <p>4. Weekly</p>		In progress	<p>1. Customer Verification Forms, Customer Listing.</p> <p>2. Incentive Advert.</p> <p>3. Meter Audit Reports.</p> <p>4. Minutes of Debt recovery War rooms.</p>

business and farmers debts. Review the performance of the indicators in the war room schedule.



Material losses - Electricity

1. As disclosed in note 39 to the financial statements, the municipality incurred material technical electricity losses of R3,62 million (2023-24: R3,57 million) and non-technical electricity losses of R2,09 million (2023-24: R1,12 million) which represented 48% (2023-24: 43%) of total electricity purchases. The losses were mainly due to ageing electricity network infrastructure and illegal connections.

1. Ageing Infrastructure
2. Illegal connections
3. Lack of on/off peak tariffs.

1. To conduct electricity meter audits to assess whether they have not been tampered with and where illegal connections are identified, the customers' services will be cut-off.
2. To enforce the Electricity By-Laws by issuing of fines on illegal electricity connections.
3. To source funding from Government departments in order to develop the Electricity Master plan.

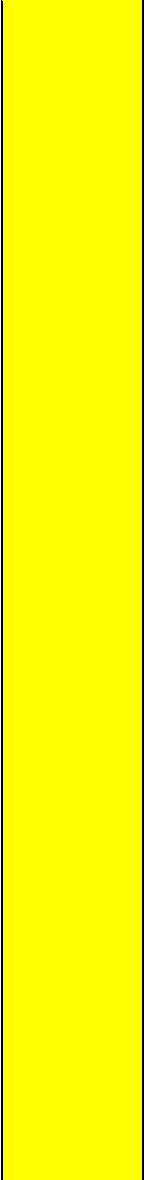
Director Infrastructure and Planning Development.

1. Monthly
2. Monthly
3. 31 December 2026

In progress

1. Meter Audit Reports.
2. Fines Issued

Going Concern

<p>. I draw attention to note 57 to the financial statements, which indicates that the municipality incurred a net deficit of R20,09 million for the year ended 30 June 2025 and as of that date the municipality's current liabilities exceed its assets by R15,10 million (2023-24: R6,60 million), and although cash and cash equivalents improved to R3,57 million (2023-24: R17,01 million), these funds were not sufficient to cover the municipality's current liabilities. These events or conditions, along with the other matters as outlined in the</p>	<p>1. Unfunded budget. 2. Insufficient Equitable share allocation</p>	<p>1. Monitoring and Evaluation of the budget funding plan. 2. Ensuring that the unspent grants are cash backed at year end. 3. Reduction of non-core expenditures. 4. Continues Monitoring of the Income and Expenditure through the Interim Finance Committee. 5. Complete the review of the Indigent register and submit to National/Provincial Treasury as part of addressing the Issue of the Equitable share allocation.</p>	<p>CFO</p>	<p>1. Monthly 2. 30 June 2026 3. On-going 4. Monthly 5. 31 July 2026</p>		<p>1. Budget Funding Plan. 2. IFC Minutes 3. Indigent Register</p>
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aforementioned note, indicate that uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Achievement of Planned Targets	<p>1. The table below lists the Key service delivery Indicators that were not achieved as reported in the Annual Performance report.</p> <p>1. Refurbishment of the Balele Game</p>	<p>1. Inadequate Funding 2. Delays in the SCM processes</p>	<p>1. Management to ensure the Progress Report is updated and list the specific items that were not achieved 2. Management to obtain the Practical Completion Certificate.</p>	<p>IDP/PMS Manager LED Manager</p>	<p>28-Feb-26</p>	<p>In progress</p>	<p>1. Practical Completion Certificate</p>

Park Phase 2 by 30 June 2025.
2. Refurbishment of the Balele Game Park Phase 3 by 30 June 2025

<p>Annual Financial Statements</p>	<p>1. The annual financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of statement of Comparisons of Budget and actual and disclosure items indentified by the auditor in the submitted annual financial</p>	<p>1. Lack of official tasked with the preparation of the AFS. 2. Lack of Interim AFS 3. Monthly reconciliations not performed. 4. Draft AFS not prepared timeosly</p>	<p>1. Training of Internal Officials to prepare the Annual Financial Statements to build internal Capacity. 2. Preparation of the Interim AFS 3. Review of Monthly reconciliations. 4. Development of the AFS preparation plan</p>	<p>CFO Finance Manager Budget Accountant</p>	<p>1. 31 March 2026 2. 31 March 2026 3. Monthly 4. 30 April 2026</p>	<p>In progress</p>	<p>1. Attendace Registers. 2. Interim AFS 3. Monthly recons 4. AFS Prep Plan</p>
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	statements were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.						
Procurement and Contract Management	<p>1. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of section 2(1)(a) of the Preferential Procurement Policy Framework Act 5 of 2000 and its regulations.</p> <p>2. The Performance</p>	1. SCM Processes not followed	1. Management will ensure that the SCM related laws and regulations are implemented .	CFO SCM Manager	On-going	In progress	1. Performance Assessment Report

of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA

<p>Expenditure management</p>	<p>1. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R22,90 million, as disclosed in note 52 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending on budgeted expenditure and various non-cash items.</p> <p>2. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R0,44 Million, as disclosed in note</p>	<p>1. Creditors age analysis not analysed timeously for any challenges</p> <p>2. Poor Implementation of current controls</p> <p>2. Historic Irregular contracts.</p> <p>3. UIFW reporting and investigation not timeously performed.</p>	<p>1. Quarterly analysis of the creditors age analysis and disputed invoices investigated and resolved.</p> <p>2. Management will ensure the strict implementation of controls put in place to prevent unauthorised, irregular or fruitless and wasteful expenditure. The controls include, amongst others, the following:</p> <ul style="list-style-type: none"> - Strict implementation of the approved UIFW reduction strategy. - Termination of all irregular contracts and initiating SCM processes to appoint new services providers. - Conducting regular UIFWE Investigations and implementing Consequence Management. <p>3. Regular reporting to MPAC and Council on UIFW and addressing in year UIFW on a quarterly basis.</p>	<p>CFO ALL Heads of Departments.</p>	<p>1. Quarterly</p> <p>2. On-going</p> <p>3. Quarterly</p>	<p>In progress</p>	<p>1. Invoice Register</p> <p>2. UIFW Investigation reports</p> <p>3. Council and MPAC Minutes</p>
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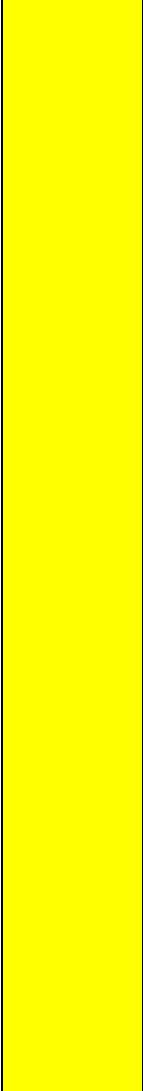
53 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest incurred on late payments to late suppliers/ service providers.

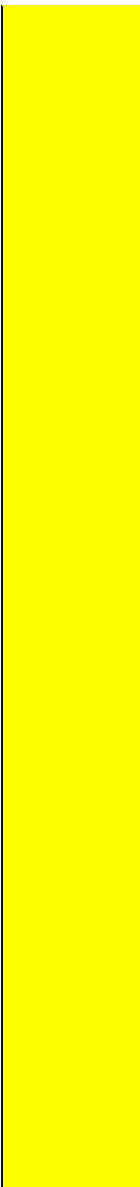
3 Reasonable steps were not taken to prevent irregular expenditure amounting to R32, 96 million, as disclosed in note 54 to the annual financial statements, as required by section 62(1)(d). The majority of the irregular expenditure were caused by non-compliance with



procurement processes and payments made relating to expired contracts.

4. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.



<p>Consequence Management</p>	<p>1. Unauthorised expenditure Incurred by the Municipality was not investigated to determine if any person is liable for the expenditure as required by section 32(2)(a) of the MFMA</p> <p>2. Irregular Expenditure Incurred by the Municipality was not investigated to determine if any person is liable for the expenditure as required by section 32(2)(b) of the MFMA.</p> <p>3. Fruitless and Wastefull expediture incurred by the Municipality was not investigated to determine if any person is liable for the expenditure, as</p>	<p>1. Suspension of the Work of the Committee due to the Committee not having the full compliment of the Members</p>	<p>1. Fast track all the outstanding Investigations of the MDB.</p> <p>2 Finalise Investigation reports and table at MPAC and Council</p>	<p>SIA CFO MM</p>	<p>31-Mar-26</p>		<p>1. MDB Investigation reports</p>
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	required by section 32(2)(b) of the MFMA.						
Governance and Oversight	The internal Audit did not advise the accounting Officer and/or did not report to the Audit Committee on the Implementation of the Internal Audit plan on matters relating to risk and risk management, as required by section 162 (2) (b)(IV) of the MFMA	1. Prioritisation of projects in the Annual Plan due to limited resources	For 2025/2026 IA plan, Management will consider the review and amendment of the plan and include a risk management project if controls around risk management have been identified as strong and adequate. IA will then test the effectiveness thereof.	SIA	28-Feb-25	In progress	1. Ammended IA Plan

APPENDICES DESCRIPTION

Appendix A: Councillors; Committee Allocation

No.	Council Member	Ward and party represented	Status quo in 2024/25	Replacement
1.	Cllr SM Khoza	Ward 5 IFP	Active	
2.	Cllr N Nkosi	Ward 4 ANC	Active	
3.	Cllr NM Dekker	Ward 2 DA	Active	
4.	Cllr PX Qwabe	Ward 3 IFP	Active	
5.	Cllr MJ Mthethwa	Ward 6 IFP	Active	
6.	Cllr KV Sibisi	Ward 1 ANC	Active	
7.	Cllr M.R Khumalo	PR EFF	Active	
8.	Cllr VC Ndlovu	PR ANC	Active	
9.	Cllr ML Buthelezi	PR IFP	Active	
10.	Cllr N Madida	PR ANC	Active	
11.	Cllr PF Chongo	PR NFP	Active	

Appendix B: Committee and Committee Purpose
Portfolio Committees

BUDGET, TREASURY & CORPORATE SERVICES PORTFOLIO COMMITTEE		
COUNCILLORS NAME	DESIGNATION	PURPOSE OF THE COMMITTEE
1. Cllr ML Buthelezi	Chairperson	<ul style="list-style-type: none"> • Administering the capital and operational budgets of the Municipal Council; • Encouraging the involvement of the community of the municipality and its community organisations and institutions in the matters of the municipality; • Ensuring that the governmental discretions exercised by the municipality are democratic, consistent and accountable; and Administering Council's assets • The leasing, letting, hiring and alienation of the goods and intellectual property of the municipality in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.
2. Cllr PF Chongo	Member	
3. Cllr N Dekker	Member	
4. Cllr VC Ndlovu	Member	
5. Cllr NA Madida	Member	
6. Cllr MJ Mthethwa	Member	
7. Cllr MR Khumalo	Member	
8. Inkosi ZG Mabaso	Member	
9. Inkosi MM Nzima	Member	

		<ul style="list-style-type: none"> • Implementing and maintaining an effective and efficient information technology system, catering for all the needs of the municipality. • Obtaining proper legal services for the municipality. • Providing adequate, effective and efficient secretarial, agenda and minuting services to the municipal council and its committees. • Implementation and maintenance of an approved records system. • Carrying out sport and recreation programmes with the municipality. • Providing adequate, effective and efficient Human Resources and Management service and; • That the values and principles set out in Section 195 of the Constitution are promoted throughout the municipal administration • Administration of ward committee with the municipality; • Overseeing certain municipal library services
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		<ul style="list-style-type: none"> • To pay attention to Operation Sukuma Sakhe to the entire municipality •
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MUNICIPAL PLANNING AND TECHNICAL SERVICES PORTFOLIO COMMITTEE		
COUNCILLORS NAME	DESIGNATION	PURPOSE OF THE COMMITTEE
1. Cll MR Khumalo	Chairperson	Advising on legislation and service delivery mechanisms, which are within the financial Overseeing the delivery of certain municipal services and facilities; and projects Ensuring, subject to any policy that the Municipal Council may determine in terms of any National and Provincial Legislation made in terms of section 217 (3) of the Constitution prior to the date referred to in Item 21 (4) of
2. Cllr N Dekker	Member	
3. Cllr FP Chongo	Member	
4. Cllr SM Khoza	Member	
5. Cllr N Nkosi	Member	
6. Cllr KV Sibisi	Member	
7. Inkosi ZG Mabaso	Member	
8. Inkosi MM Nzima	Member	

		<p>Schedule 6 to the Constitution, that when the municipality contracts for goods and services, it does so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.</p> <p>The goal of the of Development Planning and Local Economic Development is to provide strategic direction to the municipality with regards to development issues and to ensure that the municipality's vision and strategies are achieved in the fields of development planning and operations.</p> <p>Provide spatial and development plans, and the management thereof within the context of the <u>Integrated Development Plan</u>.</p> <p>Facilitate and manage the development and ongoing enhancement of strategy, policies and processes pertaining to city planning, land administration, housing.</p> <p>Facilitate and manage a number of interrelated spatial, housing, land and programmes.</p> <p>Formulate and implement appropriate policies and strategies to sustain rural development.</p> <p>Allocate, manage and optimize resources, and drive performance within the key focus areas of development planning and operations</p>
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		<p>The provision of Human Settlement and Infrastructure to the community of the municipality in a sustainable manner by overseeing Human Settlements and Infrastructure development and Human settlements and Infrastructure</p>
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MUNICIPAL PUBLIC ACCOUNTS COMMITTEE			
1. Cllr N.M Dekker	N.M	Chairperson	PURPOSE OF THE COMMITTEE To monitor good governance where there is optimal utilisation of municipal resources to enhance and sustain service delivery and financial management
2. Cllr M.J Mthethwa	M.J	Member	
3. Cllr M.R Khumalo	M.R	Member	
4. Cllr N.A Madida	N.A	Member	
5. Cllr N. Nkosi		Member	

LOCAL LABOUR FORUM			
COUNCILLORS NAME		DESIGNATION	PURPOSE OF THE COMMITTEE
1. Cllr. N.M Dekker		Chairperson	<ul style="list-style-type: none"> • promote the interests of all workers • enhance workplace efficiency; • consult with the employer; and • take part in decision-making
2. Cllr. Khumalo	N.R	Member	

APPENDIX C: Third Tier Administrative Structure

NAME	DESIGNATION
MRS G.N Mavundla	Municipal Manager
MRS P.P Sithole	Chief Finance Officer

Mr. S.M Nkwanyana	Director Municipal Planning Development and Technical Services
Ms N. Zungu	Director Community Services and Public Safety
Mrs N.N Madinana	Deputy Director Corporate Services

Appendix D: Powers and Functions

FUNCTION	EMADLANGEN I LM	AMAJUBA DM
SCHEDULE 4		
Air pollution	Yes	No
Building regulations	Yes	No
Child care facilities	Yes	No

Electricity reticulation	Yes	No
Fire Fighting	Yes	Yes
Local tourism	Yes	No
Municipal airport	No	Yes
Municipal Planning	Yes	No
Municipal Health Services	No	Yes
Municipal public transport	Yes	No
Pontoons and ferries	Yes	No
Storm water	Yes	No
Trading regulations	Yes	No

Water (Potable)	No	Yes
Sanitation	No	Yes
SCHEDULE 5		
Amusement facilities /Beaches	Yes	No
Billboards and the display of advertisements in public places	Yes	Yes
Cemeteries, funeral parlours and crematoria	Yes	No
Cleansing	Yes	No
Control of public nuisance	Yes	No
Control of undertakings that sell liquor to the public	Yes	No

Facilities for the accommodation, care and burial of animals	Yes	No
Fencing and fences	Yes	No
Licensing of dogs	Yes	No
Licensing and control of undertakings that sell food to the public	Yes	No
Local amenities	Yes	Yes
Local sport facilities	Yes	Yes
Markets	Yes	No
Municipal abattoirs	Yes	No
Municipal parks and recreation	Yes	No

Municipal roads	Yes	No
Noise pollution	Yes	No
Pounds	Yes	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No
Street lighting	Yes	No
Traffic and parking	Yes	No
Municipal public works	Yes	Yes

Appendix E: Ward Reporting

Ward	Priority	Turnaround Strategy
1	<ul style="list-style-type: none"> • Water & Sanitation • Electricity • Roads 	<ul style="list-style-type: none"> • Amajuba District is the water supplier. • 151 connectins in progress at Dorothea. • Regravelling of 4.6 KMs of Dorothea Access Road • Roads are being maintained by the Municipal grader as and when required.
2	<ul style="list-style-type: none"> • Roads • Job opportunities • Housing 	<ul style="list-style-type: none"> • Rehabilitation of Naude Street 1.3 KMs and completed by (MIG) • Rehabilitation of 0.65 KMs Keerom Street and completed by (MIG) • 120 Young people were employed through EPWP • Goedehoop housing project in progress
3	<ul style="list-style-type: none"> • Water & Sanitation • Electricity • Roads 	<ul style="list-style-type: none"> • Amajuba District is the water supplier. • 14 connections at Ndwakazane • Completion of 2.8 KMs gravel road Emathangeni

		<ul style="list-style-type: none"> • Gravelling of 2.49 KMs Vaalbank access road • Roads are being maintained by the Municipal grader as and when required.
4	<ul style="list-style-type: none"> • Water & Sanitation • Electricity • Roads 	<ul style="list-style-type: none"> • Amajuba District is the water supplier. • 58 connections were energized in Blue Mountain phase 2. • 40 connections energized in blue Mountain Phase 3 • 25 connections energized in Kwantaba • 19 connections energized in Kaarpoort • Regravelling of 4.6 KMs at Reserve access road in progress • Roads are being maintained by the Municipal grader as and when required.
5	<ul style="list-style-type: none"> • Water & Sanitation • Electricity • Roads 	<ul style="list-style-type: none"> • Amajuba District is the water supplier. • 51 households has been energized at Emadlangeni • Completion of 2.6 KMs gravel road, berouw.

		<ul style="list-style-type: none"> • Regravelling of 4.6 KMs at Reserve access road in progress • Regravelling of 2.9 KMs at Lens access road in progress • Roads are being maintained by the Municipal grader as and when required.
6	<ul style="list-style-type: none"> • Electricity • Roads 	<ul style="list-style-type: none"> • New connections planned for 2024/25 financial year. • Regravelling of 4.6 KMs of Mlwane access road in progress <ul style="list-style-type: none"> • Roads are being maintained by the Municipal grader as and when required.
Crèches	<ul style="list-style-type: none"> • Shortage of crèches 	<ul style="list-style-type: none"> • To build sustainable crèche
Schools	<ul style="list-style-type: none"> • Shortage of scholar transport • Increase number in teenage pregnancy • Shortage of classrooms and educators 	<ul style="list-style-type: none"> • To liaise with Department of Transport in partnership with DOE • Conduct awareness campaigns in schools on family planning and unprotected sex.
Sanitation	<ul style="list-style-type: none"> • Lack of sanitation services 	<ul style="list-style-type: none"> • The project of installing VIP Toilets has been completed in Ward 1 (KwaLembe) and in Ward 5 (Vaalbank).
Clinics	<ul style="list-style-type: none"> • Shortage of clinics • Shortage of community care givers 	<ul style="list-style-type: none"> • Clinics cannot be built in an area with a population of less than 10 000 people, therefore

		health services will be provided through mobile clinics and the school health team visits schools for screening and other health related campaigns.
Disaster	<ul style="list-style-type: none"> • Shortage of lightning conductors 	<ul style="list-style-type: none"> • 20 Lightning conductors have been installed in 3 wards that have been affected by lightning. lightning conductors were installed by PMDC and Amajuba District due to budget constrains in the Municipality.
Libraries	<ul style="list-style-type: none"> • Shortage of libraries 	<ul style="list-style-type: none"> • Departement of Art and Culture constructed a Library in Ward 05 Izimbuthu. • Transnet denoted with 4 mobile libraries (cupboards) to 4 schools within the ELM.

- CONCLUSION

Out of the 102 Key Performance Indicators (KPIs) listed on the annual SDBIP 2024/25 Financial year, 6 were not met, and 96 were met. The average achievement for 2024/25 Financial year is at 94%. The municipality performance increased by 21% since the previous financial year.

KPI Not Met	6
KPI met	96
Total	102