



NDLAMBE
LOCAL MUNICIPALITY
(EC 105)

AUDITED ANNUAL REPORT 2024/2025



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CHAPTER ONE: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 Mayor's Foreword

As the Mayor of Ndlambe Municipality, it is both an honour and a privilege to present, on behalf of the municipality and all its dedicated stakeholders, the Annual Report for the 2024/2025 financial year. This report reflects our collective efforts and commitment to serve our community, showcasing the progress we have made together and the challenges we have overcome in pursuit of a better life for all our residents.

The municipality is not exempt from the pervasive challenges that confront other municipalities, provincial governments, and the national government, most notably those related to socio-economic issues such as unemployment, social and economic inequality, and poverty. The municipality is also grappling with infrastructure-related challenges. Nevertheless, the municipality's proactive measures to tackle these challenges have significantly mitigated their adverse effects on our communities. It is commendable that, through exemplary and efficient governance, the municipality has steadfastly adhered to its core mandate of delivering essential services of quality to our residents in a sustainable manner, despite the myriad obstacles encountered along the way.

The municipality's diligent initiatives stem from a thorough reassessment and refinement of its strategic objectives, informed by historical insights and aligned with the prevailing socio-economic context. These objectives are in harmony with key frameworks, including the Provincial Growth and Development Strategy, the National Development Plan, the National Spatial Development Framework, and the National Key Performance Areas. By integrating these strategic goals into the operational plans of all directorates and the individual performance management systems, the municipality ensures that all efforts are systematically focused on achieving the established targets and desired outcomes.

The Integrated Development Plan (IDP) serves as a critical framework for municipal governance, ensuring compliance from both administration and councillors. Its institutionalisation has enhanced community involvement in the formulation process, emphasising its importance. Stakeholder participation throughout the IDP phases leads to the Mayoral Imbizo and strategic planning sessions. Strategic objectives from the IDP are reflected in senior managers' performance scorecards, allowing for effective compliance monitoring. Exceptional performance is rewarded with bonuses, while underperformance is managed through development plans. For nearly a decade, senior managers have consistently achieved at least a 100% performance rating, with many aiming for 130% or more.

The below-mentioned strategic goals and guiding objectives of the municipality should be used as a yardstick when reading and interrogating this Annual Report:

Strategic Goal 1

A premier place to work and do business

Strategic Goal 2

Destination of choice for laid-back living for families

Strategic Goal 3

Tourist destination of choice for people who love natural and cultural heritage, adventure, and water sports

Strategic Objectives

- 1.1. Improve the governance of the Municipality
- 1.2. Improve financial viability of the municipality
- 1.3. Develop state-of-the-art innovative physical and technological infrastructure
- 1.4. Create a comfortable remote working environment and develop new economy skills
- 1.5. Develop a vibrant rapidly growing employment generating economy based on tourism, agriculture, ocean resources and new digital technologies
- 1.6. Develop Port Alfred as a logistics hub
- 1.7. Develop ICT as a Strategic Enabler

Strategic Objectives

- 2.1. Provide sustainable, efficient, cost effective, adequate and affordable services to all our citizens
- 2.2. Provide efficient and effective public & private health services
- 2.3. Create a pleasant, safe and secure living environment for all our citizens
- 2.4. Mainstreaming of vulnerable groups into our growing society

Strategic Objectives

- 3.1. Preserve the natural beautiful environment, cultural heritage, and biodiversity
- 3.2. Develop a cultural heritage, and biodiversity economy
- 3.3. Develop and support adventure and extreme water sports
- 3.4. Enable more events which attract visitors to NLM

The Performance Management System (PMS) facilitates the oversight of strategic goal implementation and budget allocation within the municipality. Key Performance Indicators (KPIs) and targets have been established for each strategic outcome, with ongoing measurement and monitoring conducted throughout the fiscal year. All pertinent data is recorded in an electronic performance management system, enabling continuous performance oversight. This proactive approach serves as an early warning mechanism, allowing for timely corrective actions as needed to enhance service delivery and achieve municipal objectives.

It is imperative to prioritise the maintenance and enhancement of performance across all operational areas. We are committed to fostering a robust culture of service delivery while ensuring sound fiscal management and administrative integrity. Our focus will be on sustaining municipal efficacy in delivering essential services, facilitating local economic development, advancing infrastructure projects, and promoting good governance. We will diligently address community needs within the framework of existing resources and infrastructure constraints to support sustainable growth and responsible governance in our municipality.

The achievement of service delivery targets and deliverables must be assessed in conjunction with the municipality's financial performance and compliance with municipal legislation. A critical determinant of financial health is the payment behaviour of ratepayers and customers. However, the recovery of debt in areas where Eskom provides power directly to residents presents ongoing challenges. Insufficient revenue hampers the delivery of essential services and the maintenance or upgrading of infrastructure, including roads, electricity, water, and sewerage systems. Unemployment is negatively affecting the liquidity of the municipality. Although, the equitability share from National Government caters for indigents the pace in which this is recognized by Treasury is not satisfactory.

The Municipality has made significant strides in basic service delivery, ensuring that 100% of registered urban residential properties have access to minimum service levels or higher. Nevertheless, there remain informal settlements and backyard dwellers lacking formal access to services. In response, the Municipality provides gel stoves and fuel as alternative energy sources for these communities. Additionally, informal settlements receive

skip bins for refuse collection. To further support registered indigent and low-income households, the Municipality offers monthly subsidies for basic utilities, including sewerage, refuse removal, water, and electricity. Indigent households benefit from 50 kWh of free electricity, 6 kilolitres of water, and complimentary refuse removal services. Furthermore, households with properties valued at less than R350,000 are granted free sanitation services and exemption from property rates.

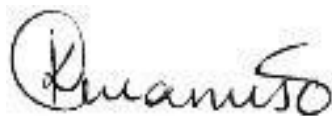
Vandalism and theft have emerged as escalating concerns within the municipality, imposing substantial financial burdens annually. It is imperative to initiate a comprehensive educational campaign aimed at mitigating this issue and informing communities that vandalism adversely affects their own welfare. The involvement and cooperation of ward councillors and committee members will be crucial in this initiative. This compels the municipality to appoint security companies to guard the municipal assets and this comes at an exorbitant price.

The Municipality continually enhances its public participation efforts, not merely for compliance but to promote good governance. These initiatives include the establishment of Ward Committees, the engagement of Community Development Workers, ward-based planning, and community outreach programs, such as Mayoral Imbizos, forums, and Report Back meetings. These platforms are instrumental in providing updates on service delivery issues raised by the community.

In conclusion, the 2024/25 financial year was a challenging period for the local government sphere, especially with the power crisis that forced the municipality to find alternative ways to continue providing services. We are grateful that the government has restored electricity and that loadshedding is a thing of the past. Testament to the professionalism and dedication of all the municipality's staff members who never allowed these hindrances taking place to distract them from their responsibilities, or diminish their determination, to serve the people of Ndlambe Municipality.

I would like to express my gratitude to the Executive Committee and all the Councillors for their contribution and commitment towards realizing the Vision and making a difference in the lives of all in Ndlambe. I would also like to thank the Management team and staff members for their support during the year. Most importantly, I wish to thank the ratepayers, civic organisations and all stakeholders and individuals who continue to support us in our endeavours to change our local municipality for the better. Without your commitment and support, the achievements to be outlined in this report would not have been possible.

CLLR KC NCAMISO



Mayor

1.2 Municipal Manager Foreword

The Annual Report for the fiscal year 2024/2025 provides a thorough evaluation of the Ndlambe Local Municipality's (NLM) performance in relation to its strategic objectives, as aligned with the Integrated Development Plan (IDP), municipal budget and broader Provincial and National governmental directives. The report highlights substantial achievements across various programmes and projects that have been strategically implemented to enhance service delivery for the community and stakeholders. It underscores the municipality's dedication to advancing the quality of life for residents while ensuring compliance with established legislative and regulatory frameworks, affirming its commitment to effective governance. This Annual Report serves as a testimony of a need to amend the White Paper in Local government.

The constitutional framework governing local government in South Africa is articulated in various sections, including Section 151, which establishes municipalities, Section 152, which delineates the objectives of local government, and Section 156, which specifies the powers and functions of municipalities. Additionally, the Municipal Systems Act No. 32 of 2000 outlines essential principles and processes for municipalities to advance the social and economic development of local communities. Importantly, Section 154 of the Constitution emphasizes cooperative governance, mandating both national and provincial governments to support local authorities in their service delivery mandates, recognising that municipalities operate at the forefront of service provision. The following sections will address specific service delivery challenges faced by municipalities.

The five-year Integrated Development Plan (IDP) undergoes an annual review to assess priorities and existing plans in relation to the available budget and resources. Consequently, tailored IDP strategic objectives are established for each financial year to reflect realistic targets. To ensure the effective attainment of these objectives, a Service Delivery and Budget Implementation Plan (SDBIP) is developed for the entire organization, with specific alignment to both the IDP and budgetary considerations. Compliance with the Municipal Standard Chart of Accounts (MSCOA) is imperative, and our municipality is among the few that successfully adheres to these standards in its budgeting process. This Chart enhances clean governance and responsible financial management.

In Ndlambe Municipality, performance targets for each Section 56 Director are developed in alignment with the Service Delivery and Budget Implementation Plan (SDBIP), the Integrated Development Plan (IDP), and the municipal budget. This process culminates in the creation of scorecards for each directorate, ensuring that service delivery objectives are consistently aligned with higher-level strategic frameworks.

One of the distinguishing features of Ndlambe Municipality is its stable political and administrative environment. This stability can be attributed to the consistent retention of Section 56 and 57 managers over nearly four terms, coupled with the municipality's prompt response in filling senior managerial vacancies. Currently, all senior management positions are occupied, further contributing to the operational continuity and effectiveness of the municipality. This combination of factors, including a stable leadership structure and proactive management practices, has significantly enhanced the municipality's ability to deliver on its strategic objectives and maintain a high level of service delivery.

The municipality has demonstrated significant progress in achieving the objectives outlined in the Integrated Development Plan (IDP), which will be further detailed in the forthcoming Organisational Scorecard section of this report. Enhanced capacity and support from intergovernmental collaboration have facilitated the efficient execution of our constitutional obligations. The table below depicts some of the projects implemented this financial year:

PROJECT	BUDGET 2025 - BUDGET EXPENDITURE 2024/2025	BALANCE
Construction of Reservoir in Thornhill	R 10 891 439	R 9 796 070.68
Thornhill Link Sanitation Service Portion 1	R5 271 236.17	R 4 994 031.69
Thornhill Intergrated Housing Development- Phase 2 Link Sanitation Services Upgrades: Mechanical and Electrical Insallations for the seer pump station	R 1 348 406.84	R 1 348 406.84
Upgrading of Port Alfred Sewerage Pump Station	R 8 160 952.27	R 8 117 264.31
Port Alfred Sewerage Infrastructure System Phase 1 Reticulation	R16 241 883.94	R15 899 286.19
Upgrading of Mamityi Gidana Sportsfield	R 987 498.40	R 987 498.06
Upgrading of Protea Crescent in Station Hill	R 4 652 861.64	R 4 510 746.89

Despite many achievements, challenges always abound and as a result the following areas will receive particular focus:

Water – especially during festive season in particular in Port Alfred, Bushmansrivermouth and Kenton- On-Sea which areas are visited the most by tourists during this period. Alexandria water supply remains a challenge, and the municipality aims to increase water capacity to the area hence the upgrade of the Cannon Rocks RO plant, finishing up of Amatola contract 14 & 15 project and the boreholes water from neighbouring farmer to the reservoir. In advancing diversification sources of water reclamation plans are being developed Alexandria. Amatola Water is given support by a technical team composed of Ndlambe, Department of Water and Sanitation and Local technical people from both Bushmansrivermouth and Kenton-On-Sea. The former Albany RO plant is in the process of being transferred to the municipality as it has been proven to produce water optimally.

The Department of Water and Sanitation and Co-operative Governance and Traditional Affairs funded an RO plant for Port Alfred which amounted to R100 million (one hundred million rands). A private company is also selling RO plant water to the municipality. Boreholes do augment water to Port Alfred. Trucks are also carting water especially to high lying areas. The Sarel Hayward dam is steadily getting water from the weir through an additional dedicated pump. Reclamation is also in the process of being finalised.

Sanitation – the sewage system of the municipality is aging at a very fast pace. It is unfortunate that the municipality has water challenges because it follows that one will have problems with sewerage. The recycling of sewerage in the Port Alfred RO plant is negatively affected by the inadequate sewerage caused by the drought and spillage in the system. The rivers are at risk of being contaminated by sewerage and that becomes a health hazard to river users, species and has a back lash on tourism. The municipality has implemented various sanitation projects during the financial year to ameliorate the sanitation crisis.

Roads and Stormwater -are continuously maintained however it is very difficult to keep pace with the rate in which they are aging given our financial situation. Council has taken a stance to pave roads, and this is ongoing and is visible in Ndlambe as whole. A portion of MIG is used to pave roads. The Department of Local government and Traditional Affairs is consistently assisting the municipality through disaster fund to construct roads and stormwater.

SMME development – the municipality does not compromise in giving work to the SMME's as part of local economic development and job creation despite the many challenges this puts on the administration. Many SMME's have upgraded their CIDB grades and are able to compete everywhere in the country.

Electricity – The municipality has outsourced the maintenance of electricity, and the service provider is doing well. Indigent households are provided with free electricity which is 50KW per month and 6 kilo litres of water each month. Houses in particular squatter areas have been provided with gel stoves in the meantime as means of alternative energy. Department of Human Settlement has funded the municipality to upgrade informal settlements with electricity, standpipes and roads. The gel stoves are also provided to farmworkers household on farms.

Building Control remains a serious challenge in the area especially in the townships where people are building without following the building regulations and as a result of this there is a potential that the municipality may be loosing a lot of revenue and the households who are contravening the building regulations are exposed to danger because they are living in houses that have not been approved by the relevant authorities. The municipality is channelling all efforts to overcome this challenge as it is one of the highest risk areas. The fact that the Department of Human Settlements do not fully involve the municipality when building RDP houses is another challenge hence houses are dilapidated. The conversion of houses to Spaza shops.

Cemeteries – the municipality is facing a pressing challenge as its cemeteries approach full capacity due to rising mortality rates linked to health crises, rapid urbanization, and demographic changes within the local population. In response, the relevant department is actively pursuing the acquisition of additional land for burial sites. To extend the usage of existing cemeteries, the municipality is promoting alternative burial practices, particularly in townships, which may include unconventional methods such as the interment of multiple individuals in a single grave and cremation. Furthermore, the municipality has allocated funds for an Environmental Impact Assessment (EIA) in Port Alfred and is set to commence this process shortly. It is noteworthy that in Kenton-on-Sea, there is currently no municipally owned land available for cemetery expansion, necessitating negotiations with adjacent private landowners for potential land acquisition.

Waste Management remains a huge challenge for the municipality. The costs associated with managing the sites are quite huge.. The municipality having done cost benefit analysis resolved that this service be outsourced in particular landfill site management. This is over a period of three (3) years. However, a long-term lasting solution is to secure yellow fleet so that the municipality can have capacity to manage its waste properly. Council has to consider a portion of Municipal Infrastructure Grant (MIG) for this purpose as COGTA is now considering applications in this regard. Clean governance is one of the fundamental requirements that justifies a well-run municipality and the spinoffs of that is the attraction of funds / grants from other spheres of government.

Ndlambe municipality prides itself of getting an unqualified audit report in 2024/2025. The municipality is liquid and as a result of that it can pay its creditors within 30 days especially the big ones like ESKOM, Telkom and Amatola Water. The municipality has no loans or used any bank credits as a result of not being able to service its debt. As much as the collection rate is 87% on average the municipality is liquid although it is striving to achieve 95% which is a norm for assurance on liquidity.

The municipality has identified eighteen (18) high risk areas, however only five (5) high risk areas will be lifted. Those are supply chain management, traffic services and revenue, infrastructure – water losses, revenue – indigent, fleet management. There are control measures put in place which in turn responsible employees are identified. Those responsible employees in turn appoint risk champions who will deal with this on daily basis and report back to those who delegated in intervals. The internal audit unit submit progress report to the Audit Committee from time to time. The risk register is a moving target in the sense that what may be a risk currently may not be in the future or vice versa hence reviewal of the risk is very important. A truncated register is depicted below.

No	Division/Section	Fraud Risk Description	Root cause	Current Control processes in place to mitigate the risk exposure	Action to Improve Management of the Risk Exposure
1	SCM - Procurement	Possible cover coating flouting of the procurement process	1. Decentralised procurement process 2. Collusion	1. Units request quotes independently 2. SCM module activated (covers SOD element)	1. Centralisation of procurement process 2. SCM awareness/refresher training
2	Traffic Department	Bribing of traffic officers	1. Greed 2. There is opportunity to conduct fraud 3. Collusion between traffic officers and commuters/drivers on the road 4. Unethical behavior	1. Prenumbered traffic fine books 2. Traffic bylaws / Road traffic Act 3. Traffic officers in place 4. Working in teams	1. Continuous implementation of traffic teams 2. Training of traffic officers on legislation
3	Infrastructure - Water Losses	Illegal Connections	1. Inability by communities to afford water and electricity 2. Inaccurate reading of meters 3. Possible Collusion by officials 4. Unethical conduct 5. Vandalism 6. Aged infrastructure 7. Inadequate raw water sources that lead to water carting	1. Reconciliation conducted (2. Meter readers 3. Plumbers in place for water leaks 4. Replacement of old water meters 5. Replacement of cables 6. Replace old electricity meters 7. Use of prepaid system 8. Analysis of purchases 9. Analysis of reading (conventional meters)	1. Install water management device 2. Continuous monitoring of water meters
4	Revenue – Indigents	Fraudulent Applicants receiving indigent benefits	1. Employees receiving kickbacks 2. Applicants submitting fraudulent applications 3. No system in place to verify the authenticity of information submitted	1. Segregation of duties is in place 2. Checklist guiding what should be on the indigent application is in place 3. Indigent Policy	
5	Fleet Management	Abuse of municipal assets (fleet)	1. Lack of supervision on allocation and movement of fleet 2. No standardised procedure for fleet management 3. Nonalignment of trips to job cards	1. Fleet Manager is in place 2. Logbooks are in place 3. Incident and accident reports are completed and submitted 4. Fleet management policy 5. Tracking system in place	1. Establish a Loss Control Committee 2. Benchmark fleet control system 3. Review/Update and enforce fleet management policy 4. Procurement of new tracking system

The significance of an annual report in fostering an accountable, participatory, and development-oriented local government cannot be overstated. As we conclude the 2024/2025 financial year and in accordance with Section 127 of the Municipal Finance Management Act, 2003 (Act 56 of 2003), we must present an annual report within the stipulated timelines. This report serves not only as a compliance requirement but also as a critical assessment of the municipality's performance during the review period. I extend my sincere gratitude to all those who contributed to making the 2024/2025 year a success, particularly the Mayor, the Executive Committee, the Speaker, Councillors, the Audit and Performance Committee, management, staff, and all stakeholders for their unwavering support and commitment.

ADV R DUMEZWENI



1.3 Municipal Overview

The Ndlambe Municipality, as a Category B municipality, exercises functions outlined in the Constitution of the Republic of South Africa, 1996, specifically those detailed in Schedule 4 Part B and Schedule 5 Part B. These include:

Air pollution	Water & sanitation services limited to potable water supply systems and domestic waste-water and sewerage disposal systems
Building regulations	Beaches and amusement facilities
Electricity	Billboards and display of advertisements in public places
Fighting services	Cemeteries and funeral parlours
Local tourism	Cleansing
Municipal Planning	Control of public nuisances
Municipal Health Services	Control of undertaking that sell liquor to the public
Jetties & Piers	Facilities for accommodation, care and burial of animals
Stormwater management system	Fencing and fences
Trading regulations	Traffic and parking
Licensing and control of undertaking that sell food to the public	Municipal roads
Local amenities	Noise pollution
Local sport facilities	Pounds
Municipal parks and recreation	Public places
Refuse removal, refuse dumps and solid waste disposal	Street trading
Street Lighting	

In addition to its core responsibilities, Ndlambe Municipality undertakes functions delegated to it by other spheres of government.

The Ndlambe municipal area is situated within the Eastern Coastal Zone of the Sarah Baartman District Municipality, a region characterised by shared geographical attributes and requiring consistent geographical guidance.

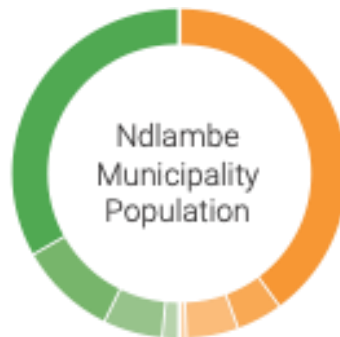
This area can be described as an area with:

- A pristine coastal area;
- Well preserved river mouths and inter-tidal areas;
- Diverse vegetation;
- A relatively low density development along the coast; and
- Major tourism potential

The following is the presentation and analysis of key Ndlambe municipal population and household statistics as provided in the Stats SA Community Survey, 2016. A comparison of this data with Census 2011 is provided in the next page.

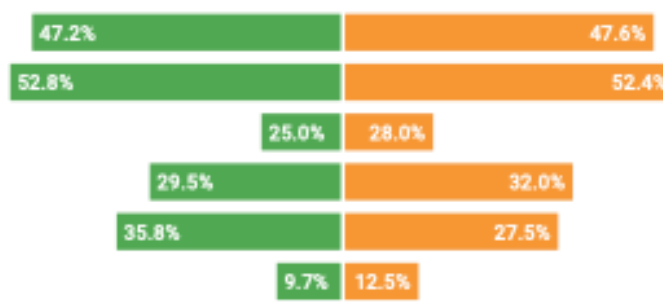
SUMMARY OF KEY DEMOGRAPHIC AND SOCIO-ECONOMIC HIGHLIGHTS OF NDLAMBE MUNICIPALITY

2023	82 700	
Black	63 042	76.23%
White	12 512	15.13%
Coloured	6 797	8.33%
Asian	349	0.42%



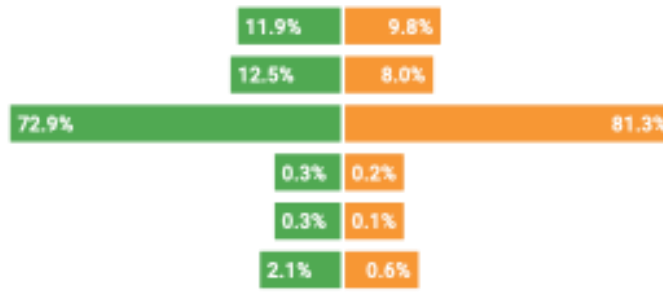
2016	63 180	
Black	52 697	83.4%
White	5 271	8.3%
Coloured	5 077	8.0%
Other	136	0.2%

Male	38 910	47.2%
Female	43 390	52.8%
Age 0-14	20 595	25.0%
Age 15-34	24 307	29.5%
Age 35-64	28 765	35.8%
Age 65+	7 636	9.7%



Male	30 096	47.6%
Female	33 084	52.4%
Age 0-14	17 697	28.0%
Age 15-34	20 192	32.0%
Age 35-64	17 373	27.5%
Age 65+	7 919	12.5%

Afrikaans	7 137	11.9%
English	7 475	12.5%
IsiXhosa	43 721	72.9%
IsiZulu	171	0.3%
Sesotho	169	0.3%
Other	1 269	2.1%



Afrikaans	6 102	9.8%
English	4 963	8.0%
IsiXhosa	50 486	81.3%
IsiZulu	115	0.2%
Sesotho	34	0.1%
Other	391	0.6%

2023	25 120	2.7 members
Very Formal	6 493	25.85%
Formal	17 282	68.8%
Informal	431	1.72%
Traditional	821	3.27%
Other	92	0.37%



2016	20 818	3.0 members
Formal	18 589	89.3%
Informal	1 315	6.3%
Traditional	856	4.1%
Other	58	0.3%

Piped water	24 307	96.77%
Non-piped	813	3.23%
Flush Toilet	20 135	8.33%
Pit Toilet	4 626	18.42%
Bucket	48	0.19%
None	311	1.24%



Piped water	18 721	89.9%
Non-piped	2 097	10.1%
Flush Toilet	15 977	76.7%
Pit Toilet	2 116	10.2%
Bucket	174	0.8%
None	828	4.0%

For Lighting	23 999	95.54%
Other	426	1.69%
None	695	2.77%
For Cooking	23 999	95.54%
Other	695	2.77%



For Lighting	18 506	90.8%
Other	1 881	9.2%
None		
For Cooking	17 846	86.1%
Other	2 887	13.9%

Once a week	21 059	83.84%
Less often	622	2.48%
Dump	645	2.56%
Own dump	2 857	10.30%
None	206	0.82%



Once a week	18 544	89.1%
Less often	121	0.6%
Dump	352	1.7%
Own dump	1 230	5.9%
None	512	2.5%

Ratio	2022		2016	
	Number	Percent	Number	Percent
Dependency ratio		57.1		59.7
Poverty head count ratio		0.0		0.0
Sex ratio		88.9		97.6

Infrastructure	2011		2016	
	Number	Percent	Number	Percent
Access to telephone lines	3 591	18.3	2 409	12.1
Access to cellular phones	15 769	80.4	18 030	87.9
Access to Internet	5 871	29.9	1 863	9.3

Education	2022		2016	
	Number	Percent	Number	Percent
Level of education (20+)				
No schooling	3697	6.3	2 998	7.4
Some primary	6697	11.5	7 212	17.8
Completed primary	3002	5.1	2 817	6.9
Some secondary	19556	33.5	15 047	37.1
Grade 12/Matric	16485	28.2	9 479	23.4
Higher	8509	14.6	2 974	7.3
Other	504	0.9	59	0.1

Employment	2022	
	Number	Percent
Employed		63.7
Unemployed		39.5
Employment by industry		
Formal		45.7
Informal		54.3
Private Households		
Economically active population		
Labour force participation rate		67
Absorption rate		38.3
Unemployment rate		39

Rating of quality of municipal services	2011		2016	
	Number	Percent	Number	Percent
Water (good)			11 283	55.2
Electricity supply (good)			14 873	77.9
Sanitation (good)			12 073	62.9
Refuse removal (good)			13 966	70.3

Agriculture	2011		2016	
	Number	Percent	Number	Percent
Agricultural households			2 602.0	12.5
Cattle				
1 - 10			307	72.1
11 - 100			51	12.0
100+			68	16.0
Total			426	100.0
Sheep				
1 - 10			26	51.0
11 - 100			25	49.0
100+			0	0.0
Total			51	100.0
Goat				
1 - 10			142	44.9
11 - 100			159	50.3
100+			15	4.7
Total			316	100.0

Type of agricultural activity			
Livestock production		1 111.0	51.0
Poultry production		850.0	43.3
Vegetable production		1 072.0	70.4
Other		590.0	9.9

SOURCE: Stats SA, Census 2011 & Community Survey 2016

Population

According to the 2022 Census conducted by Statistics South Africa the Ndlambe municipality has a population of 87 797 occupying an estimated 32 440 households. Ndlambe accounts for 16.5% of the inhabitants living in the Sarah Baartman District. The extent of Ndlambe municipal area covers an area of one thousand eight hundred and forty square kilometres (1 840.63km²) which was delimited into ten wards with a total of twenty elected councillors.

Population, extent of area km² and population density

StatsSA 2022	Sarah Baartman Municipality	District	Ndlambe Local Municipality
Total Population 2022	533 253		87 797
Area km ²	58 243.3 km ²		1 840.63 km ²

SOURCE: Stats SA, 2022

Geographically Ndlambe makes up 3.2% of the District municipality's landmass, with a relatively high population density of 47 per km², which is four times higher than the District average of 9 persons per km².

Population growth rate (Source: StatsSA 2022)

Population Growth over time	2011	2022	% Growth 2011 to 2022	% Growth p.a.
Ndlambe	61 176	87 797	43.5	4.35
Sarah Baartman	450 584	533 253	18.4	1.84
Eastern Cape	6 562 053	7 230 204	10.2	1.02

The population which totalled 87 797 in 2022 increased by 26 621 people over a 11-year period. This is reflective of a 43.5% total population growth rate in Ndlambe from 2011 to 2022, which is higher than the Provincial growth and the growth rate accrued for Sarah Baartman District Municipal area over the same period.

Population by age group and gender

Age Range	Males	% Males	Females	% Females
85+	376	0.4	661	0.8
80-84	756	0.9	1033	1.2
75-79	1071	1.2	1411	1.6
70-74	1538	1.8	2052	2.3
65-69	1912	2.2	2407	2.7
60-64	1905	2.2	2719	3.1
55-59	2068	2.4	2734	3.1
50-54	2134	2.4	2833	3.2
45-49	2330	2.7	2778	3.2
40-44	2611	3	2898	3.3
35-39	3094	3.5	3434	3.9
30-34	3119	3.6	3369	3.8
25-29	3057	3.5	3234	3.7
20-24	2871	3.3	2659	3
15-19	2993	3.4	3055	3.5
10-14	3362	3.8	3404	3.9
05-09	2962	3.4	2757	3.1
0-4	3168	3.6	3031	3.5

SOURCE: StatsSA, 2022

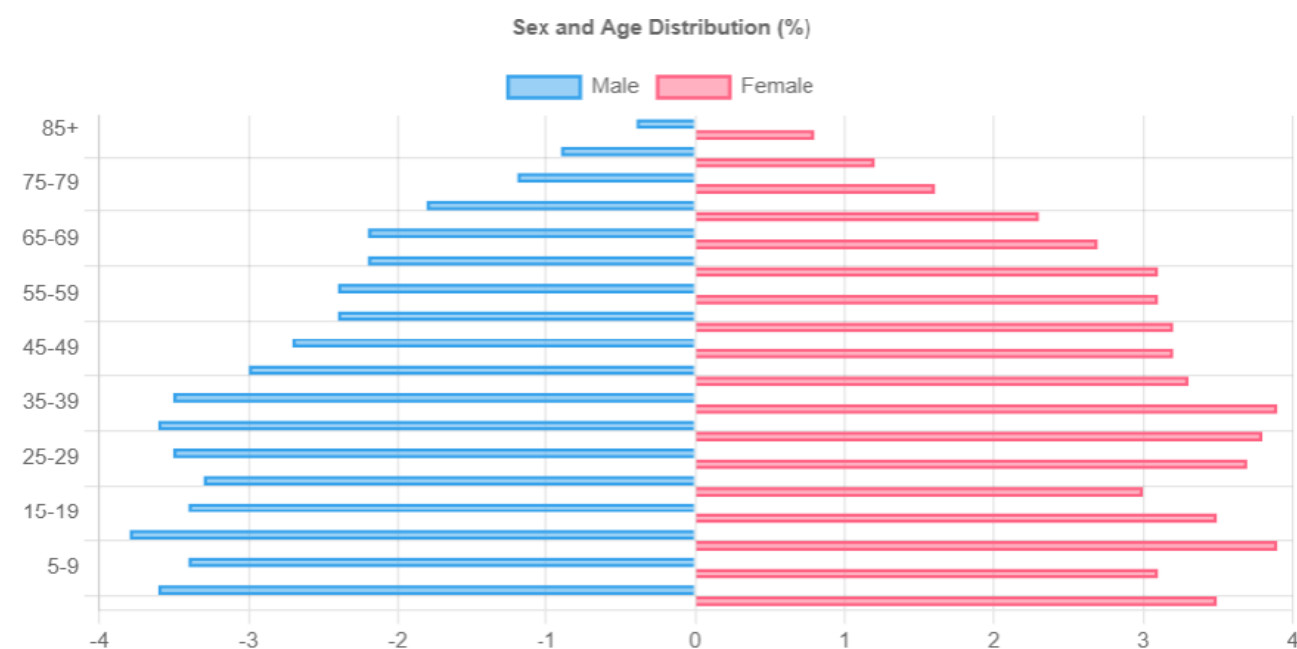


FIGURE: SEX AND AGE DISTRIBUTION SOURCE: StatsSA, 2022

The Census 2022 data suggests a total population of 87 797 compared to the Census 2011 data which suggested a total population and a total number of households of 61 176. When one compares Census 2022 population data with Census 2011, the population of Ndlambe has increased by a margin of 26 621 persons and this represents a percentage increase of 43.5 percent. This could be attributed to an influx of people from the surrounding areas to look for job opportunities in the new industries that have emerged in the municipal area. Also, the Thornhill housing

development has attracted some individuals who were living outside Ndlambe to come back and settle in their newly built RDP homes. Another contributor to this population growth is the migration of people from inland towns and cities to the coast. This influx also impacts negatively on the unemployment rate which currently stands at 39 percent.

The bulk of the migration patterns being experienced within the Municipality are due to holiday makers (approximately 33 000) in the peak season. The influx of seasonal holiday makers equates to approximately 56% of the permanent resident population and places tremendous pressure on the available infrastructure of the area. There is a small migration impact on the agricultural sector related to the harvesting of chicory and pineapples, which has no effect on the immediate service delivery as these activities take place on private land. It does, however, impact on the Municipality in the longer term as some migrant labour decides to remain once the seasonal work is completed. Although undocumented, the Municipality is also dealing with an influx of farm workers to urban centres as well as people from neighbouring municipalities seeking new economic opportunities. This is placing increasing pressure on the housing delivery program and efforts to eradicate informal settlements.

Population per ward

The table below highlights population distribution per ward in Ndlambe Municipality:

	Ward	Ward	Ward	Ward	Ward	Ward	Ward	Ward	Ward	Ward	
	1	2	3	4	5	6	7	8	9	10	Grand Total
Population	5712	6948	6489	5194	6317	8990	5394	4333	6385	5415	61176
Households	1627	2069	2167	1879	2134	2477	1631	1360	2108	1880	19331

Source: StatsSA 2011

CHAPTER 2: GOVERNANCE

Introduction to Governance

Governance is examined under the following four (4) components:

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

Each of these components is required to function optimally and the high levels of interaction and interdependence that is required to occur between these components, will impact positively on organizational & operational effectiveness overall.

2.1 Component A: Introduction to Political and Governance

By necessity and design, formal political and administrative frameworks and infrastructure have been created both internally and externally in order to facilitate operational performance. To this end the required policy has been created and updated; structures (political and administrative) have been created and implemented, procedures and compliance prescriptions have been developed to aid and direct day-to-day operations; and an infrastructure and support system has been created. All of these ensure that operations occur in a sound and effective manner. In every instance, efforts are continuously made to meet community needs in an ordered and structured manner, while ensuring optimum levels of efficiency and effectiveness.

Ndlambe Municipality's operational focus is determined by its strategic objectives as reflected within its Integrated Development Plan (IDP). These objectives are initially translated into the performance targets that are reflected within the Service Delivery and Budget Integration Plan (SDBIP). These targets are translated further on an operational level by being cascaded into operational and management targets within the relevant performance scorecards within each directorate. This process facilitates that performance targets are monitored and met over a designated period of time and in the manner prescribed. The successful achievement of these objectives is dependent on the available resources i.e. operational, human and financial.

FUNCTIONS OF THE POLITICAL ARM

- Advocating and protecting the needs of the community and in this manner, facilitating the possibility of a better quality of life for all; and
- Communicating effectively and involving all members of the community in decision- making wherever practical and possible, in order to give new meaning to the concept of a "people- centred government"

FUNCTIONS OF THE ADMINISTRATIVE ARM

- Ensuring that there is sufficient infrastructure (human capital, resources, policies and procedures) in order to ensure that the strategic objectives can be met through effective management and control of operations, service delivery and matters of compliance; and
- Providing a supportive and administrative role and function overall.

2.1.1 POLITICAL GOVERNANCE

Introduction to Political Governance

As per the Municipal Structures Act, Act No. 117 of 1998, Ndlambe Municipality has a Collective Executive System. In terms of this and as depicted within the diagram below, it presents as a democratically elected Category B municipality with a structure that is categorized by elected Ward Councillors and Proportional Representative Councillors.

Political structure of the Municipality



Portfolio Councillors are allocated to oversee the functioning of each directorate including the Office of the Municipal Manager, thus enhancing the oversight role. By so doing, formal decision making is enhanced. In this manner, Councillors are better placed to make “informed decisions” and appropriate recommendations to Council for final approval where necessary.

COUNCILLORS

The Council has 20 seats (10 Proportional Representative (PR) Councillors and 10 Ward Councillors). All seats in the Council are filled. The Speaker is the Chairperson of Council. The party-political and demographic representation of Councillors is reflected in the table below:

Political Party	Number of Councillors	Gender of Distribution	
		Male	Female
African National Congress (ANC)	11	9	2
Democratic Alliance (DA)	6	4	2
Economic Freedom Fighters (EFF)	3	2	1
TOTAL	20	15	5

The Mayor of the Ndlambe Local Municipality is the Hon Cllr KC Ncamiso and the speaker is Cllr A Marasi. The Portfolio Councillor for Infrastructure Development is Cllr. S Dyakala, Community and Protection Services is Cllr. N Memani and the Portfolio Councillor for Finance is Cllr. S Venene and Corporate Services is Cllr Ncamiso.

List of councillors and political party representatives:

African National Congress	Democratic Alliance	Economic Freedom Fighters
Councillor KC Ncamiso (Mayor)	Councillor S Venene	Councillor X Runeli
Councillor AL Marasi (Speaker)	Councillor N Haynes	CLlr M Mgweba
Councillor A Nyumka	Councillor Y P Kani	CLlr N Memani
Councillor P Khungwayo	Councillor T Mbekela	
Councillor Z Myali	Councillor E Walker	
Councillor S Kolosa	Councillor W Johannes	
Councillor M Sweli		
Councillor T Dyakala		
Councillor S Zweni		
Councillor A Bukani		
Councillor S Melani		

Administrative responsibilities of councillors/council

- Attendance of Council meetings (quarterly) and Special Council meetings (convened to address urgent issues – requiring urgent attention/action);
- Political decisions are taken regarding service delivery;
- Provision of an oversight role regarding Council;
- Compliance with Chapter 3 of the Municipal Systems Act, (Act No. 32 of 2000). It is legislated and understood that the executive and legislative authority of a municipality lies with the Council and Council is required to take all the decisions of the municipality subject to s59.

Committees of Council

Executive Council (EXCO)		
Councillor K C Ncamiso	Mayor, Chairperson & Portfolio Head: Corporate Services	African National Congress
Councillor T Dyakala	Portfolio Head: Infrastructural Development	African National Congress
Councillor S Venene	Portfolio Head: Finance	Democratic Alliance
Councillor N Memani	Portfolio Head: Community and Protection Services	Economic Freedom Fighters

Municipal Public Accounts Committee (MPAC)		
Councillor A Nyumka	Chairperson	African National Congress
Councillor N Haynes	Member	Democratic Alliance
Councillor M Sweli	Member	African National Congress
Councillor M Mgweba	Member	Economic Freedom Fighters
Councillor A Bukani	Member	African National Congress

Functions of MPAC

- Provision of an oversight role in respect of the administration and executive committee of the council;
- Reviewing the municipal / municipal entity's quarterly, mid-year and annual reports and providing an oversight report on the Annual Report for consideration by Council;

- Assisting Council to maintain oversight over the implementation of the Supply Chain Management Policy;
- Examining the financial statements and audit reports of the municipality and municipal entities (considering improvements from previous statements and reports);
- Evaluating the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
- Promoting good governance, transparency and accountability on the use of municipal resources;
- Examining the Mid-Year Review documents in line with the Integrated Development Plan (IDP); and
- Recommending or undertaking any investigation that falls within the scope of this committee's responsibilities/ area of competence.

To fulfil its functions MPAC may/is required to:

- Seek / have access to any information required from any councillor/employee;
- Report to council on the activities of the committee;
- Perform any other function assigned to the committee through a resolution of Council;
- Call upon the accounting officer of the municipality or the chairperson of the municipal entity to provide information or clarity;
- Request the support of the internal and external auditors when necessary;
- Engage directly with the public and consider public comments when received;
- Have permanent referral with regard to the following reports:
 - Mid-year /In-year s72reports
 - Annual Financial Statements
 - Reports of Auditor General and audit committee
 - Any other financial audit report from the municipality
 - Information on compliance in terms of sections 128 and or sections 133 of the MFMA
 - Information in respect of any disciplinary action taken in terms of MFMA on matters serving or having been served before the committee; and
 - Performance information of the municipality.

Note:

- As with the previous year, the annual work plan was drafted and implemented;
- Oversight was provided as prescribed and in terms of any other issues deemed necessary;
- The oversight report for 2024/2025 as part of the Annual Report will be tabled to Council. This report will incorporate comments and recommendations on management's action plans developed in order to address findings raised by the Auditor General in its audit report

AUDIT COMMITTEE

Committee Responsibilities and Performance

- The Audit Committee was established in terms of s166 of the MFMA 56 of 2003 and is comprised of four (4) independent members;
- This Committee is bound by the Council approved Audit Committee's Charter;
- The Committee performs an advisory function and role for the municipality and is directly accountable to Council. In this regard, it plays a key role in ensuring that there is accountability and transparency within the organization;
- The quarterly performance information is required to be reviewed in terms of compliance;
- The unaudited financial statements are required to be reviewed prior to submission to the Auditor – General as per prescriptions of compliance;
- The committee is required to provide an objective view on the effectiveness of the municipality's risk management processes during each quarter in terms of compliance and specific feedback is then required

to be provided to the Accounting Officer and Council in this regard;

- The committee is responsible for oversight on the integrity of financial controls, combined assurance, compliance management and meaningful integrated reporting to stakeholders;
- The committee is required to discharge its responsibilities by using workdone/information received from the internal audit unit and other information presented to it by the management at its quarterly meetings;
- The committee minutes contain comments, resolutions and reports on work performed by the internal audit and the committee, and these are required to be approved during the quarterly meetings; and
- Approved internal audit reports are required to be distributed quarterly to the Accounting Officer, the Mayor and the chairperson of the Municipal Public Accounts Committee (MPAC) for notification and to management for action.

The Audit Committee was constituted as follows:

MEMBER	POSITION
Mr D M Pillay	Chairperson
Prof. W Plaatjies	Ordinary Member
Ms B Nqadolo	Ordinary Member

Note: A Manager: Internal Audit and 2 Internal Auditors facilitate the audit function in-house.

WARD COMMITTEES' ESTABLISHMENT AND FUNCTIONALITY

Ward Committees were established in terms of section 73 of the Municipal Structures Act 117 of 1998.

Purpose

As per s74 of the Municipal Structures Act 117 of 1998, the purpose of these committees is to assist Municipal Councils in ensuring that ward issues are properly communicated to Council and are catered for should there be a need for a budget to address such issues. These meetings are required to provide opportunities to report to the Speaker on issues of interest to the municipality which are taking place in their wards. This has assisted the municipality in ensuring that public participation is enhanced and accountability of the municipality is not compromised.

During 2024/2025 Ward Committee meetings were held in all 10 wards on different dates and for each quarter. These meetings were attended by community members. Issues raised by ward committees are reported quarterly to the Executive Committee and Council. From the results thereof, it appears that these meetings and this method of communication appears successful with issues being resolved. This system ensures that council is kept current on all issues raised within Ward Committee meetings.

Ward committees and their members

Ward 1	Ward 2	Ward 3	Ward 4	Ward 5
Cllr A Nyumka	Cllr P Khunwayo	Cllr Z Myali	Cllr S Kolosa	Cllr M Sweli
Lulu R Jikolo Boyce Wandisile Jonga Sithembele Moko Boyce Stefano Mzolisi Cengani Jan Paul Smit PM Stutt Luyanda Titi Zameka Dlakwe Siphosethu Njoli	Nobesuthu Vuso Catherine Coetzee Ian King Trevor Moko Hendrik September Thembisile Ketelo Ziyanda Funani- Magubela Lonwabo Mkhele Nomasomi Lawu Boniswa Kana	Selda Masimla Nomatalake Zozi Akhona Gqupu Nomangesi Tshukulane Lindeka Nela Thembisile Bili Malibongwe Mangele Susan Muirhead	Dumisa Kingana Mvulakazi Magopheni Ntobeko Magwaxaza Nomachina Xanise Ntombise Dumezweni Walicia Roux Mzwandile Nobadula Adrian Purdon	Xolelani Nyamla Zameka Minyelela Bulelwa Draai X olisile Krala Mtetho Manyathi Sivuyile Memani Simon Blauw C Boyd Siphokazi Mkrakra
Ward 6	Ward 7	Ward 8	Ward 9	Ward 10
Cllr E Walker	Cllr S Zweni	Cllr A Bukani	Cllr S Melani	Cllr N Haynes
Roslyn Baartjies Bulelwa Ntlokwanza Terri Harrewyn Clive Naido Bonilile Hendele Lionard Trolip Theodore Willemse Rob James Crothall Raymond Schenk Bandile Nomlomo	Mila Hoyi Babalwa Vulindlu Thembisile Booi Thembekile George Nomawethu Feni Thembisile Mpoli Linda Makinana Nkosiyethu Madotyeni Zukiswa Bavuma Xolelwa Konza	Anathi Mandilakhe Beja Zikhona Nesi Bongani Qhakamfana Nandipha Precious Sakata Nobendiba Ncumani Xolani Bukani Samkelo Buzani Sinethemba Matyumza Nomaxabiso Ngece	Luyanda Tambo Luvuyo Sonanzi Mziwethu Mafani Bonani Gareth Nginase Ntomboxolo Jali Lulama Maduba Bonani Mhomho Sandiswa Tokota Mandlakazi Plaatjie Mbulelo Kiti	Richard Pryce Stuart Boucher Lindsay Ann Luppnow- Burrow Clinton Millard Zweli Nkwinti Antony D. de Bruin Ann Edwards Stuart Furstenburg Daniel Lodewyk Slabbert Dawie van Wyk

COMMUNITY DEVELOPMENT WORKERS (CDWs)

Community Development Workers are required to interact with the community and identify households in need and to ensure that community relationships are nurtured so that community participation, support and correct utilization of services occur as a result of effective marketing.

Functioning of CDWs

- All CDW's are required to undergo the appropriate training (ensuring that they clearly understand their role and purpose);
- Issues and observations noted, are forwarded monthly to the municipality via the Speakers Office.

CDW's report to the relevant government department by utilizing designated reporting mechanisms in an effort to obtain required support and assistance for particular households. CDW's report on their activities performed, while detailing challenges experienced within the communities in which they work – with a view to resolving these at higher levels.

While this programme has achieved great success through its marketing campaigns, it is hampered by the lack of transport and telecommunications that would enable CDW's to ensure that the requested services reached the required families.

2.1.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The functional structure representing administrative governance is reflected as follows:

Basic Organisational Structure



Within the Ndlambe Local Municipality, there are four departments that report to the municipal manager (Adv. Rolly Dumezweni) namely; Financial Management (CFO: Mr Mlungisi Klaas), Corporate Services (Director: Ms Lazola Maneli-Payi), Community Protection Services (Director: Ms Nombulelo Booyesen- Willy) and Infrastructure Development (Director: Dr Noluthando Vithi- Masiza).

The political leadership and the administration complement each other to achieve the objectives of the IDP. The organogram of the municipality showing filled, vacant funded and unfunded and proposed positions will be attached when the IDP goes to Council.

2.2 Component B: Intergovernmental Relations

2.2.1 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

It is recognised that organizations benefit from both individual and shared experiences. In this manner, opportunities are created for organizations to share and learn from each other and to develop more effective skills in handling day to day operations and specific challenges.

Efforts to improve and facilitate these relationships have led to the development of IGR (intergovernmental relations) structures which have been put in place and are driven at the local level. The IGR Forum has been established in order to formally promote and to improve this process. In order to govern and facilitate this process further, an Intergovernmental Relations Terms of Reference were developed by the municipality.

EXISTING AND FUNCTIONAL STRUCTURES

- Additionally, the following structures exist to enhance IGR:
- District Municipal Managers Forum
- District Mayor;s Forum (DIMAFU)
- MUNIMEC Meetings
- Attended by the Mayor and Municipal Manager
- Driven and Coordinated by the MEC for Co-operative Governance and Traditional Affairs (to evaluate the performance of government programmes)
- **Presidential Hotline:** The Presidential Hotline continues unabated. This hotline is to be commended for all its efforts and achievements over the last two years in particular; Regular monthly reporting on issues raised and resolved/failure to resolve have been provided as required.
- **IDP Representative Forum:** These are held in order to consult with Sector Departments and in order to link IDP processes; and it is to be noted that all required meetings were held as planned.

2.2.2 INTERGOVERNMENTAL RELATIONS

- **National Intergovernmental Structures:** All the programmes that are developed by Ndlambe Municipality are derived from the legislative policies that are approved by National and Provincial Government.
- **Provincial Intergovernmental Structures:** Munimec meetings are attended as and when scheduled.

2.3 Component C: Public Accountability and Participation

Every year formal opportunities are created in order to provide the public with opportunities to input into organisational objectives and the manner in which services need to be and are addressed. In addition, they are given opportunities to “interact” with information regarding service delivery, operational and financial performance (IDP and Budget meetings, SDBIP reporting, Performance and Annual Reports and the like). In this manner, a “people centered” organisation is created – one in which the needs of the community are noted and plans are made to address these through processes of interaction and inclusion.

The IDP Process and Budget Plan are just a few of the structures that have been created in order to ensure that public participation occurs effectively—ensuring that the needs of the public are met.

2.3.1 PUBLIC MEETINGS, COMMUNICATION, PARTICIPATION AND FORUMS

Historically, it is noted that the Communication Plan and Strategy was adopted and implemented successfully. Communication continues through Ward Committee meetings, radio talk shows, social and printed media. Additionally, the Presidential Hotline and the manual receipt of complaints are also being utilised to address all complaints received from communities and other stakeholders.

In an effort to heighten the success of customer care initiatives, the municipality has established a Customer Care Unit to deal with issues and/or complaints raised by communities. Mayoral outreaches provide a forum for community complaints, and it is here that many community complaints are received. The Customer Relations Officer register the complaints in the Complaints Register, facilitating that this is then formally handled.

Efforts to improve public participation and communication have involved the extensive use of other communication media. These include:

- Newspapers;
- Broadcast and social media such as: advertising of Mayoral Outreaches and in order to communicate with the community generally.
- IDP/Budget consultations occur in order to collect community needs and to report on needs. These meetings usually include ratepayers, community members, ward committees and other interest groups applicable to these wards.

Initiation Forum

The initiation forum meets twice a year during the initiation seasons (June as well as December) to look into initiation-related issues, to provide training sessions and workshops for traditional nurses and traditional assistant nurses. The main aim is to ensure that the initiation period is free of any health-related issues and the avoidance of deaths.

Round Table Meetings

Round table meetings are convened by COGTA on a quarterly basis. The main purpose of these meetings is to strengthen relations between the various spheres of government and sector departments, additionally the

implementation of state-related programmes.

Communications Forum

This forum meets quarterly in order to discuss issues relating to communications within the region. It consists of local municipal communicators, GCIS and local media representatives.

Ward Committees

As s73 structures (as per s73 of the Municipal Structures Act, Act 117 of 1998) these have been created in order to facilitate ward communication with Council.

2.3.2 IDP PARTICIPATION AND ALIGNMENT

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

2.4 Component D: Corporate Governance Corporate Governance Overview

Corporate Governance is required to ensure that all legislative prescriptions are adhered to and in so doing to ensure that the rights of all stakeholders are protected.

Governance and compliance issues are required to be managed in the strictest sense. The administrative arm and related/designated human resources are required to ensure that all prescriptions (legal / policy prescriptions) are adhered to as prescribed, to ensure that the organisation functions effectively and minimizes/eradicates all identified aspects of risk.

2.4.1 RISK MANAGEMENT

Section 62(i)(c) of the Municipal Finance Management Act prescribes that formal risk management is a matter of compliance. In terms of this, it is required that all municipalities develop and adopt an effective, efficient and transparent system of risk management.

It is acknowledged that the failure to identify and manage identified risks will impact negatively on the organisation (financially and operationally). Costs and the negative impact of failing to manage cannot be justified, particularly if the risk had been noted and no appropriate action was taken. The lack of appropriate action would reflect as poor business practice and poor management overall. The “fall out” in respect of this would include extreme costs to the organisation, audit queries and possible audit qualifications. The Audit Committee is required to provide oversight on matters of risk – especially in respect of the top five risks identified. This oversight is provided while evaluating

the perceived and actual risk experienced. In a recognised manner, approved processes of measurement, reporting and control are undertaken to manage risk effectively.

The Municipality does have a Risk Committee which was not fully functional in 2024/2025 Financial Year. The Directors of the Municipality are the members of the Risk Committee, and the Committee is Chaired by the Accounting Officer of the Municipality. The following are the top 10 risks for the municipality:

Risk Description	Controls	Action to be Implemented
Ineffective Revenue enhancement strategies.	1. Revenue completeness system 2. Rates reconciliation 3. Indigent and deceased verification system to determine qualifying criteria is met 4. Inhouse capacitation training 5. Door to door indigent verification	1. Implementation revenue enhancement strategy 2. Installation of prepaid water meters in Eskom connects 3. Updating and ensuring completeness of the Valuation Roll 4. Continuous indigent campaigns and

Risk Description	Controls	Action to be Implemented
	Indigent policy 6. Meter replacement programme 7. Cost Containment Report 8. Revenue Enhancement Strategy	door-to-door registrations 5. Source funding for the replacement of faulty meters.
Treat to the Municipal Viability and the Going Concern of the Municipality	1. Budget Process Plan 2. Budget Steering Committee 3. Compilation of the Section 71, 72 and 52D 4. Compilation of the Cost Containment Reports	1. Development of the comprehensive Cost Containment Policy 2. Newly developed IDP to be system driven and linked to the budget will enforce proper planning and zero-based budgeting 3. Recognition and reward good work through award system 4. Officials above the threshold will not be paid overtime from October 2025
Non-compliance to SCM Legislation	1. SCM Policy 2. Munisoft Financial system 3. Bid committees 4. Procurement plan 5. Quarterly reporting on UIF 6. Disciplinary board for financial misconduct 7. Approved UIF reduction strategy 8. Vetting of bidders prior to appointment 9. Procurement plan on gazetted 10. Updating of the Contracts Register	1. Reduction of UIFW for the current year 2. Reduction of UIFW relating to Prior Years through MPAC Assessment, write-offs and consequence management. 3. Development of contracts monitoring tool 4. Development of an updated Asset Maintenance Plan 5. Monitoring of Procurement Plan quarterly
Inability to roll out a Master Plan/Spatial development framework(SDF) for mixed -use development.	1. Council approved Spatial Development framework . 2. Draft Precinct /master plan for PA and Alexandria towns 3. SPLUMA (integrated land use scheme and spatial planning and land use management By-law) 4. Upgrading of informal settlement.	1. Land Audit 2. Purchase of erf391 3. Implementation of human settlements programmes (Station Hill) 4. Soliciting of funding for bulk infrastructure 5. To have quarterly meetings to address internal delays 6. Develop a process plan for applications relating to Land Use 7. To ensure that Land Sales are done through Procurement Processes

Risk Description	Controls	Action to be Implemented
Inability to harness the Agri - processing, tourism, oceans resources and digital technologies	1. Draft LED strategy 2. SMME applications and acknowledgement letters 3. Capacity building programmes 4. Development of Business Plans for the Farmers 5. Soliciting funding from the Department of Small Business 6. Department of Agriculture is also assisting with mechanisation 7. SAN Parks, ECRDA and UNDP is also supporting financial and non-financial and fishing for small scale fisheries	1. Establish relations with the new owner of the Chicory Factory 2. Establishment of an Abattoir in Alexandria 3. Reviewal of draft LED strategy 4. Appointment of the Tourism Officer for Ndlambe 5. Training of LED Officials 6. Ensure that Ndlambe Investment and Promotion Committee is sitting regularly to identify Investment Projects and properly market the municipality. 7. Ensure that Tourism Events are held on a quarterly basis. 8. Ensure that SMMEs are capacitated on a quarterly basis.
Vulnerability to Cyber crime	1. weekly penetration tests 2. Firewall 3. Cloud based backup 4. Offsite backup (CT) 5. Hybrid backup 6 Approved IT policy	1. Continuous weekly penetration tests 2. Conduct Cyber-crime user Awareness 3. Continuous capacitation of IT personnel 4 Adoption of draft Offsite backup strategic plan
Inability to provide quality service to residents	1. Council approved integrated waste management plan 2. Maintenance plan (roads and stormwater) 3. Service Level Agreement maintenance of landfill sites	1. Monitoring of Procurement plans move to scm 2. Monitoring of Capital budget spending (own and grant) 3. Sourcing of funding - Development and submission of business plans 4. Development of maintenance plans (electricity, water and sanitation) 5. Implementation of bulk infrastructure projects 6. Stormwater management plan
Increasing litigation cases	1. Panel of attorneys 2. Maintenance of litigation register 3. Land Tribunal 4. Road's maintenance plan 5. Intergovernmental Governmental Relations	1. Analysis litigation register(obtain a legal opinion on old cases ,possible settlement) 2. Implementation of maintenance plan (Pothole preventative measures (upgrading of roads)) 3. Land Audit to identify landfill site 4. Appointment of the Legal Advisor

Risk Description	Controls	Action to be Implemented
Inability to provide sufficient portable water	1. RO plants in place 2. Boreholes 3. Water conservation and demand management	1, Reviewal of the Water Safety plan 2. Quick wins projects with Amatola Water (Retrofitting (pipeline from Canon Rocks to Alex)) (PA Brackish RO plan) 3. Reclamation project / recycling of water
Inability to control sewer spillages	1. Wastewater Risk abatement plan 2. Issuance of Compliance notices	1. Reviewal of Wastewater Risk Abatement Plan 2. Reviewal of By Laws to enhance enforcement (Fat traps)

2.4.2 ANTI-CORRUPTION AND FRAUD

Council adopted Anti-corruption and fraud policy which is reviewed from time to time so as to align it with amendments in legislations like Prevention and Combating of Corrupt Activities Act No.12 of 2004, Promotion of Access to Information Act (No.2 of 2000), Financial Intelligence Centre Act No. 38 of 2001 etc. Council has also adopted whistle blowing policy which is also reviewed from time to time.

Council has also established MPAC and Audit Committee to do oversight and also investigate matters where there is suspected malice to the public purse. These committees report to Council which is the powerhouse. Council would appoint forensic investigation on some matters of serious nature. The case in point is when in June 2023 the municipal offices were burnt down, and it was suspected that this was an internal job.

The administration as led by the Municipal Manager appoints tribunals when employees are subjected to disciplinary hearings as directed by the South African Local Government Bargaining Council Collective Agreement. The case in point are the three employees who worked in the burnt traffic department offices. They were suspended and are subjected to disciplinary hearings. They are not the only ones. That is the modus operandi of the municipality to all employees including those that are involved in corruption and fraud.

The unfortunate thing is that the municipality do not have a hideout for whistleblowers except to protect those by remaining anonymous. There is also no security or protection of any kind, and this is a serious and dangerous gap in the execution of these policies. This is a matter that must be looked at closely by Council as much as it will be very expensive to execute.

2.4.3 SUPPLY CHAIN MANAGEMENT

Supply Chain Management Policy – Paragraph 6(3)(a) and 6(4) Report Extracted from the SCM Policy as approved by Council:

“6. Oversight role of the council

- (3) *For the purposes of such oversight, the accounting officer must –*
- (a) *within 30 days of the end of each financial year, submit a report on the implementation of this policy to the council through its mayor;*
 - (b) *whenever there are serious and material problems in the implementation of this policy, immediately submit a report thereon to the council through its mayor.*
- (4) *The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of this policy to the mayor.*
- (5) *The aforesaid reports must be made public in accordance with section 21A of the Municipal Systems Act.”*

2.4.3.1. Legislative Framework

Supply Chain Management within the municipality is governed by the Municipal Finance Management Act, 2003 (MFMA), the Supply Chain Management Regulations, and the municipality's approved Supply Chain Management Policy. In accordance with section 6(3) of the SCM Regulations, the Accounting Officer is required to submit quarterly reports on the implementation of the SCM policy to the Executive Mayor, and to report annually to Council on the overall implementation of the policy.

During the 2024/25 financial year, the quarterly and annual SCM implementation reports were submitted within the prescribed legislative timeframes. SCM information was made public in accordance with section 21A of the Municipal Systems Act, thereby supporting transparency and accountability.

Oversight of SCM activities was further exercised through the Audit and Performance Management Committee and Council, with material SCM matters escalated to the Accounting Officer where required.

2.4.3.2. Organisational Structure, Staffing and Capacity

During the 2024/25 financial year, the SCM unit operated with nine (9) permanent employees. The resignation of the Contracts Clerk during the reporting period resulted in a temporary capacity gap within contract administration. Mitigating measures were implemented through management oversight and task reallocation to ensure continuity of operations. The vacancy was subsequently addressed through a contractual appointment, with the recruitment process initiated for finalisation in the 2025/26 financial year.

Financial Management Interns were allocated to the SCM unit on a rotational basis. These placements are developmental in nature and aimed at providing practical exposure to SCM processes while offering additional administrative support. Overall, the SCM unit maintained operational stability during the reporting period, with capacity constraints managed through internal controls and supervisory oversight.

2.4.3.3. Minimum Competency Levels

Section 119(1) of the MFMA requires that officials involved in the implementation of SCM must meet prescribed minimum competency levels. During the 2024/25 financial year, the SCM Manager, Senior Buyer, Buyers and Contracts Management Officer met the required minimum competency standards.

2.4.3.4. Office Infrastructure and Tools of Trade

Office infrastructure remains a critical enabler of SCM efficiency and control. The SCM offices ensure that the SCM Manager, Acquisition and Contract Management personnel are housed within a single operational space, improving coordination and oversight.

Staff were provided with the necessary tools of trade to execute their functions effectively. However, limitations were noted in relation to large-scale scanning and digitisation of procurement documentation due to printer capacity constraints. The procurement of the scanner has been prioritised and included in the planned procurement items for the 2025/26 financial year as part of ongoing improvements to document management controls.

2.4.3.5. Procurement Planning

An approved Procurement Plan was implemented for the 2024/25 financial year. The plan was developed using inputs from user departments for procurement activities and served as a key instrument to align procurement activities with the municipality's

service delivery priorities and approved budget.

The implementation of the Procurement Plan contributed to improved scheduling of procurement processes, enhanced coordination between user departments and the SCM unit, and reduced reliance on ad hoc and non-standard procurement.

2.4.3.6. SCM Systems and Centralisation

The SCM sourcing functions were centralised within the Office of the Chief Financial Officer, with the Munsoft financial management system utilised to support procurement processes. Manual and automated requisition processes were applied in parallel during the transition period as a risk-mitigation measure to ensure continuity of operations while the transition process was underway. Manual requisitions will be discontinued once the commodity database is fully established and system stability is confirmed.

On-going training was provided to user departments to support the effective use of the system and improve end-to-end procurement workflow efficiency.

2.4.3.7. Competitive Bidding and Strategic Procurement

During the financial year under review, the municipality concluded several competitive bidding processes for strategic goods and services required to support service delivery. These included procurement related to infrastructure operations, the supply of water and wastewater treatment chemicals, road materials, plant and equipment hire, pumpstation maintenance and fleet assets.

The appointment of panels and long-term contracts formed part of a deliberate strategy to improve procurement efficiency, address repetitive procurement requirements and respond to prior audit findings. Competitive bidding processes were conducted in accordance with applicable legislative and policy requirements.

2.4.3.8. Deviations

Section 36 of the SCM Regulations permits deviations from normal procurement processes only under limited and exceptional circumstances.

A significant reduction in approved deviations was recorded during the latter part of the financial year compared to earlier quarters. This improvement reflects strengthened procurement planning, enhanced SCM oversight and reduced reliance on non-standard procurement methods.

Deviation requests were subjected to centralised SCM review prior to submission to the Chief Financial Officer and the Accounting Officer, reinforcing compliance and discouraging deviations as a substitute for planned procurement. These controls will be further entrenched in the 2025/26 financial year, with continued emphasis on proactive procurement planning, centralised SCM review and management oversight to ensure that deviations remain an exception. The reduction of deviations will remain a key area of continuous improvement within the SCM function.

2.4.3.9. Contract Management and Monitoring

The municipality maintained a contracts management register as a key governance and control tool. The register provides oversight of contract values, expenditure incurred, contract duration and expiry dates. User departments were notified in advance of contracts approaching expiry to support the timely initiation of procurement processes.

The contracts register also supports procurement planning, budget forecasting and the mitigation of risks associated with contract extensions, unauthorised expenditure and service delivery disruptions.

2.4.3.10. SCM Control Environment

The SCM control environment during the 2024/25 financial year reflects a system under deliberate and ongoing refinement. Focus was placed on strengthening institutional capacity, improving office infrastructure, stabilising SCM systems, reinforcing legislative compliance and systematically reducing reliance on non-standard procurement practices.

While historical challenges continue to influence the SCM environment, particularly in relation to legacy contracts and prior-year audit findings, measurable and sustained progress has been achieved in strengthening controls, improving oversight and advancing governance outcomes.

2.4.4 BY-LAWS

The municipality has a number of by-laws and has started the process of reviewing all its by-law in the 2024/2025 financial year. The By-laws are:

- Spatial Planning and Land use Management Bylaw
- Street Trading Bylaw
- Stormwater management Bylaw
- Sporting Facilities Bylaw
- Roads and Traffic Bylaw
- Solid Waste Disposal
- Areodome Bylaw
- Commonage Bylaw
- Electricity Bylaw
- Outdoor advertising Bylaw
- Public amenities Bylaw
- Water supply and sanitation Bylaw
- Customer Care revenue management Bylaw
- Fences and Fencing Bylaw
- Funeral Parlour Cemeteries Bylaw

2.4.5 MUNICIPAL WEBSITE

The municipality has a functional website, but it requires regular updating for ease of information access and to market the municipality. The website was developed in order to improve communication with communities. The website needs to be revisited and perhaps redesigned and updated timeously for purposes of meaningful information dissemination.

Content and currency of material

Documents published on the Municipality's Website	Yes /No
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
All budget-related documents:	Yes
All budget-related policies	Yes
Annual report	Yes
The annual performance agreements for the municipal manager and other senior managers are placed on the website.	Yes
The date these agreements were posted on the website is shown	Yes
All service delivery agreements	Yes
All long-term borrowing contracts	Yes
All supply chain management contracts above R30 000	No
An information statement of capital assets that have been disposed	No
Contracts which impose a financial obligation on the municipality beyond 3 years	Yes
All quarterly reports tabled in council	Yes
Public invitations for formal price quotations	Yes
Public invitations for competitive bids	Yes
The number of quarterly reports tabled to council on the implementation of the budget	Yes
Oversight reports	Yes
Monthly budget statement	No
Mid-year budget and performance assessment	Yes
The IDP is placed on the website	Yes
The SDBIP is placed on the website	Yes
Strategy (LED)	No
Delegations	No
Internal Audit charter	No
Audit Committee charter	No
Risk Management Policy	No

2.4.6 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

- In an effort to provide opportunities for Customers to rate municipality and/or to complain, address issues of concern the following tools/opportunities are provided:
- Complaint boxes have been installed at designated Community Halls within the municipal jurisdiction;
- The Customer Care section has further developed a Customer Complaints Register for all external complaints (including calls, walk-ins and anonymous complaints).
- The Presidential Hotline is provided to ease the resolution and reporting of complaints; and
- The public are encouraged within all public participation initiatives to use these opportunities to discuss and resolve issues. Notwithstanding these efforts, the suggestion boxes are not fully utilised as the communities prefer face-to-face interactions with staff members at the Customer Care Unit.

CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

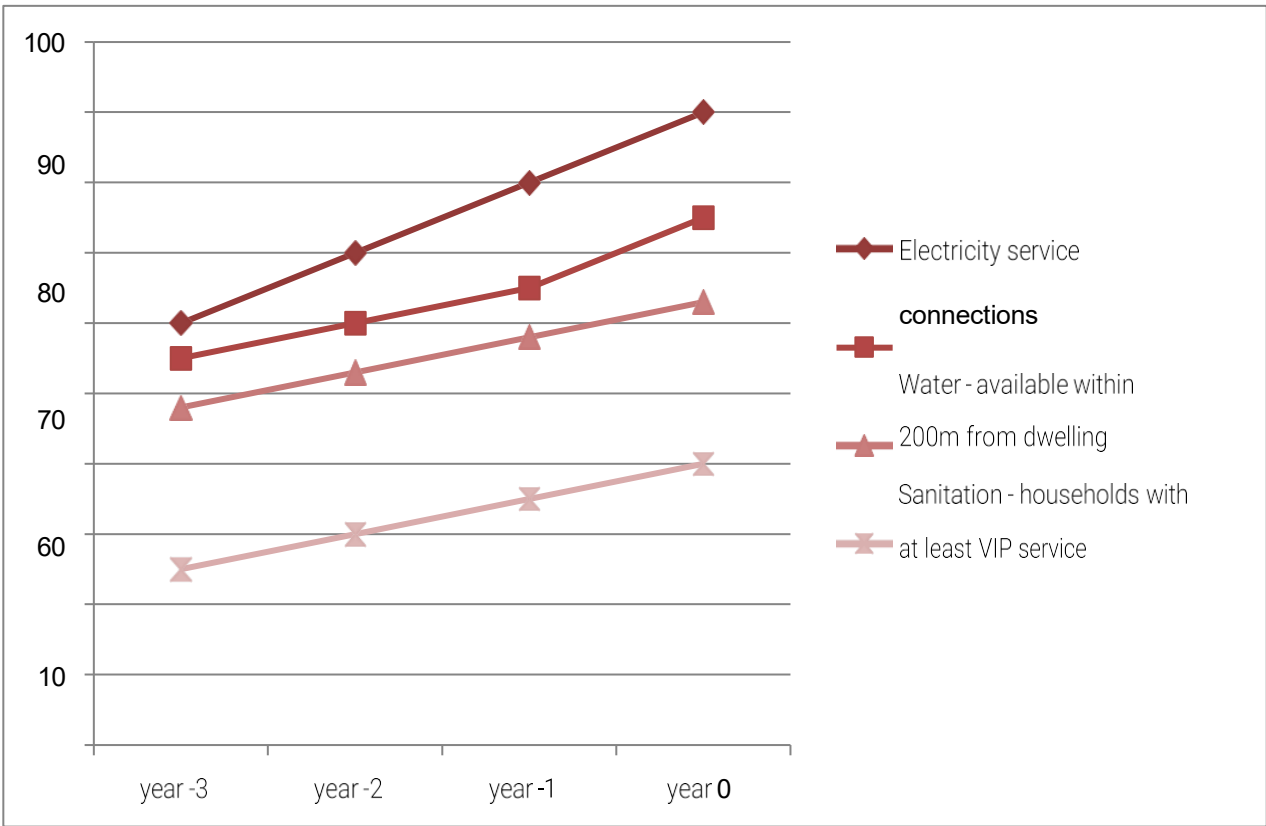
Service Delivery Overview

Basic service delivery achievements have been noteworthy and are continuing. Council has acknowledged that the biggest stumbling block to transformation and development within the municipal area has been suitable access to sufficient water. Council then embarked on a multi-year strategy to improve the water supply to the consumer base of Ndlambe Municipality. Implementation of these projects is underway. Other recent service delivery achievements include the various improvements and upgrades to various Wastewater Treatment Works, Technical upgrades to sewerage systems maintenance competency within staff.

Challenges include the following:

- Increasing unemployment levels;
- Increasing migration from rural agricultural sector to urban nodes
- Cost of service delivery when revenue base is considered;
- Ageing infrastructure operating in physically aggressive environment.

Proportion of households with access to basic services



COMMENT ON ACCESS TO BASIC SERVICES

It is a well-known fact that the reliability of the yields and the quality of the water from the respective water sources is in general inadequate. Furthermore the capacity of the bulk infrastructure is also inadequate especially during peak holiday seasons when holiday makers flock to the coastal resort town and the demand for municipal water supply cannot be met. This challenge is being addressed through grant funded projects. The present status quo results in many of the households in the area augmenting the Municipal supplies by establishing private rainwater harvesting facilities, which Council encourages and enforces within the building plan application process. All formal erven have access to basic services, which includes, water, sanitation, electricity refuse removal and road access. There are various levels of service but in all cases the minimum levels of service are exceeded.

3.1 Component A: Basic Services

3.1.1 WATER AND SANITATION WATER

WATER

Introduction to Water Provision

Ndlambe Local Municipality delivers water services in accordance with the Water Services Act, serving a population of approximately 87 797 people within the Sarah Baartman District Municipality. The Municipality is both the Water Services Authority (WSA) and the Water Services Provider (WSP) for the area supported by selected service providers. The institutional arrangements are as follows:

- **Water Services Authority:** Ndlambe Municipality, with Community Protection Services doing all water quality control monitoring operations.
- **Water Services Provider:** Ndlambe Municipality, with Infrastructural Development doing all water provision, with the exception of the following operations:
 - **Alexandria Water Supply:** *P&S Consulting Engineers* has been appointed to provide bulk water within a Water Services Support agreement.
 - **Kenton/Bushmans Water Supply:** *Amatola Water Board* has been appointed to provide bulk water within a Water Services Provider agreement.
 - **Cannon Rocks/Boknes Water Supply:** *P&S Consulting Engineers* has been appointed to provide bulk water within a Water Services Support agreement.
 - **5ML RO Plant in Port Alfred:** *Nuwater* has been appointed to operate, maintain, and manage the Reverse Osmosis Plant.

All other Water Supply Systems are managed and operated by Ndlambe Municipality's Infrastructural Development Directorate, as the Water Services Provider. These include the following Water Supply Systems:

- Port Alfred Water Supply System
- Kleinemonde Water Supply System
- Bathurst Water Supply System
- Cannon Rocks / Boknes Water Supply

Service Provision and Sources

There are six (6) local water supply schemes servicing the municipal area. Seafeld and Bathurst rely on surface water and groundwater while Port Alfred augment the surface water and groundwater with desalinated water through Reverse Osmosis(RO) plants. Boesmansriviermond, Kenton-on-Sea, Bokness and Cannon Rocks use desalinated water from RO plants

Certain peri-urban areas in Bathurst , Martindale and Trappes Valley rely on private boreholes and rainwater harvesting. In addition, there are informal settlements such as Braakfontein and Boknes Road (Alexandria),

Horseplay, Ezihagu-Marseille, Klipfontein, Ndokwenza (Kenton-on-Sea), Bayso, Nemato Cricket Field, Nemato New rest, Nemato Ezidonkini(Port Alfred) that receive water through tinkering to strategically placed communal tanks.

Key water sources include:

- Alexandria-coastal water resources in the form of boreholes and springs
- Port Alfred-Sarel Hayward Dam, central belt boreholes, East Bank dunes, a 2ML/day seawater RO plant, a 1ML/day contracted RO plant. A 3ML/day wastewater reclamation plant exists but is not yet operational due to insufficient inflow from the wastewater works
- Bathurst-Golden Ridge Dam and abstraction from the Lushington River.
- Cannon Rocks and Boknes-Saline boreholes and RO treatment.

Operational Challenges and Mitigation

High lying areas, particularly in Port Alfred still experience intermittent supply due to inadequate pressure and low flows. Kenton Water Supply Area and the Alexandria Water Supply Area continue to face water rationing due to bulk water shortages. Non-revenue water, primarily driven by physical losses, remain a critical focus area of the municipality. The main contributing factors include ageing asbestos cement pipeline, non-functional valves and faulty bulk water meters.

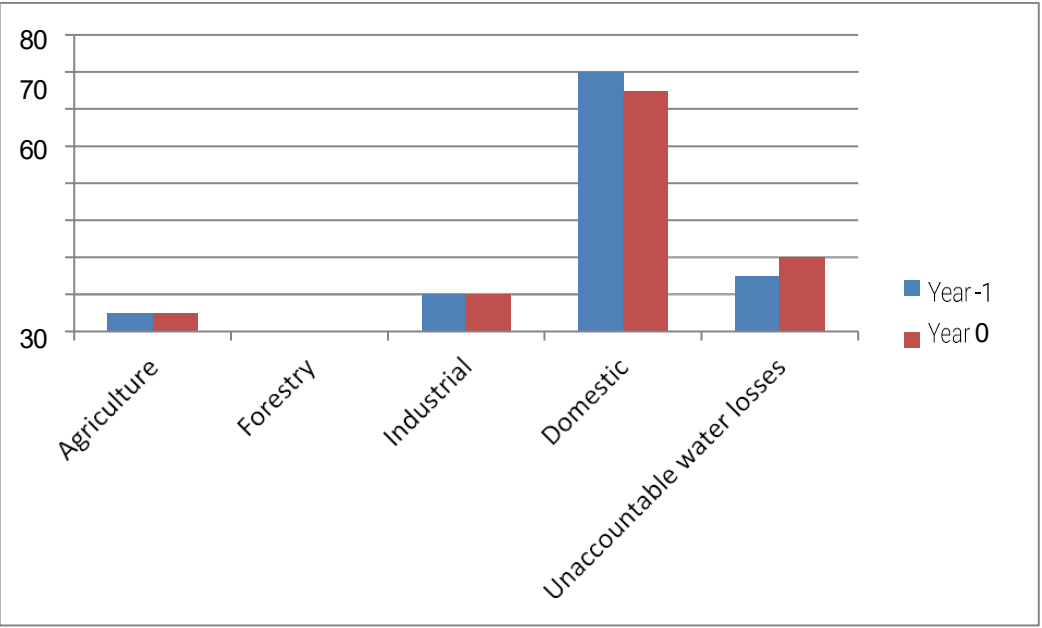
To address this, various infrastructure upgrades have been implemented including the upgrading of water treatment plant, construction of new water treatment plant and the adoption of water conservation and demand management strategy as a blue print to deal with non-revenue water.

The municipality has a dedicated WCDM team that investigate water leaks throughout Ndlambe to minimise the water losses in conjunction with the existing maintenance teams who deals with daily maintenance issues and attending to water leaks in main water lines and reticulation network. Subsequently, this has started to yield some improvement on the Municipality's Non-Revenue Water Status.

Through RBIG and UISP funding, the municipality has managed to implement the following projects in the 2024/2025 financial year:

- Nemato Water Treatment Works Upgrades and 2 ML Ultrafiltration Plant
- Completion of Construction of 2.6 ML Thornhill Elevated Tower
- Alexandria-Retrofitting of isolation Valve Chambers and Hydrostatic pressure testing of GRP pipeline
- Completion of Brackish RO Plant in Port Alfred.

Total Estimated Proportional Use of Municipal Supplied Water by Sector					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year -1	5	0	10	70	15
Year 0	5	0	10	65	20



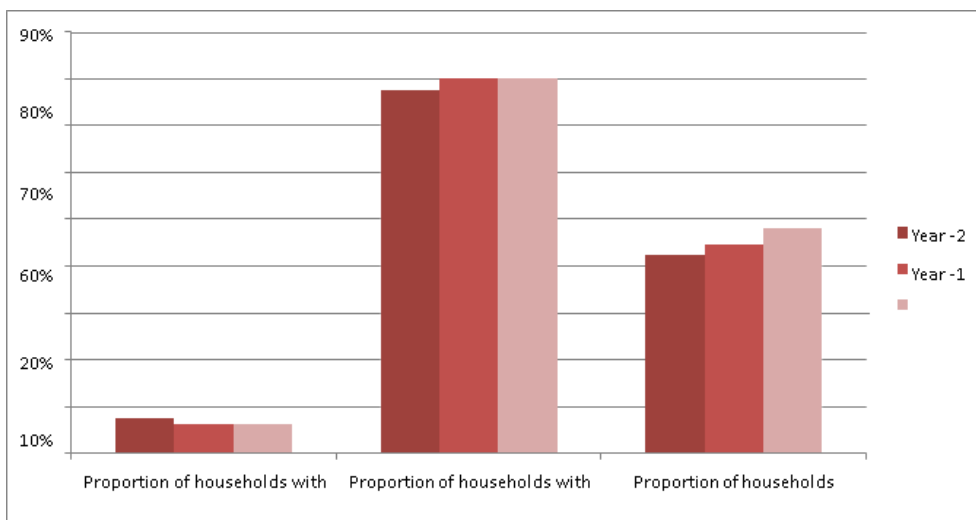
Water Service Delivery Levels

Description	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
Water: (above min level)				
Piped water inside dwelling	546	655	846	7432
Piped water outside yard (but not in dwelling)	865	456	486	9649
Using public tap (within 200m from dwelling)	486	465	546	1866
Other water supply (within 200m)				42
Minimum Service Level and above sub – total	1897	1576	1878	18989
Minimum Service Level and above percentage	80%	80%	76%	90%
Water: (below min level)				
Using public tap (more than 200m from dwelling)				560
Other water supply (more than 200m from dwelling)	486	486	486	757
No water supply				
Below Minimum Service Level sub-total	486	486	486	1317
Below Minimum Service Level Percentage	20%	20%	24%	26%
Total number of households*	2,476	2,384	2,062	1.876

* _ To include informal settlements

Indigent Households – Water Service Delivery Levels below the minimum

Description	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
Formal Settlements				
Total Households	7696	8448	8905	9618
Households below minimum service level	0	0	0	0
Proportion of households below minimum service level	0	0	0	1866
Informal Settlements				
Estimated Total Households	1500	1000	1000	1000
Households below minimum service level	500	250	250	250
Proportion of households below minimum service level	33%	25%	25%	25%



Employees: Water Service

Job Level	Year -1		Year 0		Vacancies as a % of total posts
	Employees No.	Posts No.	Employees No.	vacancies no. (fulltime equivalents)	
0-3	26	30	26	4	
4-6	31	34	31	3	
7-9	8	8	8	0	
10-12	1	2	1	1	
13-15	0	0	0	0	
16-18	3	3	3	0	
19-20	0	0	0	0	
Total	69	77	69	8	2%

SANITATION

Ndlambe Municipality operates and maintains all sewerage systems within both Water Services Authority and Water Services Provider functions. Water-borne sewerage is available to the majority of households.

The Ndlambe Municipality Council has determined that water-borne sewerage be the minimum level of service to the consumer base. This decision, although well intended, places tremendous strain on the available water resources. Leaking toilets have been identified as a leading reason for water loss. Astute management practice is being instilled within the unit responsible for operation and maintenance of these systems.

There are five (5) wastewater treatment works being fed from water-borne sewerage systems which service the following communities:

1. Wentzel Park, Alexandria and Kwanonqobela
2. Marselle and Harmony Park
3. Ekuphumleni
4. Port Alfred and Nemato
5. Nolukhanyo

The provision of sewerage services excluding reticulation infrastructure includes a large proportion of the households in Ndlambe. Water-borne sanitation services are not available to several communities, who rely on conservancy tanks and septic tank sewerage systems. Ndlambe provides the service for the removal of sewerage using a fleet of sanitation vacuum tankers. These vehicles and their operational staff are under continuous pressure to deliver services. Breakdowns, due to an aged fleet, create backlogs and a dissatisfied consumer base.

The following communities still rely either solely on septic tank / soakaway systems or conservancy tanks or to some lesser degree:

1. Cannon Rocks
2. Boknes
3. Boesmansriviermond
4. Riversbend
5. Kenton-On-Sea
6. Seafeld
7. Bathurst
8. Port Alfred and Nelson Mandela Township

These households are serviced by a fleet of sanitation tankers, several of which are well beyond their expected operating lifespan. Financial constraints dictate that Ndlambe must make decision to deal with this fleet. Ndlambe Municipality has managed to purchase sanitation vacuum tankers on the following financial years:

- 2021/22 – 2 Trucks
- 2022/23 – 3 Trucks
- 2023/24 – 0 Trucks
- 2024/25 - 0 Trucks

The municipality currently has six sanitation trucks but most of the time only three running due to the age and breakdowns on the two trucks. However, the municipality would also hire additional trucks as and when the need would arise throughout the year.

All municipal toilet facilities, change rooms and other ablution facilities not connected to water-borne sewerage pipes are serviced by this fleet. Blockages are also attended to, often resulting from the inappropriate utilisation of the service. It is the objective of the Council to achieve and sustain “Green Drop” status throughout all of Ndlambe. This is a compliance monitoring system which is managed and implemented by the Department of Water and Sanitation. This quality and service goal is being achieved by improving management performance, which should lead to acceptable discharge water quality.

The limited water in the Port Alfred resulted to most blockages experienced and the municipality is working tirelessly to attend to these within accepted time. The municipality’s Wastewater Infrastructure is aging and struggling to cope with the recent increase in population, therefore this compromises our wastewater treatment quality results and the Green Drop’s compliance status.

The municipality has also embarked on the following sanitation projects in the 2024/25 financial year to address the sewerage infrastructure challenges that are encountered in Ndlambe and improvement of our green drop status:

- Completion of Construction of 2.6 ML Thornhill Elevated Tower, Sewer Pump Station and Pumping Main – Water.
- Pumping Main and Gravity line from Mbabela and Mswela pump station
- Gravity Sewer Line from Wharf Street to Thornhill pump station
- Port Alfred Sewage Pump station Upgrades
- Thornhill Ministerial Housing Project Phase 2 Link Sanitation Services - Portion 1: Pump station and pumping main
- Upgrading of Sewer System in Port Alfred - Phase 1
- Upgrading of the Klipfontein and Alexandria Sanitation Infrastructure.

The refurbishment of pump stations will reduce the occurrence of pump overflows and direct everything to the Wastewater treatment works designed for the disposal while the retrofitting will reduce water losses. Subsequently the above-mentioned project will yield improvement towards the municipality’s green drop status.

Part of the projects that were implemented through WSIG were the ‘Upgrading of Station Hill: Sewer Pipeline’ in carnation where the municipality was experiencing regular sewerage spillages. After the project was implemented all the spillages in the area are no longer existing. While the projects that aim to upgrade the various sewerage infrastructure in Port Alfred will assist in preventing sewer spillages and reticulating sufficient sewer effluent to the wastewater treatment works.

Bulk sewer services projects is also under construction to ensure there is enough bulk sewer available for the proposed housing projects in Thornhill and Marselle.

COMMENT ON WATER AND SANITATION SERVICES PERFORMANCE OVERALL

Performance of water services and the provision thereof has seen improvements on many fronts when one

considers the IDP objectives and goals. Achieving targets are fund-related. Grants received are limited. Internal capital funds have not been available. The need exceeds the available funds, so the challenge has been to make a greater impact and improvements as much as possible within the available resource base.

The Municipality is committed to improving water service provision in its region despite the recent water service challenges, which include the following challenges and remedial action:

- **Insufficient supply quantity to meet the growing demand**
 - Remedial actions include various Water Conservation projects. Ndlambe Municipality has established a WCDM team that consist of plumbers and general workers from internal staff that has started piloting the conservation of water in areas of Alexandria, Marselle and Kenton on Sea. Water conservation and demand management practices are continually being assessed and improved, as funds become available.
 - A drought relief and WCDM projects are continuously implemented, which are aimed at dealing the refurbishment of existing water infrastructure such as Meter & Valve replacement, pump station refurbishment.
- **Aged infrastructure operating within extreme environmental conditions**
 - Remedial actions include that the entire infrastructural “as-built” within this sector is being assessed within a master plan.
- **Poor quality of low-cost house plumbing leads to leaks and subsequent loss**
 - Remedial actions include loss control and the addressing of leaks in indigent households.
 - This has been done on a wide scale throughout Ndlambe.
 - Future low-cost house design will focus on the quality of all water and sanitation fittings included in the house construction.
- **Source quality**
 - Where the main phenomena affecting the quality of the water in the region is the materialization (or salination) of the water in the main catchments due to the geology (marine origin) of the area.
 - Remedial actions include the establishment and operation of Reverse Osmosis Technology, which, although expensive, is effective in addressing salinity issues and is now operational in Cannon Rocks, Boknes, Kenton-On-Sea and Boesmansriviermond.
- **Massive peaks in demand, due to the transient nature of this consumer base**
 - Bulk storage reservoirs have been prioritised within the Water Services Plan. Funding channels have been provided and prioritised projects have begun implementation.
- **Business Plans**
 - The municipality continue to submit business plans in order deal with both water and sanitation infrastructure required projects.

Performance Improvement and Service to Vulnerable Communities

The municipality continues to identify and support indigent households, providing up to 6 kl of free basic water per month and fully subsidising sanitation services in line with the indigent policy. Emergency water carting and other targeted interventions are employed to ensure access where infrastructure is insufficient. Ndlambe Municipality remains committed to improving water service reliability, quality and efficiency while progressively expanding access to meet national water service standards. The municipality does have an Indigent Policy which is reviewed as legislated.

3.1.2 ELECTRICITY

Electrical supply, at a basic Level of Service, is achieved and continues to improve. Housing projects do not get the go-ahead for implementation until such time as bulk services are installed, which includes electricity supply. Escalating cost of supply is a worrying factor, as affordability and sustainability of supply is under pressure. The Ndlambe Municipal Electrical Network Audit Report was prepared and submitted, highlighting component requirements, backlogs and strategic planning for future supply provision parameters.

Ndlambe Municipality renders electrical services in the towns of Port Alfred and Alexandria. Eskom supplies electricity in bulk to both components. Port Alfred town has one 11-kilovolt-supply point and Alexandria has one 11-kilovolt-supply point. Eskom supplies electricity to the rural areas outside Ndlambe, also Boknes, Cannon Rocks, Bushmans River, Marselle, Bathurst, Nemato, Alexandria, Ekuphumleni, Station Hill and Kleinemonde.

Ndlambe Municipality buys electricity in bulk from Eskom and is responsible for the distribution thereof within its approved areas of supply, under license from the National Electricity Regulator. Electricity is taken from Eskom at two intake substations, i.e. Port Alfred and Alexandria, and redistributed to the end consumer through a series of cables, lines and substations.

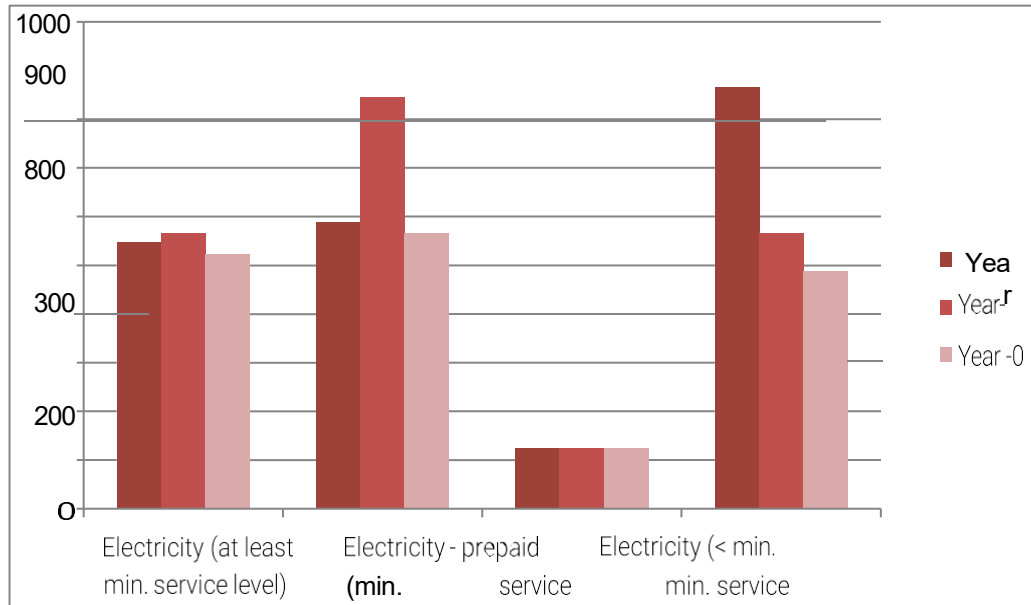
The infrastructure directorate is responsible, and employs a service provider, namely, CDR ELECTRICAL (PTY) LTD, for:

The construction and maintenance of the distribution network as well as providing new infrastructure to ensure a reliable and affordable supply of electricity to all;

- The effective management of revenue by ensuring all electricity supplied is billed for and reducing losses in order to cover operating and capital expenses;
- The provision of a reliable and acceptable level of public lighting to improve the safety and living standards of residents, including street and public lighting for Boknes, Cannon Rocks, Bushmans River, Marselle, Bathurst, Nemato, Alexandria, Ekuphumleni, Station Hill and Kleinemonde.

The challenge experienced is a streetlight backlog in the areas that were formally under Eskom's management. The Municipality is dealing with this. Management of public lighting, including high mast lights, is normally shopped out to an annual tender service provider.

The electrical supply to Port Alfred is of a high standard. The electrical supply to Alexandria, inclusive of Wentzel Park, needs upgrading. In Port Alfred there are still numerous medium voltage feeders which were laid many years ago. These have now become inadequate to carry the required increasing load and requires upgrading as it also prevents safe management practice. However, the municipality will continue to seek for funding application to upgrade this infrastructure.



Households – Electricity Service Delivery Levels below the minimum	Year -3 Actual No.	Year -2 Actual No.	Year -1 Actual No.	Year 0 Actual No.
Formal Settlements				
Total Households	N/A	N/A	16684	N/A
Households below minimum service Level			1866	
Proportion of households below minimum service level				
Informal Settlements Only in ESKOM Supply Area				
Total Households	To be established	To be established	To be established	To be established
Households below minimum service				
Proportion of households below minimum service level				

Electricity Service Policy Objectives Taken from the IDP									
Service Objectives			Year -1		Year 0		Year 1	Year 3	
Service Indicators			Target	Actual	Target	Actual	Target	Target	
			Previous Year		Previous Year	Current Year	Current Year	Current Year	Following Year
I	II	III	IV	V	VI	VII	VIII	IX	X
Service Objectives: That Ndlambe community has access to a reliable and consistent supply of electricity and streetlights, as provided by CDR and Eskom									
Provision of minimum supply of electricity			Additional households provided with supply below minimum supply level during the year						
4335	0	509	509	509	0	29	0	1000	0

Electricity Service Policy Objectives Taken from the IDP									
Service Objectives			Year -1		Year 0		Year 1	Year 3	
Service Indicators			Target	Actual	Target	Actual	Target	Target	
			Previous Year		Previous Year	Current Year	Current Year	Current Year	Following Year
I	II	III	IV	V	VI	VII	VIII	IX	X
Service Objectives: That Ndlambe community has access to a reliable and consistent supply of electricity and street lights, as provided by CDR and Eskom									
Provide free basic alternative energy to all indigent households with no electricity by 30 June 2015			All registered indigents	1261	All registered indigents	2636			

Employees: Electricity Service					
		Year 1	Year 0		
Job Level		Employees No	Posts No	Employees No	Full time Vacancies No Vacancies as % of total posts
0-3		1	2	1	1
4-6					
7-9		0	1	0	1
10-12		1	1	1	1
13-15					
16-18					
19-20					
Total		2	4	2	3

Financial Performance Year 0: Electricity Services (R'000)					
		Year 1		Year 0	
Details		Actual	Original Budget	Adjustment Budget	Actual Variance to Budget
Total Operational Revenue		38 344 135	54 404 169	55 069 306	54 404 169

Expenditure	34 631 435	50 792 779	51 833 420
Employees	378 570	471 720	118 028
Repairs and Maintenance	3 334 130	1 672 520	729 349
Other			
Total Operational Expenditure	38 344 135	54 404 169	54 404 169
Net Operational Expenditure			

Financial Performance Year 0: Electricity Services (R'000)					
Details	Year -1			Year 0	
	Actual	Original Budget	Adjustment Budget	Actual	Variance to budget
Total Operational Revenue	38 344 135	54 404 169	55 069 306	54 404 169	
Expenditure:	34 631 435	50 792 779		51 833 420	
Employees	378 570	471 720		118 028	
Repairs and Maintenance	3 334 130	1 672 520		729 349	
Other					
Total operational Expenditure	38 344 135	54 404 169		54 404 169	
Net Operational Expenditure					

Although there is an urgent need for capital expenditure there are presently no funds available to address this need.

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

Power supply characteristics in the areas supplied by Eskom are not ideal. Surges and spikes in power supply have a negative impact on equipment and machinery. Even though measures are taken to reduce the impact of the above, there is still regular damage to pumps and motors. This is due to being at the end of the Eskom supply line.

3.1.3 HOUSING

INTRODUCTION TO HOUSING

The Ndlambe Municipality's strategy for the provision of subsidised housing is to eliminate housing backlogs and to provide appropriate housing for those who cannot provide for themselves. Intensive projects have been implemented in the past, additionally in Year 2017 new projects were initiated. These are dependent on the provision of basic services prior to top-structure and for which basic service projects are currently underway.

There are areas where subsidised housing backlogs are growing, due to several factors. Migratory trends have seen an influx of indigent people into the area. Disaggregation of families into more than one housing unit has also resulted in expanding backlogs.

The top 3 service delivery priorities for Council have been water, sanitation and road priorities. The impact of these projects has been that essential upgrades and improvements have taken place during Year 0 which will enable stalled subsidised housing projects to be revisited. These projects were stalled due to the lack of sufficient bulk services.

The Ndlambe Municipality identifies and responds to those communities that are living in poverty by providing land and certain essential services to decrease the deficiencies in basic service delivery. There is a housing section within the Infrastructural Development Directorate, which has satellite offices in Alexandria, Kenton-on-Sea and Boesmansriviermond. The level and extent of service provision is as support to the Dept Human Settlement and to assist the indigent with the application process for a subsidised house.

Expanded housing requires expanded bulk services. The cost of renewing and upgrading core infrastructure to maintain the demand for housing is a continual challenge. This balance affects net demand in the municipality as project lists need to be prioritised for implementation. Ndlambe Municipality is responding well to the challenges created, by ensuring adequate bulk services are available and that indigent registers are maintained.

Expenditure on housing is done by the Department of Human Settlement and is facilitated by Ndlambe Municipality.

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs informal settlements
Year -3			
Year -2			
Year -1	21769	9009	41%
Year 0	21769	9009	41%

Housing Service Policy Objectives Taken from the IDP									
Service objectives	Outline Service Targets	Year - 1		Year 0			Year 1	Year 3	
Service Indicators		Target	Actual	Target t		Actual	Target	Target t	
(i)		(ii)	*Previous year (iii)	(iv)	*Previous Year (v)	*Current Year(vi)	(vii)	*Current year (viii)	*Current year(ix)
Service Objectives : Adequate shelter for all people throughout Ndlambe with specific emphasis on low income households.									
Provision for housingfor all households	Additional houses provided during the year (Houses requiredat year end)	613 additiona lhouses (Planned)	0 addition alhouses	0 addition alhouses	0 addition alhouses (Planned)	0 addition alhouses			
Kenton on Sea Housingproject	488 new houses built	564	455	564	33	488(Stalled by unavailability ofland)	0		76
Completion of Bushman 269	5 New Houses	20		29		29 Complete			
Nemato 120	0 (Slab/Foundation phase)	120		120		85 Complete (Project Blocked)			

Employees: Housing Service					
	Year -1		Year 0		
Job Level	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts)
0-3			2		
4-6					
7-9					
10-12	5	6	5	1	83%
13-15	0	0	0	0	0%
16-18	1	1	1	0	0%
19-20					

The funding for houses is directly from human settlement as stipulated in the constitution, Council only manages projects.

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The trend towards disaggregation of families into more than one housing unit; and the cost of renewing and upgrading core infrastructure is a challenge, especially within the context of affordability. Recent standards and norms in subsidised housing practice have tended towards Breaking New Ground Projects, such as has been implemented in Thornhill, Port Alfred. This development could only go ahead once bulk services were installed and available. As a result, only 509 of 5000 houses were built in the first phase, awaiting bulk services for the balance of houses. There is an addition 523 planned (Thornhill) which will be implemented in the 2024/2025 financial year.

In Kenton on Sea the bulk is completed, 488 out of 564 housing units have been built. The only hindrance to complete the 564 is the non-availability of sites but Ndlambe Municipality and the Department of Human Settlements have purchased the South Gorah Farm which will unlock service sites for completion of the project and creating opportunities for further housing development initiatives.

Many municipalities, including Ndlambe Municipality, have started the process of formalising informal settlements. Ndlambe has started the process of designing and planning Informal Settlements around its jurisdiction. Planning and organising the informal areas have many advantages inter alia the following:

- A positive, legible urban structure that integrates the settlement with its surrounds;
- A safer integrated public realm;
- Emergency and services vehicular access and egress roads;
- Safe and convenient paths for movement of people on foot;
- Open space, where achievable, for essential community facilities that may proceed the formal upgrading process;
- Better located and maintained basic municipal utility services.
- The successful re-blocking of an informal settlements aim to-
- Reduce the risk of fire developing and spreading quickly over large areas

The following Informal Settlements have been approved by the department of Human Settlements:

INFORMAL SETTLEMENT	SITES	WATER TANKS	TOILETS	WHEELIE-BINS	OTHER ACHIEVEMENTS
Cricket Field	136	40	79	130	
New Rest	556	388	377	390	1KM Access Road
Ezidonkini	79	27	79	55	
Byso	50	27		50	
Nomzamo/ Marselle	500	195	195	390	
Klipfontein	50	50	50	50	
Brakfontein	335	290	290	290	2,5 KM of paved roads is under construction

Funding has been approved and will be available via HDA who will act as funding manager on behalf of the provincial department of Human Settlements.

New Informal Settlements have been approved by the department of Human Settlements:

INFORMAL SETTLEMENT	SITES	WATER TANKS	TOILETS	WHEELIE-BINS	OTHER ACHIEVEMENTS
Potyopayi	20	0	0	0	Planned for 2024/25
Ndokwenza	193	0	0	390	Planned for 2024/25
Horseplay	212	0	0	55	Planned for 2024/25
Bathurst	354	0	0	50	Planned for 2024/25
Boknes Road-Alexandria	400	0	0	390	Planned for 2024/25

3.2 Component B: Road Transport

This component includes roads; transport; and stormwater drainage

Ndlambe Municipality is responsible for the planning, approval, and management of road alignments within the established urban boundaries of its Spatial Development Plan. This includes the operations, maintenance, upgrading, and refurbishment of municipal roads. Roads and alignments outside these boundaries fall under the jurisdiction of other sector departments such as the Department of Public Works, the Department of Roads and Transport, and SANRAL. These responsibilities extend to both surfaced and gravel roads.

To strengthen coordination and collaboration, the municipality participates in the Ndlambe Roads Forum, which meets regularly and is well represented by key stakeholder groups across the district.

The most significant transport corridor traversing Ndlambe from east to west is the R72, managed by SANRAL. This strategic route links the Coega Development Node in Gqeberha (Port Elizabeth) with the East London IDZ, while also serving as a vital economic artery for Ndlambe. It not only facilitates the movement of goods and services but also plays a pivotal role in tourism, providing direct access to the Sunshine Coast and key destinations such as Port Alfred and its surrounds.

The municipal road network under Ndlambe's jurisdiction covers approximately 318.22 km, of which about 178.29 km (56%) are paved roads. Ndlambe faces challenges in managing an ageing road network, much of which has exceeded its original design lifespan. A continuous shortage of maintenance budgets and skilled staff to service this extensive network remains an ongoing concern.

A recent assessment estimated that approximately R248.9 million would be required to address critical road maintenance backlogs, with further investment needed for upgrades and the development of new road alignments. It was further determined that a sustainable allocation of R40 million per annum would be necessary to adequately maintain the road network.

Given limited internal capital resources, the municipality continues to pursue grant funding and strategic partnerships across all spheres of government to address these needs and to ensure the provision of safe, reliable, and economically enabling road infrastructure for residents, businesses, and visitors.

3.2.1 ROADS

Ndlambe Municipality continues to face significant challenges in providing comprehensive road maintenance services. However, with the support of various grant funding programmes, the municipality has been able to implement intensive road upgrades. Notable progress was achieved during the 2024/25 financial year, with additional projects already planned for implementation in the following two outer financial years :

Roads – Municipal Infrastructure Grant (MIG) Three Year Capital Plan

Project Description	Area	Wards	Component	Project Type (water, sanitation etc)	Funder	Project Status	Total planned expenditure 2024/25 (R)	Total planned expenditure 2025/26 (R)	Total planned expenditure 2026/27 (R)
Upgrading of Mjuza Street in Marselle	Marselle	3	B	Roads	MIG	Planning	181,275.40	-	-
Upgrading of Protea crescent in Station Hill	Port Alfred	6	P	Roads	MIG	Planning	4,652,861.64	-	-
Upgrading of Tana Square in Kenton on Sea	Kenton On Sea	4	B	Roads	MIG	Planning	5,443,697.50	-	-
Upgrading of Koti Street in Bathurst	Bathurst	5	B	Roads	MIG	Planning	3,414,255.50	1,996,497.49	-
Upgrading of Mbundwini Road in Nemato phase 1 and phase 2	Port Alfred	8.9	B	Roads	MIG	Planning	1,985,048.17	-	3,018,750.00
Upgrading of Park Road	Port Alfred	10	B	Roads	MIG	Planning	-	5,810,262.99	-
Upgrading of Mamityi Gidana Sports field	Port Alfred	8.9	P	Sports field	MIG	Planning	987,498.40	-	-
Thornhill Ministerial Housing Project MIG: Balance phase 2 Contract 1 Link Water Infrastructure	Port Alfred	6	B	Sanitation	MIG	Planning	3,067,643.33	1,409,866.18	-
PMU ADMIN. 5%	N/A	8.9	P	N/A	MIG	N/A	1,561,900.00	1,630,550.00	1,758,250.00
Upgrading of Atherstone Road	Port Alfred	10	B	Roads	MIG	Planning	8,943,820.06	3,842,984.41	-
Upgrading of Mswela road in Nemato	Port Alfred	9 & 8	B	Roads	MIG	Planning	-	3,695,335.34	-
Upgrading of Gladiola Street road in Alexandria	Alexandria	2	B	Roads	MIG	Planning	-	3,255,153.41	3,255,153.41
Development of Infrastructure Asset Managemet	Ndlambe	All Wards		Asset	MIG	Planning	-	1,630,550.00	1,758,250.00
Upgrading of Phandle street Alexandria	Alexandria	1	B	Road	MIG	Planning	-	3,018,750.00	2,840,526.14
Bathurst Waste water Treatment Works and Bulk sewer Reticulation	Bathurst	5	B	Sanitation	MIG	Planning	1,000,000.00	6,321,050.18	18,534,070.45
Total							31,238,000.00	32,611,000.00	31,165,000.00

Roads – Municipal Disaster Recovery Grant (MDRG) Project Implementation Plan

Project Description	Area	Ward	Total Amount required	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Upgrading of the road and stormwater drainage system (V-drain)	Bathurst Crescent Street	5	R8,295,125	R 500,000	R 700,000	R 800,000	R 800,000	R 950,000	R 900,000	R 750,000	R 700,000	R 650,000	R 600,000	R 550,000	R 395,125
Upgrading of asphalt road by a block paving overlay and stormwater drainage system	Kleinemonde Riverview Crescent	6	R1,424,476	R 50,000	R 50,000	R 100,000	R 100,000	R 150,000	R 150,000	R 200,000	R 200,000	R 150,000	R 120,000	R 100,000	R 54,476
Rip and recompact the existing asphalt surface and upgrade to block paving. Construction of a Stone-pitching channel	Port Alfred Van Riebeeck to Henry Street	10	R3,513,165	R 150,000	R 200,000	R 250,000	R 350,000	R 400,000	R 500,000	R 400,000	R 350,000	R 300,000	R 250,000	R 200,000	R 163,165
Upgrading of the gravel road and stormwater drainage system	Port Alfred Keey Street	10	R2,149,701	R 100,000	R 150,000	R 150,000	R 150,000	R 200,000	R 250,000	R 250,000	R 300,000	R 200,000	R 150,000	R 150,000	R 99,701
Upgrading of gravel road and stormwater drainage system	Port Alfred Mpangele Street	7	R2,969,677	R 200,000	R 200,000	R 250,000	R 250,000	R 300,000	R 300,000	R 350,000	R 350,000	R 300,000	R 150,000	R 150,000	R 169,677
Upgrading of asphalt road by a block paving overlay and stormwater drainage system	Kenton on Sea Van Der Stel St	4	R2,891,204	R 160,000	R 240,000	R 300,000	R 300,000	R 320,000	R 280,000	R 200,000	R 200,000	R 200,000	R 300,000	R 230,000	R 161,204
Upgrading of asphalt road by a block paving overlay and stormwater drainage system	Bushman Town Hertzog St	3	R1,994,508	R 100,000	R 100,000	R 100,000	R 150,000	R 150,000	R 150,000	R 200,000	R 200,000	R 200,000	R 250,000	R 230,000	R 164,508
Road Restoration: Rip and compact the existing base layer at badly damaged areas	Cannon Rock Town Gaijoen St	2	R2,470,288	R 100,000	R 140,000	R 200,000	R 200,000	R 220,000	R 200,000	R 200,000	R 200,000	R 200,000	R 300,000	R 300,000	R 210,288
Upgrading of asphalt road by a block paving overlay and stormwater drainage system	Boknes Town Daniel Scheepers St	2	R2,027,330	R 100,000	R 150,000	R 150,000	R 200,000	R 200,000	R 250,000	R 250,000	R 200,000	R 150,000	R 150,000	R 120,000	R 107,330
Rip and recompact the existing asphalt surface and upgrade to block paving. Refurbishment of existing stormwater channel. Construction of a walkway.	Alexandria Buite Rd	1	R2,243,591	R 100,000	R 150,000	R 150,000	R 200,000	R 250,000	R 300,000	R 250,000	R 200,000	R 200,000	R 150,000	R 150,000	R 143,591
Total			R29,979,063	R1,560,000	R2,080,000	R2,450,000	R2,700,000	R3,140,000	R3,280,000	R3,050,000	R2,900,000	R2,550,000	R2,420,000	R2,180,000	R1,669,065

Routine maintenance activities – including day-to-day pothole repairs, drain unblocking, and blading of gravel roads – amounted to **R6.661 million** for the 2024/2025 financial year. Actual expenditure reached **R7.0 million**, reflecting a shortfall against planned allocations.

Periodic maintenance, such as slurry sealing of surfaced roads and re-gravelling of gravel roads, is recommended to be in the order of **R4.135 million annually** and approximately **R4.351 million** has been spent for the 2024/2025 financial year. Due to budgetary limitations, this level of implementation has not been achievable. It must be noted that these figures represent the minimum requirement to maintain the road network at its current standard.

The municipality's road network comprises **178.29 km of surfaced roads** and **140 km of gravel roads**, with an estimated replacement value of **R500 million** – the single most valuable asset owned by Ndlambe Municipality. With an average design lifespan of 10–25 years (extendable to 30–50 years with timely maintenance), the sustainability of this network depends heavily on securing adequate funding from internal and external sources. Such funding is essential not only to halt the current deterioration but also to enable the municipality to pursue realistic upgrading programmes that will yield long-term social and economic benefits for residents and visitors alike.

Adverse weather conditions, particularly prolonged and heavy rainfall, have placed further strain on the network. The lack or inadequacy of stormwater drainage infrastructure has accelerated surface deterioration, with riding quality significantly compromised in many areas.

In response, the municipality has introduced robust stormwater drainage maintenance by cleaning the existing stormwater channels and pipelines, and road maintenance in the form of slurry sealing operations on critical routes prone to recurring potholes. This intervention is aimed at extending the lifespan of surfaced roads and reducing the frequency of pothole development. However, the limited availability of rehabilitation and upgrading funds remains a major challenge, as much of the road network has already exceeded its intended design life.

The table below depicts a conditional assessment of our paved road network in Ndlambe.

Condition	Very Good (km)	Good (km)	Fair (km)	Poor (km)	Very Poor (km)	Total (km)
Alexandria	0.376	7.88	10.05	1.44	5.52	25.27
Bathurst	1.06	5.02	1.47	12.17	26.94	46.66
Cannon Rocks	3.04	11.40	4.25	2.80	4.90	26.39
Kenton on Sea	2.29	21.30	22.42	6.70	19.59	72.3
Kleinemonde	10.00	6.71	2.71	0.00	0.00	19.42
Port Alfred	16.71	44.98	17.67	1.02	10.37	90.75
Total	33.48	97.29	58.57	24.13	67.32	280.77

3.2.2 STORMWATER (STORMWATER DRAINAGE)

The heavy rains and semi-flooding events experienced during the year once again underscored the reality that stormwater infrastructure within Ndlambe Municipality is, in many areas, marginal, inadequate, or in some instances, completely absent. Historical township development practices often did not provide for adequate stormwater infrastructure due to competing priorities at the time, primarily the urgent need to provide housing for the indigent, as well as bulk services such as water supply and sanitation. As a result, a significant backlog has developed in the provision of stormwater systems, and this backlog continues to grow due to the absence of dedicated funding to address the issue.

The situation is further compounded by the fact that much of the existing stormwater infrastructure, particularly underground reticulation, is undersized, outdated, or non-existent. Heavy rains frequently cause extensive erosion of gravel roads, with eroded material subsequently blocking stormwater pipes and further reducing system efficiency. Upgrading gravel roads to surfaced standards would provide a long-term solution by better managing stormwater runoff and reducing debris entering the stormwater system. However, such interventions remain constrained by limited financial resources. Therefore, to address these challenges in a structured manner, the Municipality has initiated the development of Stormwater Master Plans, which will guide investment and prioritisation of interventions. These plans will be implemented progressively, as funding becomes available, and will be closely aligned with the Municipality's broader Road Maintenance and Rehabilitation Programme, ensuring that infrastructure upgrades are integrated and cost-effective.

Following the heavy rains experienced in June 2024, the Municipality secured funding from the COGTA Disaster Relief Grant, which enabled the implementation of the following projects, which have targeted stormwater intervention:

Roads – Municipal Disaster Recovery Grant (MDRG) Project Implementation Plan

Project Description	Area	Ward	Total Amount required	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Upgrading of the road and stormwater drainage system (V-drain).	Bathurst Crescent Street	5	R8,295,125	R 500,000	R 700,000	R 800,000	R 800,000	R 950,000	R 900,000	R 750,000	R 700,000	R 650,000	R 600,000	R 550,000	R 395,125
Upgrading of asphalt road by a block paving overlay and stormwater drainage system	Kleinemonde Riverview Crescent	6	R1,424,476	R 50,000	R 50,000	R 100,000	R 100,000	R 150,000	R 150,000	R 200,000	R 200,000	R 150,000	R 120,000	R 100,000	R 54,476
Rip and recompact the existing asphalt surface and upgrade to block paving. Construction of a Stone-pitching channel	Port Alfred Van Riebeeck to Henry Street	10	R3,513,165	R 150,000	R 200,000	R 250,000	R 350,000	R 400,000	R 500,000	R 400,000	R 350,000	R 300,000	R 250,000	R 200,000	R 163,165
Upgrading of the gravel road and stormwater drainage system	Port Alfred Keey Street	10	R2,149,701	R 100,000	R 150,000	R 150,000	R 150,000	R 200,000	R 250,000	R 250,000	R 300,000	R 200,000	R 150,000	R 150,000	R 99,701
Upgrading of gravel road and stormwater drainage system	Port Alfred Mpangele Street	7	R2,969,677	R 200,000	R 200,000	R 250,000	R 250,000	R 300,000	R 300,000	R 350,000	R 350,000	R 300,000	R 150,000	R 150,000	R 169,677
Upgrading of asphalt road by a block paving overlay and stormwater drainage system	Kenton on Sea Van Der Stel St	4	R2,891,204	R 160,000	R 240,000	R 300,000	R 300,000	R 320,000	R 280,000	R 200,000	R 200,000	R 200,000	R 300,000	R 230,000	R 161,204
Upgrading of asphalt road by a block paving overlay and stormwater drainage system	Bushman Town Hertzog St	3	R1,994,508	R 100,000	R 100,000	R 100,000	R 150,000	R 150,000	R 150,000	R 200,000	R 200,000	R 200,000	R 250,000	R 230,000	R 164,508
Road Restoration: Rip and compact the existing base layer at badly damaged areas	Cannon Rock Town Galjoen St	2	R2,470,288	R 100,000	R 140,000	R 200,000	R 200,000	R 220,000	R 200,000	R 200,000	R 200,000	R 200,000	R 300,000	R 300,000	R 210,288
Upgrading of asphalt road by a block paving overlay and stormwater drainage system	Boknes Town Daniel Scheepers St	2	R2,027,330	R 100,000	R 150,000	R 150,000	R 200,000	R 200,000	R 250,000	R 250,000	R 200,000	R 150,000	R 150,000	R 120,000	R 107,330
Rip and recompact the existing asphalt surface and upgrade to block paving. Refurbishment of existing stormwater channel. Construction of a walkway.	Alexandria Buite Rd	1	R2,243,591	R 100,000	R 150,000	R 150,000	R 200,000	R 250,000	R 300,000	R 250,000	R 200,000	R 200,000	R 150,000	R 150,000	R 143,591
Total			R29,979,063	R1,560,000	R2,080,000	R2,450,000	R2,700,000	R3,140,000	R3,280,000	R3,050,000	R2,900,000	R2,550,000	R2,420,000	R2,180,000	R1,669,065

The above projects demonstrate the efforts made towards strengthening Ndlambe's stormwater management capacity, but the scale of the challenge remains significant. Sustained investment in stormwater infrastructure is required to ensure resilience against climate-related flooding events, protect municipal assets, and safeguard communities.

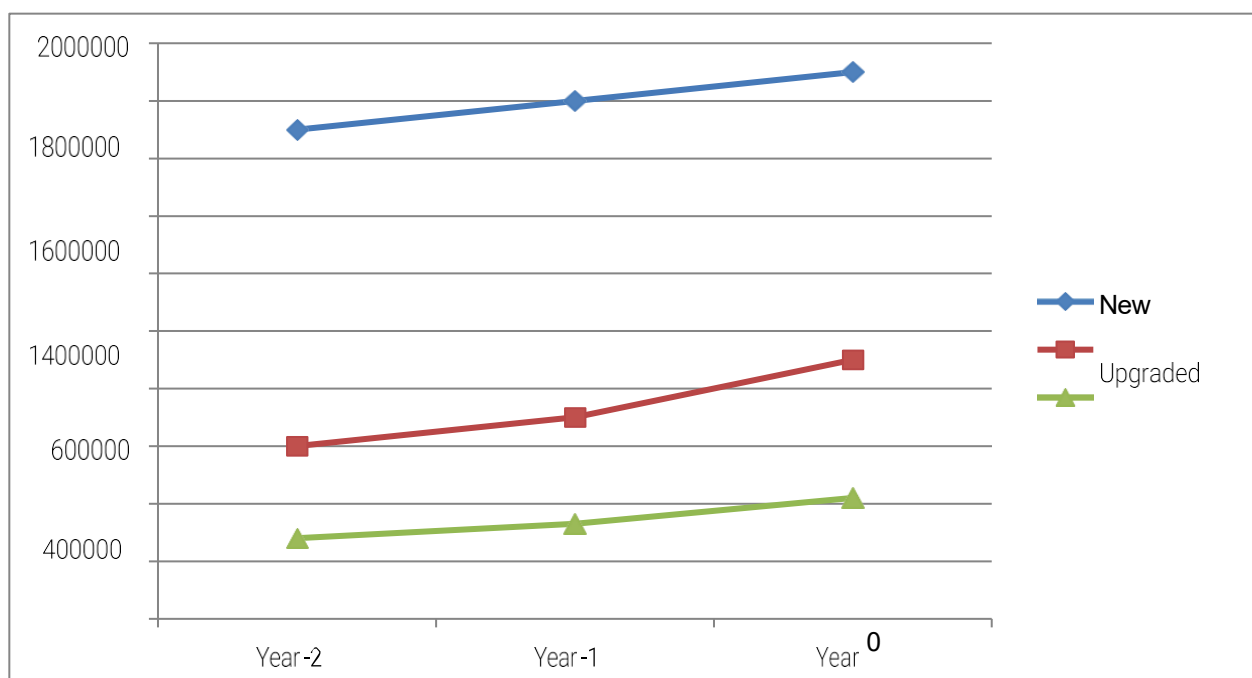
The tables and graphs below illustrate the Municipality's current status in terms of stormwater infrastructure maintenance, upgrading, and planned interventions:

Stormwater Infrastructure

	Total Stormwater measures	New Stormwater measures	Stormwater measures upgrade	Stormwater measures maintained
Year -2	115,40	115,40	0	65,24
Year -1	125,56	125,56	11,6	75,17
Year 0	125,56	125,56	0	68.50

Cost of construction/maintenance

	Stormwater Measures		
	New	Upgraded	Maintained
Year -2			
Year -1			
Year 0	Included in roads, above	Included in roads, above	1 341 510



Stormwater Service Policy Objectives Taken from the IDP									
Service Objectives		Year -1		Year 0		Year 1		Year 3	
Service Indicators		Target	Actual	Target	Actual	Target	Target		
		Previous Year		Previous Year	Current Year	Current Year	Current Year	Current Year	Following Year
I	II	III	IV	V	VI	VII	VIII	IX	X
Service Objectives: Community of Ndlambe has safe and efficient stormwater management, to minimise the risk of flooding and collateral damage.									
Development of fully integrated stormwater management systems including wetlands and natural water courses	Phasing in of systems	Strategy approval (Yes/No) Timescale x yrs						Completion (Yes/No) x yrs remaining	

Employees: Stormwater Service					
	Year 1		Year 0		
Job Level	Employees No	Posts No	Employees No	Full time Vacancies No	Vacancies as % of total posts
0-3	16	26	16	10	63%
4-6					
7-9					
10-12	1	1	1		
13-15					
16-18					
19-20					
Total	17	27	17	10	63%

Financial Performance Year 0: Stormwater Services (R'000)					
	Year 1		Year 0		
Details	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational	1 050 870	1 341 510		1 341 510	
Revenue					
Expenditure	672 790	838 280		838 280	
Employees	60 000	63 000		63 000	
Repairs and Maintenance	318 080	440 230		440 230	
Other					
Total Operational Expenditure	1 050 870	1 341 510		1 341 510	
Net Operational Expenditure					

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL

Historically, town plans were developed by the respective Local Town Councils. These towns concentrated on developing the business areas as residential properties were seen as being holiday accommodation. Stormwater drainage performance does not achieve expectations due to various factors, which can be considered as follows:

- Sub-surface stormwater infrastructure is costly to install and was rarely considered in the urban development of communities within Ndlambe Municipality;
- Former subsidised housing projects did not prioritise the establishment and implementation of stormwater systems and it is now with hindsight that this oversight is so glaring;
- Consecutive development has exacerbated the lack of stormwater drainage insufficiencies.
- Stormwater Master Plans were previously not considered within the urban development criteria.

The municipality is in process of developing a storm-water maintenance plan ; this will assist the municipality to source

funding in order to deal with storm-water issues.

3.2.3 FLEET MANAGEMENT

Municipal transport is provided strictly for official services only and is not to be used for private purposes. Council will provide transport to on-duty employees in accordance with its normal operational requirements, as well as in specific circumstances approved by the relevant director. The municipality has a shortage of fleet due to lack of internal capital budget. Furthermore, extended downtime of fleet when it is in the workshop is another hindrance to service delivery.

Despite the above challenges and financial constraints, the municipality has procured the following new fleet for the 2024/25 financial year:

- 1 x Isuzu Refuse Compactor (Refuse Department)
- 2 x 4x4 bakkies (CPS Department)
- 2 x 4x4 bakkies (Infrastructure Department)
- 1 x 2x4 bakkie (Infrastructure Department)
- 1 x 2x4 bakkie (Finance Department)
- 1 x 4x4 bakkie (Finance Department)

Fleet Management Policy Objectives Taken from the IDP									
Service Objectives		Year -1		Year 0		Year 1		Year 3	
Service Indicators		Target	Actual	Target	Actual	Target	Target		
		Previous Year		Previous Year	Current Year	Current Year	Current Year	Current Year	Following Year
I	II	III	IV	V	VI	VII	VIII	IX	X
Service Objectives: Ensure an effective fleet management system, to include maintenance, refurbishment, procurement and disposal of fleet related resources owned, managed and maintained by the Ndlambe municipal workshop									
Ensure an effective fleet management system, to include maintenance, refurbishment, procurement and disposal of fleet related resources owned, managed and maintained by the Ndlambe municipal workshop			There is an effective fleet management ent in place. The policy has been updated and will go to council for adoption			There is an effective fleet management ent in place. The policy has been updated and will go to council for adoption			

3.3 COMPONENT C: PLANNING AND DEVELOPMENT

3.3.1 PLANNING IN SPATIAL

INTRODUCTION TO SPATIAL PLANNING

The revision of planning legislation pertaining to governance of spatial planning and land use management in municipalities commenced several years ago with the enactment of the Spatial Planning and Land Use Management Act (SPLUMA), Act 16 of 2013. Since the introduction of SPLUMA, Ndlambe Municipality has undertaken measures to ensure compliance with the Act. To this end, the municipality has established its Municipal Planning Tribunal and Appeal Authority, and has adopted an Integrated Land Use Scheme, 2019. Additionally, Ndlambe Municipality has also approved and gazetted its Spatial Planning and Land Use Management By-law, 2016. In 2023, the municipality completed a review of its Spatial Development Framework to ensure alignment with the provisions set out in SPLUMA.

STAFF CAPACITY IN THE TOWN PLANNING OFFICE

The table below details the employees level working within the Town Planning Office. These staff members play a vital role in the successful implementation of the Spatial Planning and Land Use Management Act (SPLUMA). Their responsibilities include processing land development applications, conducting assessments, and ensuring that all proposals comply with the relevant planning regulations. The expertise and dedication of these professionals are essential in facilitating effective land use management and promoting sustainable development within the municipality. Their work not only supports regulatory compliance but also contributes to the overall development goals of the municipality.

Employees: Town Planning					
Job Level	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts)
0-3	Nil	Nil	Nil	Nil	Nil
4-6	Nil	Nil	Nil	Nil	Nil
7-9	1	1	1	Nil	100%
10-12	1	1	1	Nil	100%
13-15	1	1	1	Nil	100%
16-18	1	1	1	Nil	100%
19-20	Nil	Nil	Nil	Nil	Nil
Total	4	4	4	-	-

SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The SDF also functions as a marketing tool to facilitate public and private partnerships in the implementation of projects and to assist to bring about economic and social regeneration of the various towns and settlements. It also:

- provides a long-term vision of the spatial development of the municipality

- aligns the municipality's spatial development goals, strategies and policies with relevant national and provincial spatial principles, strategies and policies;

- guides the proposals contained in the more detailed local plans which cover a shorter planning time frame and the preparation of Local Spatial Development Plans (LSDF's);

helps to spatially coordinate, prioritise and align public investment in the municipality's five-year Integrated Development Plan (IDP);

directs private investment by identifying areas that are suitable for urban development, areas where the impacts of development needs to be managed, and areas that are not suited for urban development;

identifies strategies to prevent indiscriminate loss and degradation of critical biodiversity areas, and to ensure the necessary level of protection for the remaining areas;

provides policy guidance to direct decision-making on the nature, form, scale and location of urban development, land use change, infrastructure development, disaster mitigation and environmental resource protection.

A Spatial Development Framework (SDF) is to a large extent influenced by the following legislation: The Local Government: Municipal Systems Act (Act No. 32 of 2000);

The Spatial Planning and Land Use Management Act (Act No. 16 of 2013).

The reviewed SDF gives effect to the development principles contained in the Spatial Planning & Land Use Management Act (Act No. 16) of 2013 including:

Spatial Justice;

Spatial Sustainability;

Efficiency;

Spatial Resilience; and

Good Administration

NDLAMBE SPATIAL DEVELOPMENT FRAMEWORK (SDF), 2023

The 2013 Ndlambe Municipality's Spatial Development Framework (SDF) was reviewed. A service provider was appointed in July 2020 to review the Ndlambe SDF. The progress on the review of the SDF has been hampered by the COVID-19 Pandemic and a lengthy public participation process coupled with many engagements. The project has been finalized and the SDF was approved and adopted by Council in May 2023. The SDF was then Gazetted and came into effect from 1 July 2023.

SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, 2013 (ACT NO. 16 OF 2013)

The Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (SPLUMA) was promulgated on 5 August 2013 and its Regulations to come into effect on 1 July 2015. The objects of the Act are the following:

Provide for a uniform, effective and comprehensive system of spatial planning and land use management for the Republic;

Ensure that the system of spatial planning and land use management promotes social and economic inclusion;

Provide for development principles and norms and standards;

Provide for the sustainable and efficient use of land;

Provide for cooperative government and intergovernmental relations amongst the national, provincial and local spheres of government; and

Redress the imbalances of the past and to ensure that there is equity in the application of spatial development planning and land use management systems.

SPLUMA IMPLEMENTATION PROGRESS

In relation to the implementation of SPLUMA, the Municipality has made significant progress in enforcing the Act. The table below outlines the progress achieved in relation to the provisions of SPLUMA.

Table 1: SPLUMA Compliance Table for Ndlambe Municipality

SPLUMA REQUIREMENTS	COMPLIANCE%	NDLAMBE STATUS	COMMENTS
Approved & Gazetted SPLUMA By-law	100%	By-law Approved & Adopted By Council. Gazetted on 4 February	Complied

		2016.	
Appointed Authorized Official	100%	Council Appointed Authorized Official: Director Infrastructure.	Complied
Land Use Applications Categorized	100%	Council Approved and Adopted Re-categorized Land Use Applications in October 2023. Category 1 Applications are considered by the Tribunal and Category 2 Applications are considered by the Authorized Official.	Complied
MPT Established	100%	Ndlambe has its Tribunal fully functional and operational Considering Category 1 Applications. The establishment 100% compliant with SPLUMA requirements.	Complied
Appeal Authority Established	100%	Council confirmed that the Executive Committee will be the Appeal Authority for Ndlambe. The Appeal Authority has been re-established by Council in March 2022. Technical Advisers for the AA appointed. The Appeal Authority has been trained.	Complied
Integrated Land Use Schemes	100%	The new Integrated Land Use Scheme has been approved and adopted by Council and further Gazetted in the Provincial Gazette and came into operation effective from 1 June 2019.	Complied
SPLUMA Compliant SDF	100%	The SDF has been approved and adopted by Council on 31 May 2023. The SPLUMA compliant SDF has been adopted and will come into operation from 1 July 2023.	Complied
Town Planning	100%	2 Registered Professional	Complied

Personnel Capacity		Planners 1 Admin Officer 1 x Town Planning Technician and MPT Administrator	

INTEGRATED LAND USE SCHEME

In terms of Section 24 of the Spatial Planning and Land Use Management Act (Act 16 of 2013) all municipalities are required to adopt and approve a single Land Use Scheme for its entire area within five (5) years from the commencement of the Act. The Ndlambe Integrated Land Use Scheme was approved and adopted by Council on the 27th of March 2019 and was thereafter gazetted in the Provincial gazette. The commencement of the Ndlambe Integrated Land Use Scheme, 2019 was the 1st of June 2019.

POLICY FORMULATION

There has been an increasing need for policy formulation in the town planning department, however due to capacity issues within the section it has been a challenge to ensure that policy formulation is prioritized as there needs to be proper SPLUMA compliant systems in place. The following policies are policies that the section need to draft:

Land Use Management Policy.

Geographical Name Change Policy.

Telecommunication Mast Policy.

Tavern Policy.

House Shop Policy.

SYSTEMS

Systems deal with the establishment of planning processes and procedures. These can only be effectively instituted if there is a personnel appointed by the municipality. Planning has a lot of administration that needs to be done by personnel with the necessary qualifications and skills. It has been apparent in most planning judgments that planning decisions are not set aside by courts because they are wrong decisions but because of PAJA where administration process was not procedurally done fairly and correct. It is easy to have systems in place but without the necessary tools and personnel to do the work, there is little that can be done. The Municipality has appointed a service provider to develop an integrated property and spatial information system and the system used is OVVO. The aim of the system is supposed to have less paper and ensure that everything is done on the system. The Ovvo system also has spatial data that is being utilised for administering effective spatial planning and land use management by the Town Planning Office.

3.3.2 PROJECT MANAGEMENT UNIT

ROLES AND RESPONSIBILITIES – PMU

Responsible for the implementation, monitoring, evaluation and reporting sequences of outcomes associated with programmes designed to accomplish key service delivery objectives with respect to town and spatial planning, and through the co-ordination of technical and administrative operations against departmental, statutory and audit guidelines to ensure that service delivery is strategically managed and maintained in accordance with laid legislated standards.

MUNICIPAL INFRASTRUCTURE GRANT PROJECTS (MIG)

No	Financial Year	Allocation	PROGRESS
	2024/2025	R 31 238 000.00	100% Completed
	2025/2026	R 32 546 000.00	0% Completed

MUNICIPAL INFRASTRUCTURE GRANT PROJECTS (EPWP)

No	Financial Year	Allocation	PROGRESS
	2024/2025	R 1 317 000.00	100% Completed
	2025/2026	R 1 489 000.00	0% Completed

MUNICIPAL INFRASTRUCTURE GRANT PROJECTS (MDGR)

No	Financial Year	Allocation	PROGRESS
	2024/2025	R10 026 130,37	100% Completed

MUNICIPAL INFRASTRUCTURE GRANT PROJECTS (MDGR)

No	Financial Year	Allocation	PROGRESS
	2024/2025	R 28 307 780.80	5.64% Completed

Projects for 2024/2025 financial year MIG

PROJECT NAME	WARD	SECTOR	BUDGET	EXPENDITURE	STATUS
Thornhill Ministerial Housing Project MIG: Balance phase 2 Contract 1 Link Water Infrastructure	6	Sewer	R 1 754 599.91	R 1 754 599.91	100%
Upgrading of Mjuza Street in Marselle	3	Roads	R 181 275.40	R 181 275.40	100%
Upgrading of Protea Crescent in Station- hill	6	Roads	R 3 200 710.81	R 3 200 710.81	100%
Upgrading of Tana Square in Kenton on Sea	4	Roads	R 5 443 697.50	R 5 443 697.50	100%
Upgrading of Koti Street in Bathurst	5	Roads	R 5 324 145.66	R 5 324 145.66	100%
Upgrading of Mbundwini Road in Nemato	7	Roads	R 2 185 048.17	R 2 185 048.17	100%
Upgrading of Atherstone Road	10	Roads	R 6 495 648.38	R 6 495 648.38	100%
Upgrading of Park Road	10	Roads	R 3 539 173.68	R 3 539 173.68	100%
Upgrading of Mamityi Gidana Sportsfield	7,8	Sportsfield	R 648 738.57	R 648 738.57	100%
Upgrade of Bathurst Bulk Sewer: Nolukhanyo & Freestone Sewer Network	5	Sanitation	R 994 061.92	R 994 061.92	100%
PMU 5%	N/A	N/A	R 1 561 900.00	R 1 561 900.00	100%
TOTAL				R 31 129 000.00	

Projects for 2025/2026 financial year MIG

PROJECT NAME	WARD	SECTOR	BUDGET
Thornhill Ministerial Housing Project MIG: Balance phase 2 Contract 1 Link Water Infrastructure	6	Sewer	R1 409 866.00
Upgrading of Mswela road in Nemato	1	Roads	R3 649 381.25
Upgrading of Gladiola Street road in Alexandria	1	Roads	3 255 153.00
Upgrading of Phandle Street	2	Roads	1 850 956.85
Upgrading of Koti Street in Bathurst	5	Roads	1 389 639.48
Upgrading of Mbundwini Road in Nemato Phase 2	7,8	Roads	3 018 750.00
Upgrading of Atherstone Road	10	Roads	5 810 263.00
Upgrading of Park Road	10	Roads	2 644 840.42
Development of Infrastructure Asset Management	All Wards	All sectors	R1 627 300.00
Upgrade of Bathurst Bulk Sewer: Nolutkhanyo & Freestone Sewer Network	5	Sanitation	R6 262 550.00
PMU 5%	N/A	N/A	R 1 627 300.00
TOTAL			R 32 546 000.00

Projects for 2024/2025 financial year EPWP

PROJECT	BUDGET	EXPENDITURE TO DATE	BALANCE	%
Upgrading of Westbourne Road phase 2	R 1 317 000.00	R 1 317 000.00	R 0	100%
Total Amounts			R 1317 000.00	

Projects for 2025/2026 financial year EPWP

PROJECT	WARD	SECTOR	BUDGET
Upgrading of gladiola road phase 1	1	Roads	R 1 489 000.00
Total Amounts			R 1 489 000.00

ROLLOVER APPLICATION FOR MDRG

Project Name	Rolled over Amount	Expenditure	Balance	Status
A. Refurbishment of Road-Ekuphumleni: Anglers' Way	R 2 868 000,00	R 2 868 000,00	0	100%
B. Refurbishment of Road - Port Alfred: Magongo Street	R 1 563 165,00	R 1 563 165,00	0	100%
C. Refurbishment of Road - Port Alfred: Mbabela Street	R 1 400 000,00	R 1 400 000,00	0	100%
D. Refurbishment of Road Port Alfred: Ntini Street	R 1 015 286,40	R 1 015 286,40	0	100%
E. Refurbishment of Road Port Alfred: Sagwityi Street	R 1 017 448,97	R 1 017 448,97	0	100%
F. Refurbishment of Pump Station Bathurst: Mansfield Raw And Clear Water Pump Station	R 1 019 300,00	R 1 019 300,00	0	100%
G. Refurbishment of Pump Station Bathurst: Lushington Raw Water Pump Station	R 493 000,00	R 493 000,00	0	100%

H. Refurbishment of Boknes: Daniel Scheepers Street Outfall Stormwater Drainage	R 650 000,00	R 650 000,00	0	100%
TOTAL	R10 026 130,37			

Projects for 2024/2025 financial year MDRG

Project Name	Allocation	Expenditure	Balance
BATHURST: CRESCENT STREET	R9 768 818.01	R 702 029.52	R 7 614 031.89
KLEINEMONDE - RIVERVIEW CRESCENT	R2 497 704.96	R 0	R2 497 704.96
PORT ALFRED: VAN RIEBEECK TO HENRY STREET	R3 649 228.73	R 0	R3 649 228.73
PORT ALFRED: KEY STREET	R1 833 119.32	R 0	R 3 370 271.76
PORT ALFRED: MPANGELE STREET	R1 622 188.43	R 0	R 3 370 271.76
KENTON-ON-SEA: VAN DER STEL STREET	R4 484 515.68	R 0	R 4 341 622.77
BUSHMAN'S RIVER MOUTH: HERTZOG ST	R3 957 636.94	R 990 251.71	R3 957 636.94
CANNON ROCK TOWN: GALJOEN ST	R3 679 658.60	R 0	R3 679 658.60
BOKNES: DANIEL SCHEEPERS ST	R3 830 980.43	R 0	R3 830 980.43
ALEXANDRIA: BUIE RD	R2 697 310.12	R 0	R2 697 310.12
TOTALS	R 30 000 000.00	R 1 692 281.23	R 28 133 306.20
Overall %	5.64		

3.3.3 LOCAL ECONOMIC DEVELOPMENT (KPA 3)

Local Economic Development (LED) has been identified as a key means of improving the economic prospects of South African citizens. The purpose of LED is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation.

Ndlambe Municipality is land locked between four Municipalities namely Nelson Mandela Metro, Makana, Ngqushwa and Buffalo City Metro. Ndlambe Local Municipality is a predominantly rural area with agriculture and tourism dominating the economy. It encompasses the towns of Kenton-on-Sea, Boknes, Bathurst, Boesmansriviermond, Alexandria and Cannon Rocks.

The recently released population statistics by Stats SA indicates that Ndlambe has a population of 61 176 out of

which youth unemployment is generally high, especially in the townships. Unemployment is at 30.3% as per 2011 statistics. The Key economic sectors for the Ndlambe Municipal area are:

Tourism and Heritage

Agriculture

Services sector

Enterprise Development

Local Economic Development is a key tool for municipalities to grow the area's local economy, improve the way of local residents and build inclusive and resilient communities. It ensures that development is people centred. Sustainable and tailored to the specific needs and strength of the local area.

The Agricultural industry has in the past 10 years been in a state of decline. The chicory industry has been the hardest hit with many farmers shutting down operations or switching over to other commodities like game or livestock. The decline in any of the key sectors always has a direct negative impact in the townships in terms of jobs losses and employment. For the past few years government started land acquisition initiatives through buying farms to settle groups of farmers or communities to take over some of the white owned farms, however the land acquisitions through the Land Reform Programme have not been a great success, in many instances farms bought on behalf of communities and or farming groups started declining thus shedding more jobs with declining productivity.

As part of a strategy to revive the contribution of the agricultural sector in the local economy, the municipality undertook to invite potential funders and DFI's to visit the declining projects requesting to be resuscitated. Amongst those was National Empowerment Fund (NEF) that expressed interest to assist. The LED section is busy with the process and requirements of the NEF. Industrial Development Trust (IDC) Eastern Cape Development Corporation.

REVIEWAL OF LOCAL ECONOMIC DEVELOPMENT (LED) STRATEGY

Local Economic Development (LED) is supported by various legislative frameworks and policies aimed at empowering municipalities to drive economic growth and development at the local level. Departments with rural development mandate.

The establishment of the Local Economic Development within municipalities is guided by these prescripts. It is essential for municipalities to promote economic growth, attract investment, support small businesses, foster innovation, and achieve broader social and environmental goals, all of which contribute to the well-being and prosperity of the local community. The LED Strategy provides a clear direction for economic development initiatives within the municipality. It outlines goals, objectives, and action plans to stimulate economic growth, attract investment, and create jobs.

In partnership with the Department of Cooperative Governance and Traditional Affairs in the province (Cogta-EC) we embarked on the process of reviewing the current LED Strategy to ensure that it is relevant and responsive to the current changing economic conditions, evolving community needs, opportunities, and the economic landscape. The process of reviewal will assist in the enhancement and effectiveness towards promoting local economic growth and prosperity of the municipality.

The final document will be presented to the Municipal Council for approval as soon as it is complete.

ESTABLISHMENT OF NIPC

As part of the commitment of the municipality to promoting economic development, an in-house committee has been established with terms of reference to guide and manage investment decisions ensuring efficient, transparent and sustainable use of resources.

LED STRATEGY

Assistance was solicited from COGTA-EC to assist the municipality with the development of the LED Strategy to be able to facilitate growth and development of the area focusing on the natural resources that Ndlambe is endowed with. The LED Strategy will also assist in bringing potential investors into the area. A Draft document has been received, at this point we are currently finalizing the process of filling in the gaps and soliciting inputs and comments from relevant stakeholders. Upon finalization of the process the Strategy will be tabled to Council for adoption towards shaping the economic social and environmental development of the municipality.

Partnerships with SANParks

Fisherman's Development Programme it involves capacitation, provision of fishing equipment to local fishermen and granting of fishing permits. Arts and Craft also, capacity building and marketing through SANParks curio shops. Currently having cooperatives from Kenton on Sea, Alexandria and Marselle that are part of the programme and also farms identified from the local area for economic infrastructural development.

Small Town Revitalisation

In implementing the Provincial Small Town Development Framework aligned to the Integrated Urban Development Framework and Provincial Spatial Development Framework whose primary purpose is to better coordinate initiatives aimed at the revitalization of small towns. The department nominated Ndlambe Local Municipality to support the implementation of the programme. The nature of support ranges from the development of small-town master and precinct plans, general cleaning and beautification initiatives, maintenance of road infrastructure through potholes repair as well as paving pedestrian walkways and streets within small towns. The project focuses on two areas in Ndlambe, being Alexandria and Port Alfred.

Impact of the project for the municipality

PORT AFRED PRECINCT PLAN -CENTRAL WATERFRONT PRECINCT

The Master Plan identified the CBD, the Civic Centre node, and the East Bank of the Kowie River between the bridges as the primary business, tourism and service precinct of the Town and surrounding region.

The precinct is central to the Town and functions as the Town's and Region's heart and de facto Gateway.

Collectively these areas represent the brand of the Town and the Ndlambe Municipality.

The areas require upgrading and redevelopment to capitalize on and leverage existing business, sport and recreation, civic and community, tourism and infrastructure services.

assets to boost the potential community building and economic development value they possess for the Town and Municipality.

As the "heart" of the Town, the Central Waterfront Precinct should be planned and designed to optimize equitable access to and distribution of its inherent economic development and social upliftment opportunities.

It must be made accessible and attractive to residents, tourists and through traffic as a destination and a "portal" to explore the attributes, experiences and opportunities of the Town the Region.

ALEXANDRIA PRECINCT PLAN- THE HIGH STREET

The Master Plan indicates that the portion of Main Road 72 running through Alexandria and forming the business

“High Street” and “gateway” into the town and surrounding region and requires focus regarding initiating redevelopment as part of the Town’s turnaround strategy.

The areas within the Precinct require upgrading and redevelopment to capitalise on and leverage existing business, civic and community, tourism, and infrastructure services assets to reignite the community building and economic development value they possess for the Town and Municipality.

The Precinct needs to be designed as a “funnel” to capture the varied economic market potential associated with the through traffic.

It should expose the traffic to the attributes of the town and region and provide opportunities for access to, marketing and distribution of local economic development and social upliftment opportunities.

It must be a place that provides the space for residents to collaborate and generate ideas and opportunities for development as well as provide an attractive marketplace that captures economic value from passing traffic.

The proposed developments:

Chicory Square.

Heritage lanes.

Church Forecourt.

Retail strip and

Gateways.

Attached to the plans for both Alexandria and Port Alfred is a costed Business plan with projects that can be implemented in the short, medium, and long term.

SMME Development

Small, Medium, and Micro Enterprises (SMMEs) play a vital role in the local community, contributing significantly to economic development, job creation, and social stability. In pursuing this realization the following activities have been undertaken:

Business Registrations – The Unit has been experiencing serious delays with Business registrations in particular cooperatives. The turnaround time for finalizing registrations is quite lengthy. This has been reported to CIPRO in Pretoria several times with no success. We are hoping that their system will be back in full speed for quick processing of registrations.

Ndlambe Arts and Craft Co-operatives – In partnership with the Department of Agriculture, Land Reform and Rural Development, 45 beneficiaries made up of cooperatives from Bathurst, Marselle and Kenton on Sea have been supported with capacity building trainings involving, Basic and Advanced Sewing Skills to improve the quality of their garments. They have also been assisted with working space through provision of containers. The containers have been electrified and slabs around the containers have been completed.

The municipality through the LED Section has assisted the project with servicing all their sewing machines to get maximum performance of the machines whilst also increasing their production levels.

AGRICULTURAL DEVELOPMENT

Chicory Production

The SCSA factory has been closed with equipment function resuscitation. The situation has also taught us not to focus on a single commodity but explore other commodities to guard against situations of this nature.

Alexandria Beef Abattoir Project

As a way of assisting the municipality on the effects of the current economic downturn the country is confronted with, the municipality being responsible for ensuring economic growth within the area, it became necessary to urgently develop a vehicle to assist in retaining and reviving the local economic growth. Unlike other municipalities that are endowed with mineral resources to generate employment opportunities, Ndlambe has none of those. In pursuit of its mandate to create conducive economic environment, creative ways to help revive and retain the economic growth of the area must be explored.

The Alexandria Beef Abattoir Project is but one of those economic initiatives that can bring economic benefits to the local community. Even with the many relief schemes that were set up to assist small businesses during the COVID-19 Lockdown, local small businesses closed shop with Chicory SA in Alexandria being one of those after being in the area for more than five decades. Majority of Alexandria communities were reliant on CSA for employment, with it being closed, scores of local people are facing a bleak future with no possibility of employment.

A vigorous drive towards building effective and sustainable economic initiatives is seen as an intervention to give hope to the community of Alexandria. To this end, the municipality engaged services of a consultant to provide transaction advisory services for the establishment of the Alexandria Beef Abattoir also analysis of the business plan that was submitted by the Alexandria Commercial Farmers for assistance. Upon perusal and scrutiny, it transpired that the Alexandria Commercial Farmers did not follow the required process in having a B-BEE partner on board. As part of complying with accepted business principles relating to advancing the transformation and enhancement of participation of Black people in the South African economy (B-BEE) a Shareholder Agreement for the B-BEE partner with Alexandria Beef Project owners had to be developed. The Shareholding Agreement is currently with the lawyers of the Alexandria Commercial Farmers for inputs.

There is also a hurdle in respect of Water Use License application for the project.

Marselle Piggery Project

The agricultural industry has for quite some time been a contributor to employment in the Ndlambe area. Pig farming business is a profitable business, as such many local people are striving to make money. However, to build a successful, sustainable pig farming business, you require sufficient knowledge of how to efficiently raise the pigs, good management skills, and a good piggery business plan.

The municipality is currently in partnership with the Marselle piggery farming cooperative to increase the scale of pig production. Pig production can be a lucrative business, providing income for people, venture into the market of piggery business by providing locals, however the pigsty requires proper designs and specifications. To this end, the municipality has identified Seaview farm in ward 4 project is on progress as the potential site.

SMME DEVELOPMENT

Small, Medium, and Micro Enterprises (SMMEs) play a crucial role in fostering economic sustainability and growth within local communities. In recognizing their significance, various initiatives and support mechanisms have been implemented by the municipality to nurture the growth of these enterprises. These mechanisms include, even though not limited to:

- Financial Assistance
- Capacity Building
- Market Access
- Regulatory Support

Even though not always, these interventions assist in Job Creation, Community Development, Innovation, and

creativity and enhancing economic resilience. Despite the interventions offered to promote expansion and retention of the local enterprises, there are challenges such as Access to funding, Skills Development and Market penetration that create serious barriers to emerging businesses. The municipality has gone beyond the call in some instances offering to assist with payment of advance rentals to relieve the enterprise from operational costs.

Supporting SMME development is vital to promoting economic sustainability and growth at the local level. By addressing key challenges and implementing effective support mechanisms, governments, organizations, and communities can empower SMMEs to thrive, thereby fostering a resilient and vibrant economy. It is worth noting that there have been funding organizations that have been sympathetic to the plight of development of, such as NYDA, ECDC, Department of Economic Development, Environmental Affairs, Department of Rural Development, Department of Agriculture and the Sarah Baartman District Municipality. SMME's. Continued collaboration and innovation are essential to maximize the impact of SMME support initiatives and ensure long-term economic prosperity.

DEVELOPMENT OF SMALL BUSINESS POLICIES

Policies play an important role in the development of small businesses in municipalities by creating an environment that fosters growth, innovation and sustainability. Local government plays a vital role in shaping these policies, and their commitment to supporting small businesses can have far-reaching positive effects on the overall economy.

These are the policies that have been developed to assist in the development of small businesses:

- Business Licence Policy
- SMME Policy
- Funding Policy

Tourism and Heritage

TOURISM AND HERITAGE DEVELOPMENT

Integrating tourism and heritage into Local Economic Development strategies offers a multifaceted approach to economic growth. It leverages cultural assets to create economic value, fosters community pride and identity, and promotes sustainable development. Tourism and heritage are significant in the Local Economic Development (LED) of a local municipality for several key reasons. Their integration into LED strategies can drive economic growth, job creation, and community development while preserving cultural and historical assets.

EMnyameni Music Festival

EMnyameni Music Festival will be staged on the 28th of September 2024 at Alexandria. The organisers have been supported and payment has been made to ensure that they secure artists and do the necessary preparations in time. Will be awaiting a report after the event as part of promoting transparency and cooperative governance.

ECawa Music Festival

Annually in December, the municipality has a music festival hosted by a service provider. The festival seeks to achieve the following objectives:

- To stimulate economic growth within the municipal jurisdiction through attracting visitors and encouraging local business participation.
- To showcase and promote local talent and cultural diversity.
- To create a platform for community engagement and cohesion.

The festivals' success translated into a substantial boost for the economy of Ndlambe in particular the township economy. The contribution was through the following factors:

- **Increased business activity** – The event is a catalyst for increased consumer spending and benefits several establishments across various sectors. Local food vendors, informal traders, local businesses, and retail

outlets report a surge in sales during the festival period.

- **Tourism and Hospitality** – The success of the festival highlights the importance of effective planning, community engagement, and the transformative power of music in bringing people together. The influx of visitors impacts positively on the hospitality sector, with local hotels being fully booked for the day prior the festival and festival day. This translates to heightened occupancy rates and increased revenue.

Port Alfred Gospel

Gospel festivals are more than just music events. They serve as powerful vehicles for local economic development, they attract visitors to the area, create jobs for local residents, support local businesses and enrich the social fabric of the community. Investing in such events is a strategic move towards fostering economic growth and enhancing community spirit.

Heritage Sites Mapping

Part of our activities as reflected in the Scorecard is to develop a register for Heritage Sites within the municipality. The register will be able to provide us with data in respect of Heritage Sites within the area, their status, ownership and declaration. To achieve this activity, the Cacadu Development Agency appointed a service provider to undertake the mapping of all Heritage Sites and stakeholder sessions were held with various stakeholders within the tourism and heritage sector.

In Ndlambe 12 Stakeholders attended, the report has been concluded, reflecting 18 Provincial Heritage sites in the area, however Chungwa's Grave has not been included. We intend to include it after it has been declared and graded. This is being done with the assistance of South African Heritage Agency.

The identification of these Heritage Sites is intended to establish the potential each site has in the contribution of tourism within the area. These cultural assets when properly maintained and looked well after can create economic value, fosters community pride and identity, and promote sustainable development of our local municipality.

Upgrading of Chief Chungwa's Grave

The LED Unit as part of promoting and developing tourism products through preserving our heritage approached the Eastern Cape Provincial Heritage Resources Authority (ECPRA) to ensure that Chungwa's grave is recognised and preserved. Due to the history associated with Chief Chungwa, his grave would qualify to be included in the list of recognised Heritage Sites both nationally and provincially.

SANParks committed to upgrade the grave in line with other graves with similar relevance that have been upgraded. Designs have been shared with the family for approval and what to be in scripted on the Interpretive boards.

The Chungwa Royal family has since forwarded a concept document with projects proposed in honour of Chief Chungwa. Amongst the proposed projects is the hosting of the Chungwa Memorial Lecture which they want both the District Municipality and Ndlambe Municipality to commit.

Jobs created during Year 0 by LED initiatives (Excluding EPWP projects)

Total jobs created / Top 3 initiatives	Jobs Create No.	Jobs lost / displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created / lost
Total (all initiatives)	6 initiatives	45 jobs lost	jobs created and CWP	CWP Registers
Year -2	6	30 (closure of CSA)		CWP Registers, Time Sheets
Year -1	4	Due to the current	Due to the current econ	

economic climate pandemic which left many business enterprises closed, the municipality took a conscious decision to assist and support local business enterprises through provision of start-up capital.

municipality took a conscious decision to assist and support local business enterprises through provision of start-up capital.

Year 0	5	N/A	EPWP Contracts and Time Sheets

Job Creation through EPWP projects

Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -1	7 EPWP Projects	147
Year 0		

Employees: Local Economic Development Service

Job Level	Year -1	Year 0		Vacancies as % of total posts
	Employees No.	Posts No.	Employees No.	Vacancies No. (fulltime equivalents)
6	2	2	2	0
7-9	0	0	0	0
10-12	1	2	1	2
13-15	1	1	1	0
16-18	1	1	1	0
Total	5	5	5	2

The following Cooperatives and local businesses have been assisted for funding, machinery and equipment:

PROJECT NAME	DESCRIPTION	WARD	TARGET
Alexandria Easter Tournament	Sport	1 & 2	Youth
Piggery	Agriculture	1& 2	All ages
Hair Products	Beauty Salon/Product Testing	2	Youth
Links Royal House		9	All ages
6185 Barbershop	Barbershop	2	Youth
Lhozar General Trading	Entertainment	9	Youth
Thandwayoo Consultant	Consultant	6	Youth
Klipfontein Livestock Farmers	Agriculture	3	Male
Amanzi Festival	Tourism	10	Male
C And J Tyres	Manufacture	10	Male

Kenton Mobile Kitchen		4	Women
Kenton Hawkers	Hawkers	4	Women
Gorah Farm	Agriculture	4	All ages
VMap Trading	Sewing	5	Women
Konza Wellington	Maintenance	6	Male
Libitex Trading	Equipment	10	Male
Glam And Glow	Fashion	8	Women
Yonz Trading	Tourism/Accommodation	10	Women
Nabho Trading	Catering	9	Youth
Bongolwethu Primary Cooperative	Equipment	4	Youth
Yannick Trading Spares	Mechanic	2	Male
Kavod Enterprise	Sewing	9	Youth
Siyanceda Trading	Equipment	9	Women
Fodini Trading	Transport	2	Male
Kawayan Cafe	Retail	10	Women
T.F.Bete	Hawker	4	Women
Zinto Trading	Bakery	9	Youth
Sarah Baartman Football Club	Sport	5	Youth
Nemato Youth	Sport	9	Youth
Zoelegacy Trading	Catering	7	Youth
Caro Solutions	Equipment	7	Male
Bathurst Welding	Welding	5	Male
Ndzima Entertainment	Entertainment	7	Youth
Sarah Baartman Netball	Sport	1 & 2	Youth
Ndlambe Tigers Rugby	Sport	10	Male
Z.M Enterprise	Ice Machine	4	Youth
Cannon Rocks Cabins	Accommodation	1	Mixed
Mthombowempilo Chicory	Chicory	1	Male
Siphilise Sewing Cooperative	Art and Craft	2	Women
Wentzell Park Cooperative	Piglets	2	All ages
Kruisfontein Coop	Support on Tags/Medicine	1 & 2	All ages
Department Of Small Business	Support on Materials/Equipment	All Wards	All ages
Forrest Hill Farm	Agriculture	3	Male
Hlahlabone Trading	Boat Builder	4	Male
Nemato Engineering	Engineer	6	Male
Marwanqana Coop	Piggery	4	Youth
Ms Dumezweni Coop	Piggery	4	Women
Masiphathisane Co-op	Agriculture	5	Mixed
Umthombo Co-op	Agriculture	1	Mixed

Ndlambe Fishery Cooperatives (Alex, Marselle)	Fishing/ Ocean's Economy	1,2,3,4	Mixed
Masarheni Co-op	Agriculture	8	Male
Marselle Piggery Project	Agriculture	3	Mixed

INTERGOVERNMENTAL RELATIONS

Intergovernmental relations play a crucial role in promoting LED programmes through fostering coordination, collaboration and cooperation. Effective and successful LED Strategy requires robust intergovernmental relations that leverage the strengths and resources of various governmental departments and developmental agencies at all levels. Collaborative approaches result in effective economic initiatives and innovations.

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

The LED Section is an important section of the municipality as it has a mandate of promoting and improving economic growth of the municipality for the benefit of residents. To provide an honest comment on the performance of the LED, such will involve examining various indicators and factors such as contribution in the economic growth of the municipality, investment attraction into the area, business growth within the area, the relations between the local stakeholders and the extent of the community engagement on potential and current economic initiatives in the area. The LED Section, however, continues to evolve and meet the needs of the community. Whilst there is always an issue of limited resources versus the community needs, the allocation of resources within the section is earnestly considered in an area where there are no industries and mineral resources to create employment.

3.4 Component D: Community and Social Services

3.4.1 LIBRARIES; ARCHIVES; COMMUNITY

Ndlambe Libraries are gradually progressing in terms of services and diversity of patrons, and we currently have three mini-libraries which serve the visually impaired patrons within the Ndlambe district; they are found in Alexandria, Ekuphumleni and Port Alfred. The Libraries in Ndlambe Municipality have taken the role of promoting education by assisting schools to improve their pass-rate, and we also provide catering and transport for extra classes on Saturdays.

Library services have improved immensely as there are more newspapers offered than before, for example the libraries now have Sunday Times and City Press available as a result of community requests. Services also include Tablets in addition to computers; there is also Wifi available in libraries. This demonstrates improved technological progression in Ndlambe Libraries. Libraries are also now offering e-books to patrons.

CIRCULATION OF LIBRARY MATERIALS

All Functional nine Ndlambe Municipal Libraries have migrated to Brocade Library System and some are still transferring their members and books that were on the manual system onto the Brocade Library System. Statistics for the Ndlambe Libraries for the whole year are as follows:

LIBRARIES		CIRCULATION	
Alexandria	2409		
Bushmans	1361		

Dr. IK Mabindisa	1008
Ekuphumleni	306
Freestone	587
Hilda-Peddie	1746
Kenton on sea	2537
KwaNonkqubela	4675
Port Alfred	2893
Total	17522

Circulation statistics for the period August 2024 to June 2025 are as follows:

Library	August	September	October	November	December	January	February	March	April	May	June	Total
Alexandria	383	169	305	369	133	178	144	175	139	86	113	2409
Bushmans	149	121	122	122	35	106	108	108	108	93	95	1361
Dr. IK Mabindisa	159	109	136	63	35	69	69	72	103	62	27	1008
Ekuphumleni	46	29	29	22	6	8	26	34	24	17	19	306
Freestone	36	4	16	10	8	22	19	20	89	158	167	587
Hilda-Peddie	266	137	175	124	73	80	213	224	66	261	55	1746
Kenton on sea	191	219	225	242	160	131	216	228	203	181	168	2537
KwaNonkqubela	440	350	357	246	212	367	635	549	391	308	188	4675
Port Alfred	196	293	285	235	142	160	244	263	292	294	171	2893
Total	1866	1431	1650	1433	804	1121	1674	1673	1415	1460	1003	17522

LIBRARY STRUCTURES

Library Structures in the form of Book Clubs for any age group and Library Committees are part of Ndlambe Municipal Libraries. This ensures that the community can be part of the needs' analysis of Library services.

SCHOOL INTERVENTION PROGRAMME

Although extra classes were provided by the Municipality on weekends to improve the matric pass rate of Ndlambe Municipality prior to COVID, this practice has slowed down.. We are however still actively involved in School assistance programmes, which include financial assistance in Grade 12 intervention programmes. By doing so, we assist Schools when they are rolling out Spring Schools or last push programmes, and special learning camps.

COMPUTER / LAPTOP HUBS

Two sponsorship programmes facilitated by the Kariaga Foundation via bbd as Facilitator, have resulted in the establishment of two computer hubs being established in the Marselle/BRM Library and the Ekuphumleni Library. These hubs offer 14 and 17 laptop hubs respectively which offer the communities modules in Maths, Science, English and Robotics. Updated Children's sections have also been added to these projects.

The Kariega Foundation is currently installing a third hub – at KwaNonqubela Library, which will facilities 18 laptop hubs.

AWARENESS PROGRAMMES

One way of Library Promotion and Marketing is through awareness programs or events where Ndlambe Municipal Libraries take services to the communities through outreach programs. Outreach Programs include the following:

- South African Library Week: Celebrated in March of every year
- World Book Day: Celebrated in April of every year
- World Play Day: Celebrated in May
- Mandela Day: July
- Holiday Programs: During School Recess
- The National Book Week, previously held in September annually, has been replaced by International literacy day.
- Youth Empowerment Event: Celebrated in December
- World Aids Day Event: Celebrated in December
- Funda Mzansi which takes place locally, in a District forum as well as a Provincial forum.

The above Outreach programmes exclude the individual awareness programmes performed.

3.4.2 CEMETERIES AND CREMATORIUMS

This service falls under Parks and Recreation Section. The municipality is currently under pressure due to unavailability of land for cemeteries. In terms of the revised SDF there is a need to identify new cemeteries but this will require environmental impact assessments and identification of land.

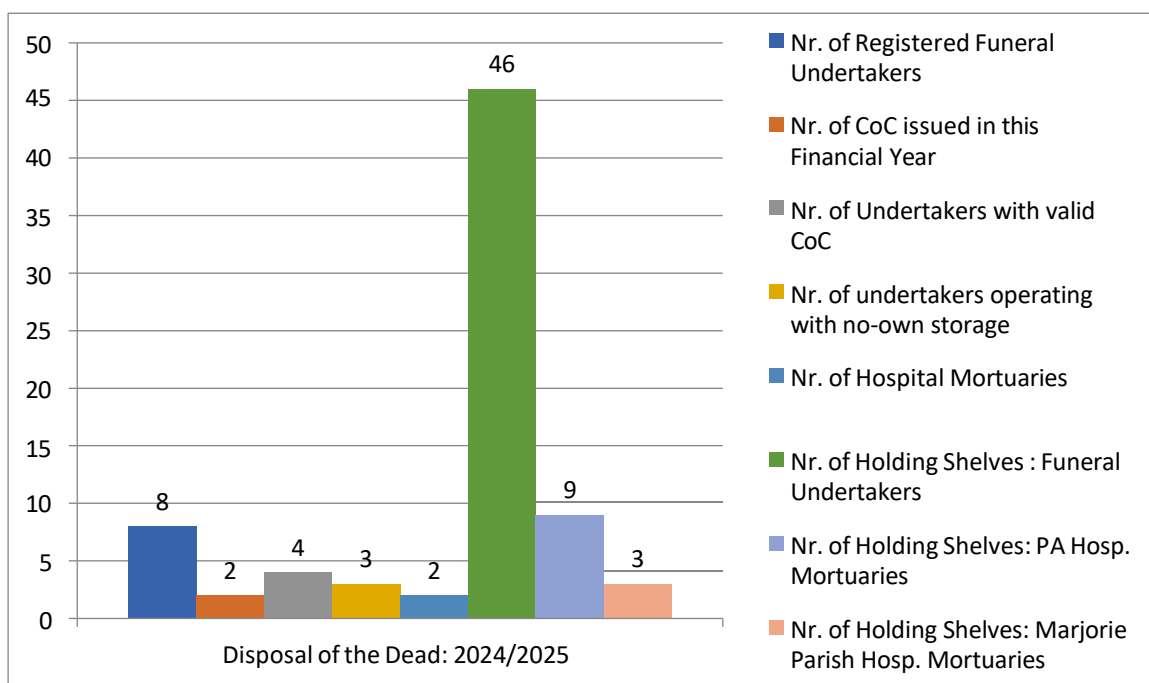
All cemeteries throughout the municipality are cleaned on a regular basis as and when required. The cemeteries are reaching capacity and once the land disposal policy process is completed land needs to be identified for cemetery space and the necessary EIA and legislative requirements be followed.

The municipality does not have its own crematorium facility and as such individuals utilise the services of funeral parlours.

DISPOSAL OF THE DEAD

All funeral parlours or undertakers are inspected to ascertain that the premises are in compliance with the applicable legislation, which is Regulation 363 relating to the management of human remains including any other regulations relating to applicable health standards.

Graph below: Illustration of information relating to disposal of the dead



COMMENT ON THE PERFORMANCE OF CEMETERIES & CREMATORIUMS OVERALL

There is no staff specifically employed for “Cemeteries” – these employees fall under “Parks & Recreation”; There are no posts in the Organogram allocated for “Cemeteries”. A consultant has been appointed and is currently conducting an EIA for 2 cemeteries, one on a portion of Kruisfontein far, Alexandria and another on a portion of Mill Farm, Port Alfred. The Environmental Impact Assessment studies are to be completed by the 3rd term of the 2024/2025 financial year.

3.4.3 REFUSE REMOVAL SERVICES

Greater Area	Community	Ward	No of Households
Port Alfred			6 351
	Monday Town of Port Alfred	10	827
	Tuesday Nemato	7-9	709
	East Bank / Bottom West	10	861
	Wednesday Saltvlei / Station Hill	10 & 6	1 119
	Nemato	7-9	695
	Thursday Ndlovini	7-9	1 595
	Thornhill	6	500
	Thursday/Friday Businesses	10	*
Bushman’s River Mouth			2 107
	Monday Riversbend / Harmony Park	3	487

Tuesday	Old Bushmans (Town)	3	254
Wednesday	Half Marselle / Rover Road	3	581
Thursday	Rest of Marselle	3	750
Friday	Businesses, Bins & Beach	3	35
Kenton on Sea			1 800
Monday	Kenton Businesses /Town	4	36 / 146
Tuesday	Kenton Residence	4	387
Wednesday	Kenton Residence	4	375
Thursday	Ekuphumleni	4	820
Friday	Businesses, Bins & Beach	4	36
Greater Alexandria			2 960
	Town	1	273
	KwaNonkqubela	1	1 987
	Wentzel Park	2	736
Boknesstrand / Cannon Rocks			600
	Boknesstrand	1	350
	Cannon Rocks	1	250
Greater Bathurst			1 979
	Town	5	205*
	Nolukhanyo	5	856
	Freestone	5	918
Seafield / Kleinemonde			235
Total Formal Settlements			16 929
Informal Settlements			4 632
Total			21 561

The municipality does have an Integrated Waste Management Plan which was developed by SBDM for all local municipalities.

3.5 COMPONENT E: ENVIRONMENTAL PROTECTION

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

3.5.1 POLLUTION CONTROL

- There is no staff employed for pollution control – the Environmental Health Practitioners are carrying out this function with the assistance of the cleansing and Environmental Law and Beach and Reserve management teams;
- There are no posts in the Organogram specifically for pollution control;
- There is no budget allocated specifically for pollution control.

3.5.2 BIO-DIVERSITY AND LANDSCAPE

KEY PERFORMANCE AREAS

- Blue Flag beach Management
- Beach Front and Infrastructure Management.
- Nature Reserve Management
- Environmental Education
- Environmental Compliance (Marine; Estuaries; Terrestrial)

BLUE FLAG BEACH MANAGEMENT

- Kariega Main Beach
- Kelly's Beach
- Middle Beach K.O.S

STAFF

- The Conservation Officer's portfolio includes management of **Blue Flag beaches, swimming beaches, and public beach facilities.**
- **Three permanent staff members** are assigned as Blue Flag beach attendants, working every weekend and on public holidays:
 - **Two** are stationed at Kelly's and Kariega Beaches
 - **One casual worker** is assigned to Middle Beach, Kenton
- **Eleven (11) contractual lifeguards** were appointed for the Blue Flag beaches during the 2024–2025 season:
 - **Kelly's Beach:** 4 lifeguards (1 dismissed, not replaced)
 - **Kariega Main Beach (Kenton-on-Sea):** 4 lifeguards (01 December 2024 – 30 April 2025)
 - **Middle Beach (Kenton):** 3 lifeguards (01 December 2024 – 28 February 2025, season extended by one month)
- **Sixteen (16) short-term lifeguards** were appointed from December 2024 to January 2025 at the following beaches:
 - Boknesstrand (4)
 - East Beach, Port Alfred (3)
 - Kleinemonde (3)
 - Bushman's Slipway (3)
 - Fish River Mouth (3)
- **West Beach** was manned by 3 beach marshal casuals from **6 December 2024 to 6 January 2025**, specifically over New Year's Day, due to hazardous currents and efforts to prevent public swimming.

- **Casual staff** were appointed throughout the year at various municipal beaches to assist with **public facility maintenance**.
- **Kelly's Beach permanent staff** experienced health-related absences, with casual workers standing in on several occasions.
- **Port Alfred beaches** were monitored by the Refuse and Environmental Health Departments during the festive season to ensure cleanliness of public open spaces.
- **Port Alfred Blue Flag Beach** was maintained by **five casual workers** during the festive season.
- **Kenton Blue Flag Beaches** were monitored and maintained by:
- The Conservationist; Refuse and Parks Departments (Alexandria and Kenton); Environmental Health Practitioners (EHPs); Casual workers including **Beach Buddies** (six at Kariega) and **three casuals** at Middle Beach

BLUE FLAG STATUS BEACHES

- Ndlambe Municipality applied for full Blue Flag status for three beaches: Kelly's Beach (now entering its 20th consecutive season), Kariega Main Beach (16th season), and Middle Beach KOS (3rd season).
- At the national launch, Ndlambe was awarded three Blue Flags – for Kelly's Beach (Ward 10), Kariega Main Beach, and Middle Beach (Ward 4).
- Applications for the 2025–2026 season were submitted to WESSA in April 2025. The National Jury will convene in October/November 2025 to evaluate applications for the coming season, with results to be announced via a WESSA press release.
- Ndlambe Municipality will host the Blue Flag National Awards Ceremony 2025 2026 for South Africa later this year.
- Both Kelly's Beach and Middle Beach facilities sustained storm damage in September/October 2024:
 - Extensive emergency repairs were conducted to reconstruct the embankment, stone wall, and viewing deck at Kelly's Beach, as well as the embankment at Middle Beach KOS, ahead of the start of the Blue Flag season.

DUNE STABILISATION

Kleinemonde Island Beach Ablutions

The ablation facility at Kleinemonde Island Beach was successfully recovered after being inundated by dune encroachment. The municipality and its appointed consultant adhered strictly to coastal zone regulations to achieve this, making it one of the first pilot areas in the country to do so.

Ndlambe Municipality has entered into an agreement with the Kleinemonde Ratepayers Association, whereby the ratepayers are responsible for maintaining the cleanliness of the facility, while the municipality provides the necessary cleaning materials. This arrangement has proven successful over the past year.

Wind nets have also yielded positive results, effectively redirecting sand movement. However, repositioning of the nets is required, as the dunes have now covered them as intended.

Dune stabilization around the ablation facility has taken place, though this remains an ongoing project. Periodic intervention will be necessary to prevent future dune encroachment and to maintain access to the facility.

CONTRACTUAL/CASUAL STAFF

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Reserves				2	2	2		2	2	2			12
Kariega		1	1			6							6
Kelly's		1	1			5							7
Middle beach	1	1	1	7	3	3	5	5	2	2	2	1	33* shared
West beach						3							3

RESCUES / LIFEGUARDS

	KELLY's	KARIEGA	Middle Beach
Drownings/Near Drownings	2	7	0
Help outs / RTB	6	15	0
Board/ski	0	0	0
Boat/IRB	0	0	2
Resuscitation	0	0	0

FIRST AID

	KELLY's	KARIEGA	Middle Beach
Cuts and Abrasions	13	0	3
Sprains/fractures	0	0	0
Stings	16	12	8
Sunburn	0	0	0
Hospitalised	0	0	0

DROWNINGS / NEAR DROWNINGS

Incident Report Summary – July 2024 to June 2025

27 June 2025

- **Location:** East Beach
- **Incident:** Fatal drowning
- **Details:** Three young individuals swam in rough seas at night; one disappeared and is presumed drowned

11 April 2025

- **Location:** East Beach, Port Alfred
- **Incident:** Near drowning
- **Details:** Two individuals pulled out in a rip current

23 February 2025

- **Location:** East Beach, Port Alfred
- **Incident:** Drowning in progress
- **Details:** Emergency response initiated no casualty

23 February 2025

- **Location:** Kariega River Mouth
- **Incident:** Man Overboard (MOB)
- **Details:** Boat overturned in the river mouth

8 February 2025

- **Location:** East Beach

- **Incident:** Near drowning
- **Details:** Casualty pulled from rip current

18 January 2025

- **Location:** Kowie River Mouth, Port Alfred
- **Incident:** MOB
- **Details:** Boat overturned; Code Red activation

4 January 2025

- **Location:** Kowie River Mouth
- **Incident:** Near drowning
- **Details:** Paddle board with two persons nearly swept out

18 December 2024

- **Location:** Kariega Slipway, Kenton-on-Sea
- **Incident:** Fatal drowning
- **Details:** Single drowning reported

15 December 2024

- **Location:** Kariega Slipway
- **Incident:** Medical emergency
- **Details:** Municipal lifeguard suffered seizures

8 August 2024

- **Location:** West Pier
- **Incident:** Drowning in progress
- **Details:** Two persons washed off pier

23 July 2024

- **Location:** Kowie River Mouth
- **Incident:** MOB
- **Details:** Fisherman washed off vessel

26 February 2024

- **Location:** Kelly's Beach, Port Alfred
- **Incident:** Drowning in progress
- **Details:** Emergency response activated

RESCUES / INTERVENTIONS

Numerous rescue interventions were carried out this year using torpedo buoys and rescue craft. While some incidents resulted from unusually strong coastal currents, the majority were linked to alcohol consumption and parental negligence.

NATURE RESERVE MANAGEMENT STAFF

Conservation Officer's portfolio includes management of the local Authority Nature Reserves and private reserve guidance; monitor Public open space and commonage usage; further this liaises with rate payers urban and rural, to resolve complaints and queries.

Three Rangers positions (Vacant) and one Lodge Attendant, that are permanent staff members at the Kap River Nature Reserves. One Casual ranger has been appointed

RESERVE MANAGEMENT

- Local Authority Reserves under Municipal Management of the Conservationist are namely:
 - Joan Muirhead Nature Reserve
 - Kap River Nature Reserve
 - Great Fish River Wetland Reserve
 - Roundhill Oribi Reserve Nature Reserve
 - Great Fish River Wetland Reserve
 - Joan Muirhead Nature reserve
 - Ghio Wetland Nature Reserve
- The Kap River water level remains to fluctuate with the seasons and rainfall, thus the river does not maintain a continuous flow of water.

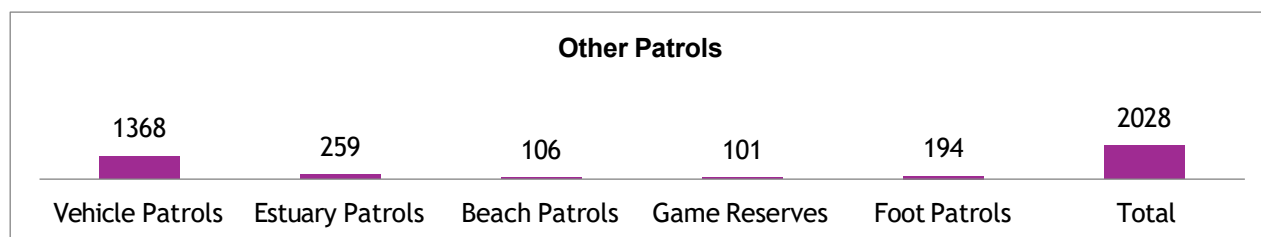
ACCESS CONTROL: FISH RIVER RESERVE

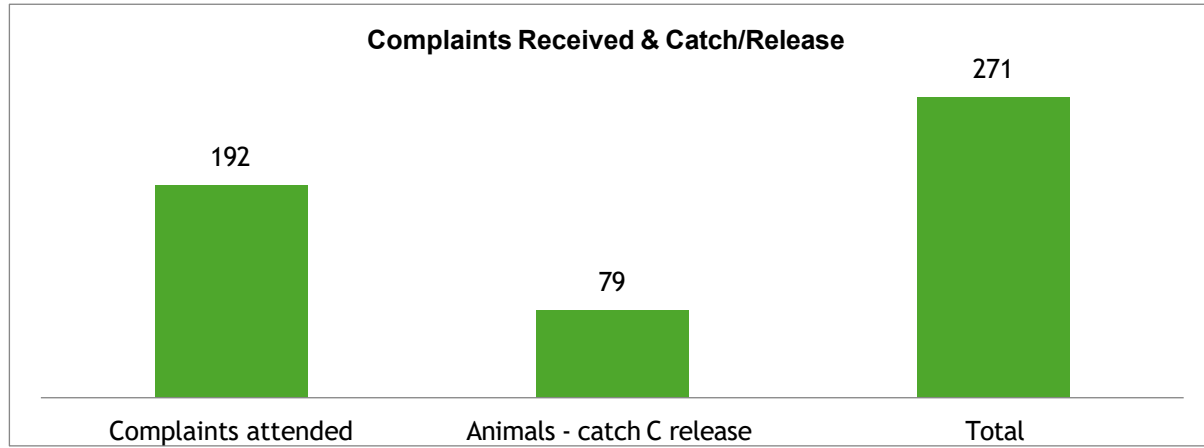
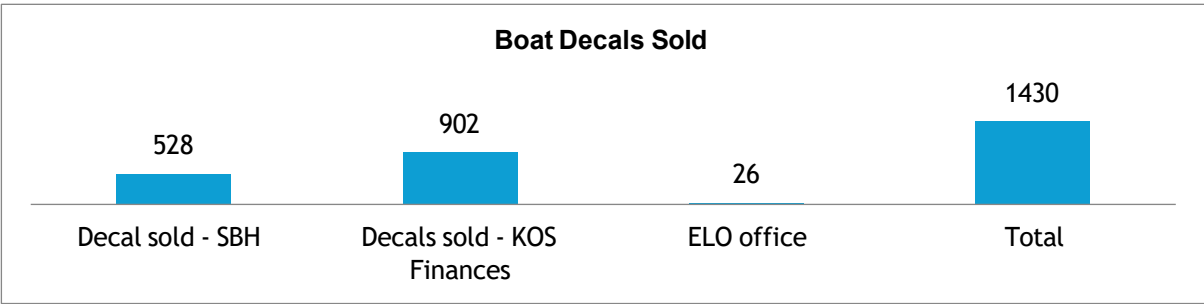
The fish river camping ground was closed to campers this year, however there was a human presence as usual over the December period and Portable ablutions where provided.

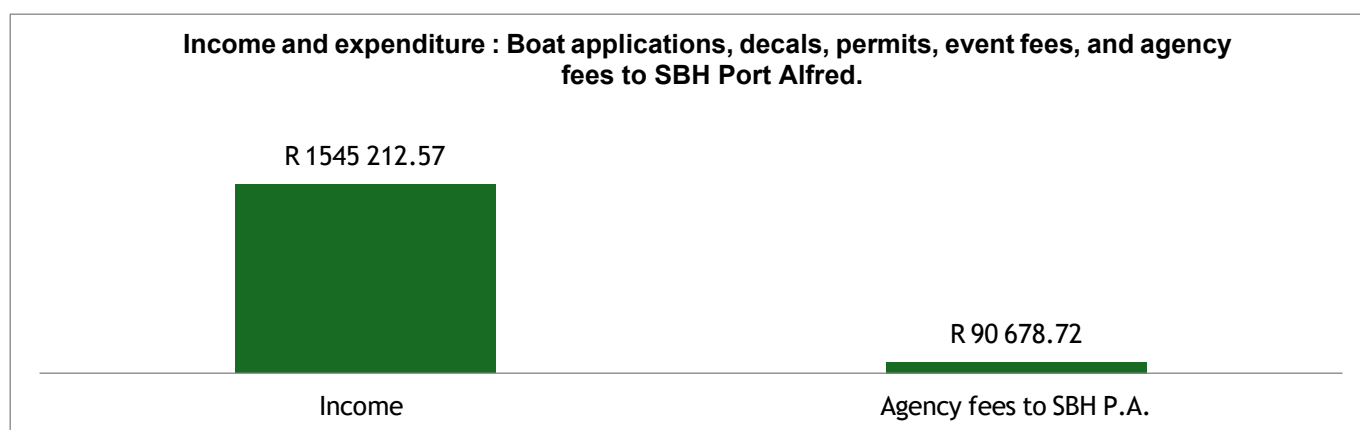
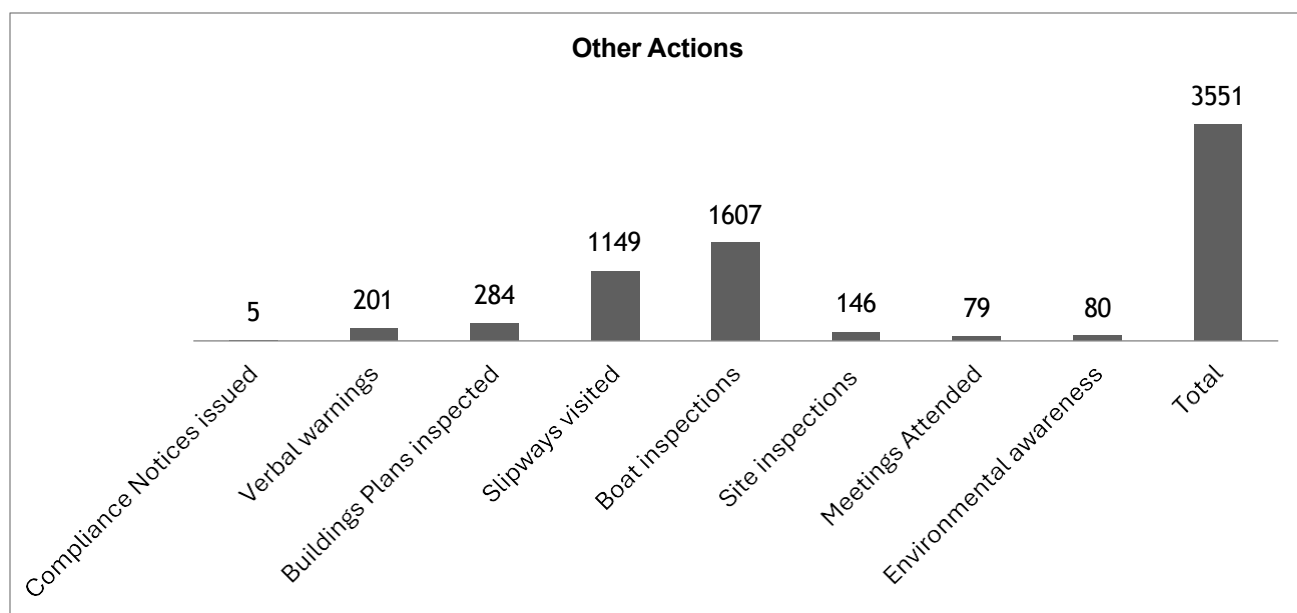
Game Count on Municipal Reserves

<u>Round Hill Oribi Nature Reserve</u>		<u>Kap River Nature Reserve</u>	
Species	Pop.	Species	Pop.
Bontebok	3	Bushbuck	2
Burchell's zebra	56	Common Duiker	1
Springbuck	15	Giraffe	27
Common Duiker	1	Impala	42
		Reedbuck	2
		Nyala	11
		Red hartebeest	3
		Warthog	4
		Waterbuck	4
		Burchell's zebra	40

3.5.3 ENVIRONMENTAL COMPLIANCE (INCL EDUCATION)







3.6 ENVIRONMENTAL HEALTH

3.6.1 BACKGROUND

Environmental health services means the health services falling within the definition of Municipal Health Services as outlined in the National Health Act, 2003 (Section 3.12 or 2.12), also known as Municipal Health Services in respect of which the District Municipality has full legislative and executive authority in terms of section 84(1)(i) of the Municipal Structures Act.

Ndlambe Municipality has entered into a Service Level Agreement with Sarah Baartman District Municipality to render Municipal Health Services Function on behalf of the district municipality. In the service level agreement Sarah Baartman District Municipality commits that the district will provide a subsidy that transfer of payment quarterly will be undertaken by the district for the purposes of rendering the agreed Municipal Health Services. It is recorded that the package of Municipal Health Services which the District Municipality request Local Municipality to perform as agreed in terms National Health Amendment Act, 2013 (Act No. 12 of 2013) that only a health officer who is registered with as an Environmental Health Practitioner in terms of the Health Professions Act, 1974 (Act No. 56 of 1974) may exercise any of the powers conferred under this section.

The definition of Municipal Health Services is provided in section 1 of the National Health Act, (Act 61 of 2003) and

includes:

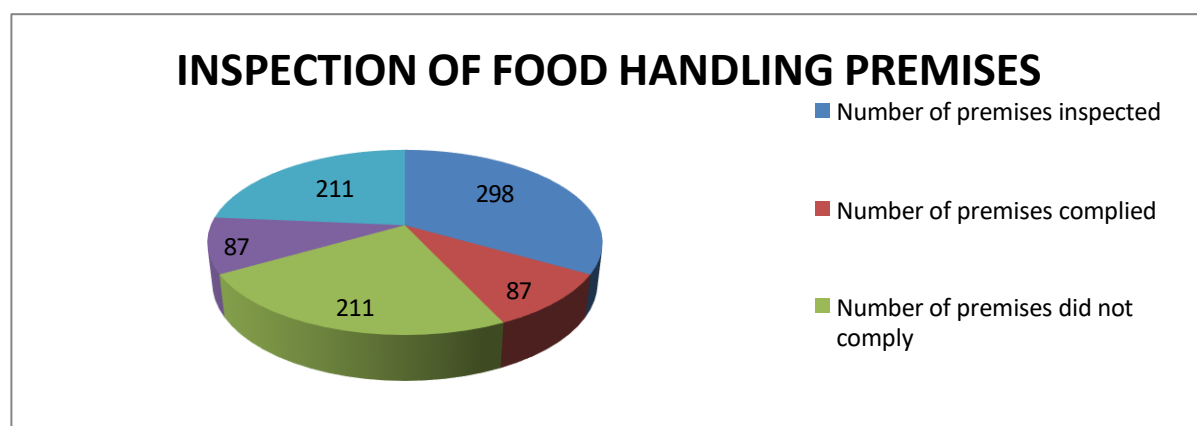
- Water quality monitoring; Food control; Waste management; Health surveillance of premises; Surveillance and prevention of communicable diseases, excluding immunization; Vector control; Environmental pollution control; Disposal of the dead; and Chemical safety.

According to the National Norms and Standards for Environmental Health and the World Health Organization (WHO) norm for staffing of Environmental Health Practitioners, the acceptable ratio is 1: 10 000 population to enable Environmental Health Practitioners to render municipal health service effectively. Currently, Ndlambe Municipality with the latest 2022 Census population which is estimated around 87 797, with this population, Ndlambe Municipality is not adhering to the WHO and National Norms and Standards for Environmental Health. The norms and standards stipulate that for such population there should be eight (6) functional Environmental Health Practitioners, instead of the current 2 Environmental Health Practitioners.

Food Quality Control – Inspection of Food Premises

Inspection of food premises is one of the most important Key Performance Areas for Environmental Health Services (Municipal Health Services). Food Quality Control is also set out on the municipal IDP as one of the key performance areas for environmental health services. Regular unannounced inspections are carried out on food premises to make sure that food premises are compliant with food hygiene handling requirements as per legislative requirement by ensuring food safety in respect of acceptable microbiological and chemical standards, quality of all food for human consumption and optimal hygiene control throughout the food chain. Vigorous efforts are made to assist and encourage all food premises inspected to be compliant with the regulations governing general food hygiene handling where there are contraventions with the regulations.

Analysis of Inspections carried out at food handling premises: 2024-2025 Financial Year.



Blitz Operation on Spaza Shops

Township Spaza Shops have drawn the attention of the country as the cases of food borne illnesses were reported, repeatedly, especially in the Gauteng Province to have been linked with suspected contaminated food and snacks bought from Spaza Shops. Ndlambe Municipality together with other relevant stakeholders took a proactive initiative to conduct a number of blitz operations on Spaza Shops in the Townships within Ndlambe Municipality area.

Municipality	Areas of Focus	Type of Activities during Operation	Stakeholders Participating in Operations
Ndlambe Local Municipality area of Jurisdiction	Focus in all the townships, namely: 1. KwaNonkqubela 2. Wintzel Park 3. Marselle 4. Ekuphumleni 5. Nemato	Checking compliance in terms of the following departmental legislative requirements: • Environmental Health • Bylaw compliance • Fire compliance • Building Regulations	Ndlambe Municipality: • Environmental Health • Bylaw Compliance Section • Fire Department. • Town Planning • Building Inspectorate Sarah Baartman DM

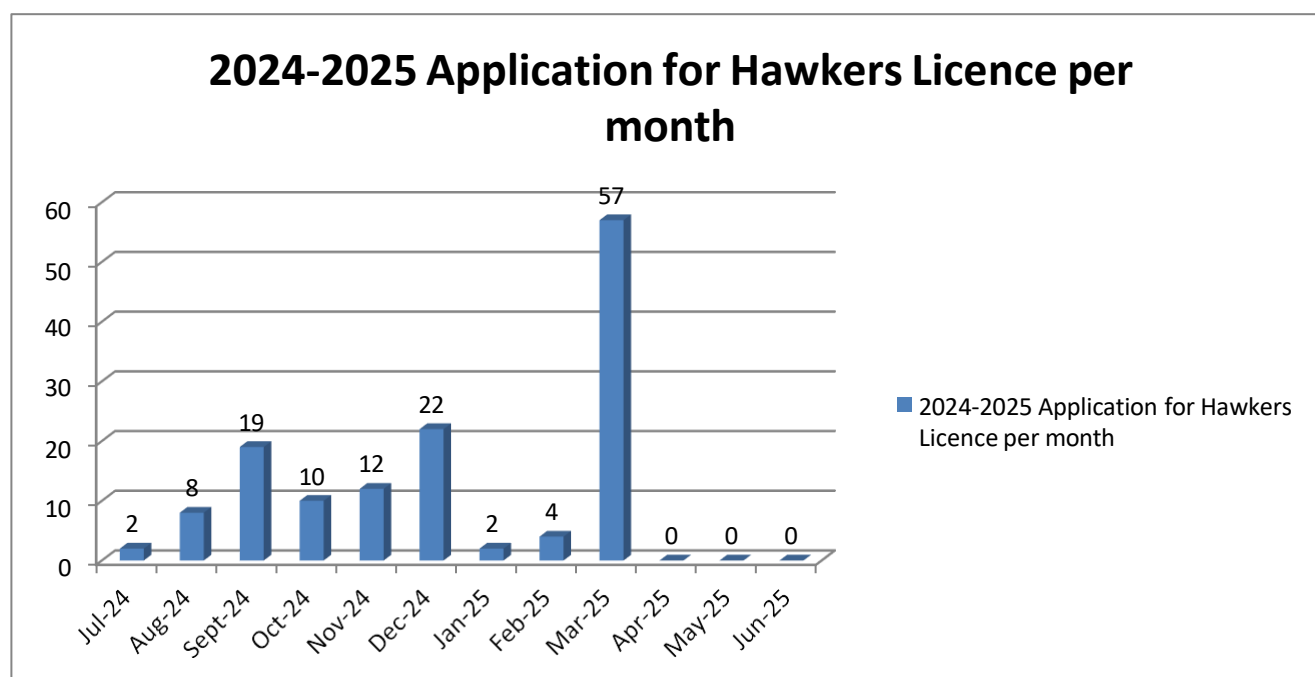
	6. Endlovini 7. Thornhill 8. Nolutkhanyo/ Freestone	• Town Planning Scheme • Checking undocumented foreign nationals • Illegal /or criminal activities • Arrest of undocumented nationals • Expired foodstuffs /or unwholesome foodstuffs • Safe disposal of confiscated foodstuffs	• Environmental Health Department of Home Affairs • Grahamstown Immigration Unit. South African Police • Nemato SAPS • Port Alfred SAPS • Bathurst SAPS • Alexandria SAPS Eastern Cape Liquor Board

- Condemned foodstuffs were safely destroyed under the supervision of Environmental Health Practitioners and SAPS members.
- Zoning Status /or confirmation will be done through Town Planning department.

Street Trading – Applications and Processing of Hawker's Licence

Street trading is regulated in terms of the Business Act, 1991 (Act 71 of 1991), and Ndlambe Municipality Street Trading By-law for the purpose of assisting informal traders in order to conduct the business of the selling of any goods or the supplying of or offering to supply any service for reward in a public road or public amenity.

The graph below illustrates the number of applications received every month for hawker's licences, from July 2024- to June 2025:



Environmental health services means the health services falling within the definition of Municipal Health Services as outlined in the National Health Act, 2003 (Section 3.12 or 2.12), also known as Municipal Health Services in respect of which the District Municipality has full legislative and executive authority in terms of section 84(1)(i) of the Municipal Structures Act.

Ndlambe Municipality has entered into a Service Level Agreement with Sarah Baartman District Municipality to render Municipal Health Services Function on behalf of the district municipality. In the service level agreement Sarah Baartman District Municipality commits that the district will provide a subsidy that transfer of payment

quarterly will be undertaken by the district for the purposes of rendering the agreed Municipal Health Services.

It is recorded that the package of Municipal Health Services which the District Municipality request Local Municipality to perform as agreed in terms National Health Amendment Act, 2013 (Act No. 12 of 2013) that only a health officer who is registered with as an Environmental Health Practitioner in terms of the Health Professions Act, 1974 (Act No. 56 of 1974) may exercise any of the powers conferred under this section.

The definition of Municipal Health Services is provided in section 1 of the National Health Act, (Act 61 of 2003) and includes:

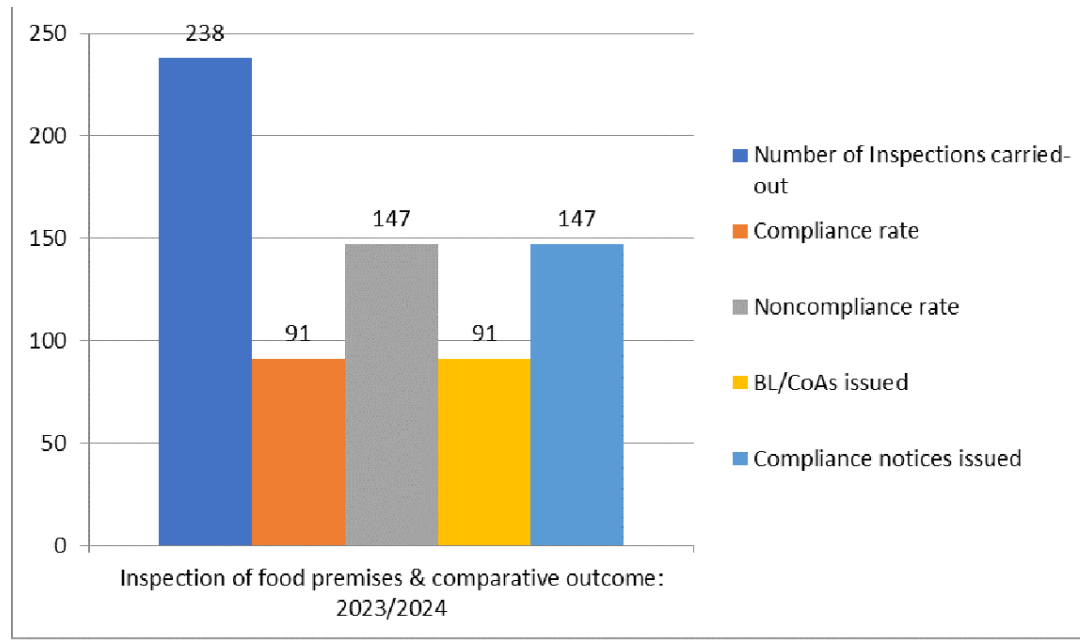
- Water quality monitoring;
- Food control;
- Waste management;
- Health surveillance of premises;
- Surveillance and prevention of communicable diseases, excluding immunization;
- Vector control
- Environmental pollution control;
- Disposal of the dead; and
- Chemical safety.

According to the National Norms and Standards for Environmental Health and the World Health Organization (WHO) norm for staffing of Environmental Health Practitioners, the acceptable ratio is 1: 10 000 population to enable Environmental Health Practitioners to render municipal health service effectively. Currently, Ndlambe Municipality with the latest 2011 Census population which is estimated around 61 176, with this population, Ndlambe Municipality is not adhering to the WHO and National Norms and Standards for Environmental Health. The norms and standards stipulate that for such population there should be 6 functional Environmental Health Practitioners, instead of the current 2 Environmental Health Practitioners.

3.6.2 FOOD QUALITY CONTROL – INSPECTION OF FOOD PREMISES

Inspection of food premises is one of the most important Key Performance Areas for Environmental Health Services (Municipal Health Services). Food Quality Control is also set out on the municipal IDP as one of the key performance areas for environmental health services. Regular unannounced inspections are carried out on food premises to make sure that food premises are compliant with food hygiene handling requirements as per legislative requirement by ensuring food safety in respect of acceptable microbiological and chemical standards, quality of all food for human consumption and optimal hygiene control throughout the food chain. Vigorous efforts are made to assist and encourage all food premises inspected to be compliant with the regulations governing general food hygiene handling where there are contraventions with the regulations.

Analysis inspection carried out



3.6.3 WATER QUALITY MONITORING

Water Quality Monitoring

Water quality monitoring is also the most important Key Performance Areas for Environmental Health Services (Municipal Health Services). Water Quality monitoring is also set out on the municipal IDP as one of the priority areas for basic service delivery. Regular drinking water samples are taken for bacteriological and chemical analysis as per legislative mandate (SANS 0241) to establish water quality fitness for human consumption.

The tables below indicate compliance/failure as a result of Escherichia coli (E. coli) which is an indicator of faecal pollution by warm blooded animals (often interpreted as human faecal pollution). E.coli is responsible for infectious diseases such as gastroenteritis, cholera, dysentery and typhoid fever after ingestion of contaminated water.

Tables further provide a summary of drinking water quality compliance information on monthly basis (from July 2024– December 2024).

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The tables below indicate compliance/failure as a result of Escherichia coli (E. coli) which is an indicator of faecal pollution by warm blooded animals (often interpreted as human faecal pollution). E.coli is responsible for infectious diseases such as gastroenteritis, cholera, dysentery and typhoid fever after ingestion of contaminated water.

Tables further provide a summary of drinking water quality compliance information on monthly basis (from July 2024 – December 2024).

Water Quality Compliance Table: July 2024 – December 2024

E.coli (health) (count per 100 mL) for Ndlambe Municipality.

AREA	July 2024		August 2024		September 2024		October 2024		November 2024		December 2024	
	Sampl es Complie d	% Complianc e	Sampl es Complie d	% Complianc e	Sampl es Complie d	% Complianc e	Sampl es Complie d	% Complianc e	Sampl es Complie d	% Complianc e	Sampl es Complie d	% Complianc e
<u>Ndlambe Municipalit y</u>	22/23	95.7%	18/22	81.8%	16/24	66.7%	21/22	95.5%	17/24	70.8%	18/24	75.0%
<u>Alexandria</u>	3/3	100.0%	3/3	100.0%	3/3	100.0%	3/3	100.0%	3/3	100.0%	3/3	100.0%

<u>Bathurst</u>	3/3	100.0%	2/3	66.7%	3/3	100.0%	2/3	66.7%	3/3	100.0%	3/3	100.0%
<u>Bushmans River</u>	3/3	100.0%	3/3	100.0%	3/3	100.0%	3/3	100.0%	3/3	100.0%	2/3	66.7%
<u>Cannon Rocks / Boknes</u>	2/2	100.0%	2/2	100.0%	2/2	100.0%	2/2	100.0%	2/2	100.0%	2/2	100.0%
<u>Kenton-on-Sea</u>	2/2	100.0%	2/2	100.0%	1/2	50.0%	2/2	100.0%	2/2	100.0%	2/2	100.0%
<u>Kleinem onde / Seafeld</u>	1/1	100.0%	1/1	100.0%	1/1	100.0%	1/1	100.0%	0/1	0.0%	0/1	0.0%
<u>Port Alfred</u>	8/9	88.9%	5/8	62.5%	5/10	50.0%	8/8	100.0%	4/10	40.0%	6/10	60.0%

- *Complying samples indicates the number of samples complying with SANS: Microbiological - Standard Limits vs. the total number of samples collected in an area.*
- *The percentage compliance displayed is the percentage of all samples collected in the area falling within SANS: Microbiological - Standard Limits.*

Tables further provide a summary of drinking water quality compliance information on monthly basis (from January 2025 – June 2025).

Water Quality Compliance Table: January 2025 – June 2025

E.coli (health) (count per 100 mL) for Ndlambe Municipality.

AREA	January 2025		February 2025		March 2025		April 2025		May 2025		June 2025	
	Samp les Compli ed	% Complian ce	Samp les Compli ed	% Complian ce	Samp les Compli ed	% Complian ce	Samp les Compli ed	% Complian ce	Samp les Compli ed	% Complian ce	Samp les Compli ed	% Complian ce
<u>Ndlambe Municipality</u>	23/25	92%	17/24	70.8%	13/20	65.0%	15/24	62.5%	14/22	63.6%	18/21	85.7%
<u>Alexandria</u>	3/3	100.0%	2/3	66.7%	-	-	3/3	100.0%	3/3	100.0%	3/3	100.0%
<u>Bathurst</u>	2/2	100.0%	1/3	33.3%	2/3	66.7%	2/3	66.7%	2/3	66.7%	3/3	100.0%
<u>Bushmans River</u>	3/3	100.0%	3/3	100.0%	1/3	33.3%	3/3	100.0%	3/3	100.0%	2/3	66.7%
<u>Cannon Rocks / Boknes</u>	2/2	100.0%	2/2	100.0%	1/2	50.0%	1/2	50.0%	2/2	100.0%	2/2	100.0%
<u>Kenton-on-Sea</u>	2/2	100.0%	2/2	100.0%	0/1	0.0%	2/2	100.0%	1/2	50.0%	2/2	100.0%
<u>Kleinemonde / Seafeld</u>	1/1	100.0%	1/1	100.0%	1/1	100.0%	0/1	0.0%	1/1	100.0%	0/1	0.0%
<u>Port Alfred</u>	10/12	83.3%	6/10	60.0%	8/10	80.0%	4/10	40.0%	2/8	25.0%	6/7	85.7%

- *Complying samples indicates the number of samples complying with SANS: Microbiological - Standard Limits vs. the total number of samples collected in an area. The percentage compliance displayed is the percentage of all samples collected in the area falling within SANS: Microbiological - Standard Limits.*

Estuaries Water Quality Monitoring & Effluent Quality Monitoring

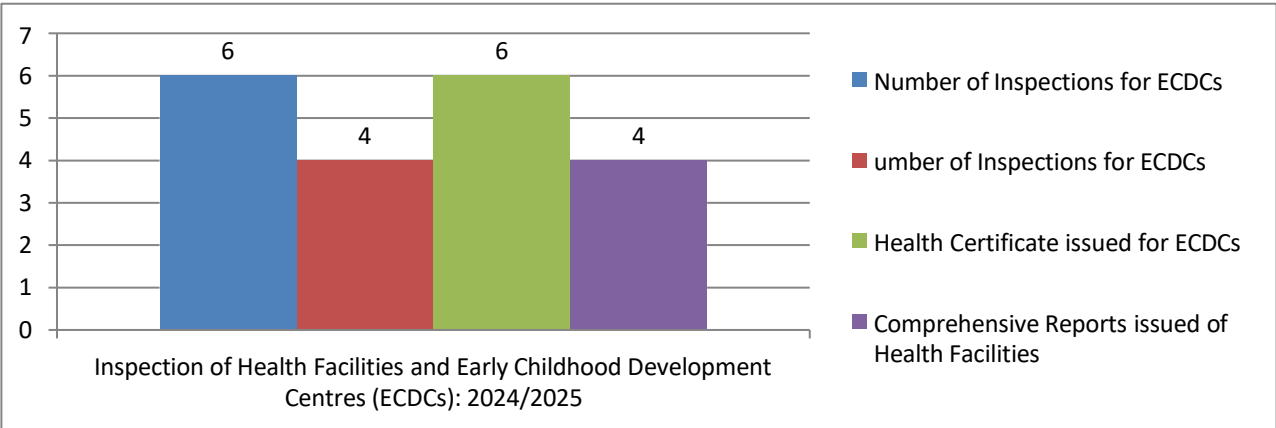
Months	Rivers Compliance for Recreational Purpose (full body contact)			Months	Effluent Compliance: General Authorizations – discharge limits		
	Rivers Collected	Samples Complied	% Compliance		Samples Collected	Samples Complied	% Compliance
July 2024	10	6	60%	July 2024	5	3	60%
Aug. 2024	10	7	70%	Aug. 2024	5	3	60%
Sept. 2024	9	8	88.8%	Sept. 2024	5	0	0%
Oct. 2024	10	2	20.0%	Oct. 2024	5	3	60.0%
Nov. 2024	9	0	0.0%	Nov. 2024	5	1	20.0%
Dec. 2024	10	0	0.0%	Dec. 2024	5	0	0.0%
Jan. 2025	10	0	0.0%	Jan. 2025	5	0	0.0%
Feb. 2025	10	1	10.0%	Feb. 2025	5	1	20.0%
Mar. 2025	10	6	60.0%	Mar. 2025	5	0	0.0%
Apr. 2025	10	0	0.0%	Apr. 2025	5	0	0.0%
May 2025	10	3	30.0%	May 2025	5	0	0.0%
June 2025	10	0	0.0%	June 2025	5	1	20.0%

3.6.4 HEALTH SURVEILLANCE OF PREMISES

Health surveillance of premises falls within the scope of practice of environmental health practitioners, it is for this reason that Environmental Health Practitioners are required to carry-out inspections on the early childhood development centres, in order to ensure amongst others, the following:

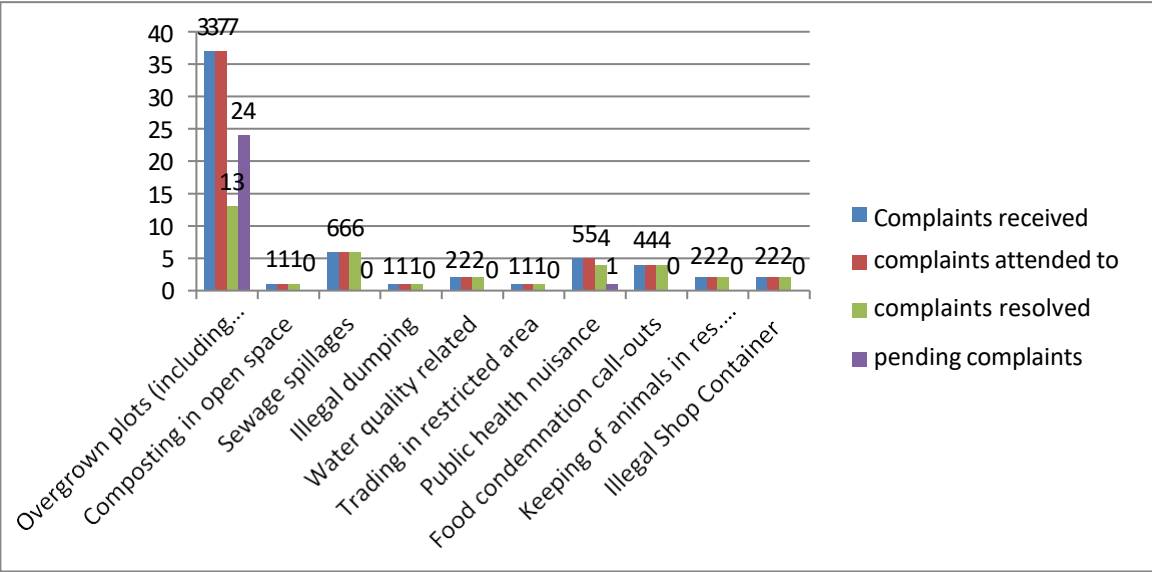
- Conducting environmental health impact assessments of premises to ensure compliance with the National Environmental Health Norms and Standards for early childhood development centres;
- Assess aspects such as ventilation and indoor air quality, lighting and moisture proofing, thermal quality, structural safety and floor space;
- Assess overcrowded, dirty or other unsatisfactory health conditions on any occupied premises;
- Ensuring the prevention and abatement of any condition on any premises, which is likely to constitute a health hazard;
- Promoting health and hygiene, aiming at preventing environmentally induced diseases and related communicable diseases.

Inspection of Health Facilities and Inspection of Early Childhood Development Centers (ECDCs).



Environmental Health Related Complaints

Environmental health is concerned with all aspects of natural and built environmental that may affect human health. Environmental health also contributes to the promotion of wellness and prevention of disease, primarily by controlling environmental factors that negatively impact on human health; it also encompasses the discipline of anticipating, recognizing, evaluating and controlling health hazards. Most of the complaints attended are the priority areas of the municipality as listed on the municipal IDP document.



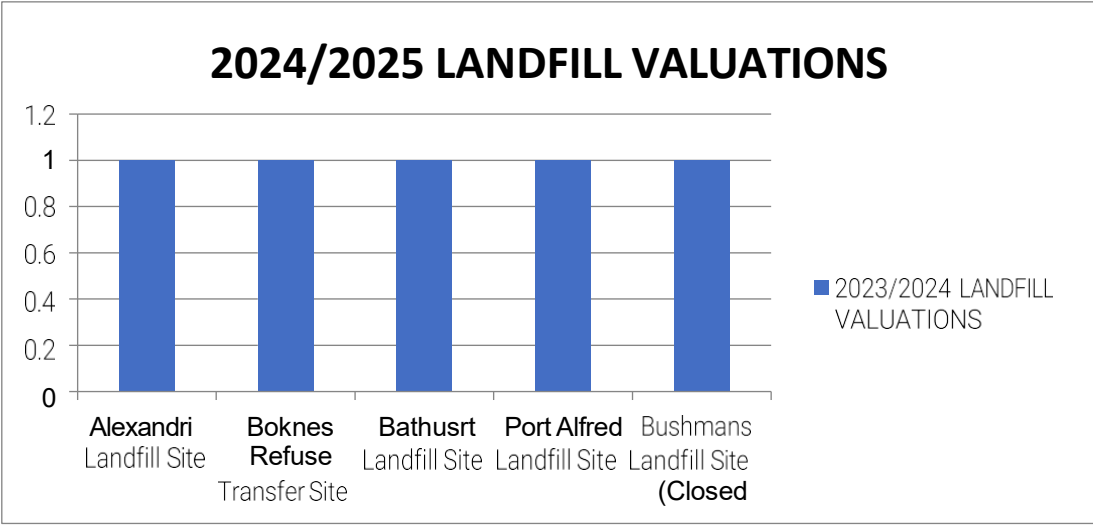
The graph below illustrates environmental health related complaints received and attended to, during the 2024/2025 financial year. These environmental health related complaints were attended to, and are illustrated in the graph above.

3.6.5 ANNUAL LANDFILL SITE: EXTERNAL VALUATIONS

Municipalities are required to recognize closure provisions for licensed and unlicensed waste management facilities due to legal obligations and report on these as required in terms of generally recognized accounting practice (GRAP 19).

The valuations of the municipal landfill sites were carried out by an independent service provider. Information used in compiling the valuations was mainly supplied by the Municipality, which has been supplemented by the visual inspections of the landfill sites undertaken by the service provider and municipal officials (Environmental Health Practitioners).

The chart below indicates facilities that were considered during the 2024/2025 financial year landfill valuations.



3.6.6 SECURITY SERVICES

PLACE	INCIDENT	DETAILS	OUTCOME
Alexandria Library	Old air conditioner damaged	The library has old air conditioners mounted on the wall one got damaged	The matter was reported to SAPS and Multi is responding from the Administration office for extra security. The main contributing factor is darkness the bulbs need to be replaced.
KwaNonkqubela Library	Theft of cables	External cables connected to lights got stolen	A criminal case was reported at the Alexandria SAPS office for investigation
Alexandria traffic services	Vagrants causing a nuisance at the old traffic building in Alexandria	The vagrants were found at the old security building; they were mainly occupying the place at night	The vagrants were instructed not to cause nuisance, and they vacated accordingly
Marselle Offices	Break in	Marselle offices had no electric supply subsequently the alarm battery went flat, and a break in took place	A criminal case was reported at the Kenton On Sea SAPS, and the matter is under investigation, no suspect and no arrest
Lashington-Bathurst	Emergency power supply caught fire	The emergency power supply caught fire due to a technical failure	A thorough investigation was done, and it was discovered that there was no foul play involved
Bushmans yard	Robbery	Three suspects approached a night guard on duty; they tied him up with a cargo net and forced open a storeroom door and they took off with a brush cutter, a bank card and a hand radio	A hand radio was picked up by the rubbish collectors and it was handed over to SAPS and a criminal case was registered at Kenton SAPS for investigation.
Kenton On Sea- Ekuphumleni Library	Theft of copper cable	Copper cable was stolen as a result there was no alarm monitoring. The cable belongs to Eskom	A criminal case was opened at Kenton on Sea SAPS; no arrests were made and there are no known suspects
Kenton on Sea – Ekuphumleni Library	Malicious damage to property and copper cable theft	Copper cable was stolen as a result there was no alarm monitoring. The cable belongs to Eskom	A criminal case was opened at Kenton on Sea SAPS; no arrests were made and there are no known suspects. The Security Coordinator advised Eskom to reroute the cable so that it be unreachable to the criminals
Port Alfred Speakers office	Malicious damage to property	A burglar proof gate was vandalized	The suspect was arrested by the Multi Security armed response officers a few metres from the scene of crime, and he was handed over to SAPS Port Alfred
Port Alfred Civic Centre	Vandalism of ablutions	The cleaners at the Civic Centre discovered that the toilets were vandalized	The incident was reported to SAPS Port Alfred and Multi Security was also notified to increase the patrols
Krantz-Port Alfred	Forced entry – Power supply room	No theft except that there were signs of vagrants	A burglar has been installed to deny unauthorised entry
Bathurst Library	House breaking and theft	A break in was discovered by Multi Security	A criminal case was opened for investigation
Civic Centre-Port Alfred	Suspected break in	A glass door was found broken	A contracted private security service provider responded and searched the area. There were no traces of crime, the damaged was caused by the windy weather conditions

SECURITY RELATED ACTIONS	TOTAL
Patrols conducted on all Municipal properties	503
Security Incidents	34
Security audits conducted -Ndlambe East	40
Security audits conducted -Ndlambe West	60
Internal incidents investigated	2
Security awareness conducted	18
Municipal property recovered	17
Assets provided with physical security guards	21
Assets provided with alarms and armed response	76
Suspects arrested	4
Security related complaints	38
Joint operations	5

3.6.7 TRAFFIC SERVICES

Report - Motor Vehicle Registering Authority (MVRA) 2024/2025

	Trx	Amount
Temporary permits issued	72	R7 560
Temporary permits (blank) issued	19	R19 950
Special permits issued	8	R648
Registration and deregistration of vehicles	3 966	R497 278.80
Duplicate registration and deregistration certificates issued	430	R271 243
Licencing of vehicles	19 867	R9 879 672.86
Allocated personal number plates	42	R9 072
Transaction fee	12 638	R909 936
TOTAL FEES COLLECTED BY RA		R11 595 360.66
TOTAL AGENCY FEES (NDLAMBE)		R2 255 833.40
TOTAL PROVINCIAL FEES		R8 429 684.02
RTMC FEES		R909 936

The Motor vehicle Licencing and Registration section collected a total of **R2 255 833.40** for the financial year 2024 / 2025

REPORT - DRIVING LICENCE TESTING CENTRE (DLTC)

	Trx	Amount
Application for Learner Licences	1730	R368 490
Application for PrDP	1336	R144 288

Application for Heavy Motor Vehicle tests	418	R144 210
Application for Light Motor Vehicle tests	305	R89 670
Duplicate Learner Licences issued	39	R7 020
Issued Driving Licences	5110	R1 049 328
Issued Learner Licences	674	R46 506
Issued Temporary Driving Licences	3201	R274 080

The Driving Licence Testing Centre section collected total of **R2 123 592** for the financial year 2024/25.

REPORT - LAW ENFORCEMENT (TIMS)

Income collected by TIMS		R207 650.00

The Law Enforcement section collected a total of **R207 650.00** for the financial year 2024 / 2025.

TOTAL INCOME BY MVRA		R2 255 833.40
TOTAL INCOME BY DLTC		R2 123 592.00
TOTAL INCOME BY TCS		R207 650.00

INCOME GENERATED BY THE TRAFFIC DEPARTMENT: R2 327 622.26

3.6.8 FIRE AND EMERGENCY SERVICES

CATEGORY	1st Quarter July - September 2024	2nd Quarter October - December 2024	3rd Quarter January - March 2025	4th Quarter April - June 2025	Grand Total 2024/2025	SUSPECTED CAUSES
NUMBER OF FIRES AS FOLLOWS						
BUILDINGS:	3	1	1	3	8	Vagrants
DWELLINGS (formal - brick & mortar)	11	4	4	3	22	Open flame/elect
INFORMAL DWELLINGS	14	14	8	17	53	Open flame /elect / negligence
ELECTRICAL	3	4	6	3	16	Overload
RUBBISH	4	13	10	10	37	Vagrants
VEGETATION: Veld & Forest; Mountain; Grass fires	37	20	16	22	95	Electrical/ Poachers
TRANSPORT (Cars/busses/trains/aircraft/ship)	5	1	3	2	11	Brakes/ Electrical
OTHER (not specified above)	0	0	0	0	0	
SUB TOTAL	77	57	48	60	242	

NUMBER OF SPECIAL SERVICES	1st Quarter July - September 2024	2nd Quarter October - December 2024	3rd Quarter January - March 2025	4th Quarter April - June 2025	Grand Total 2024/2025	SUSPECTED CAUSES
ACCIDENTS (Cars/busses/trains/aircrafts etc.)	38	41	44	42	165	Negligent / Speeding
RESCUE (people/animals trapped/lost from machinery or water etc.)	0	1	0	7	8	Aviation- Landing gear failure
SPILLAGES (oil, diesel on road services)	2	1	1	1	5	Trucks/ Mva
MISCELLANEOUS (other not specified)	133	182	139	284	738	Complaints
HAZMAT SPILLAGES (chemicals ect.)	0	0	0	0	0	
SUB TOTAL	173	225	184	334	916	

ACCUMALATED HOURS FOR DURATION OF INCIDENT	1st Quarter July - September 2024	2nd Quarter October - December 2024	3rd Quarter January - March 2025	4th Quarter April - June 2025	Grand Total 2024/2025
Vegetation	77H50	41H50	29H30	45hrs	0
Hazmat	0	0	0	0	0

NUMBER OF ANCILLARY SERVICES	1st Quarter July - September 2024	2nd Quarter October - December 2024	3rd Quarter January - March 2025	4th Quarter April - June 2025	Grand Total 2024/2025	SUSPECTED CAUSES
Provision of Potable Water	0	0	0	0	0	
Locked premises	0	0	0	0	0	
Any other types of humanitarian services	0	0	0	0	0	
SUB TOTAL	0	0	0	0	0	

NUMBER OF NO - SERVICES	1st Quarter July - September 2024	2nd Quarter October - December 2024	3rd Quarter January - March 2025	4th Quarter April - June 2025	Grand Total 2024/2025
Extinguish before arrival	10	12	14	19	55
False Alarm Good Intent	0	5	3	3	9
False Alarm Malicious	0	0	0	0	0
SUB TOTAL	10	17	15	22	64
GRAND TOTAL OF INCIDENTS.	260	295	247	416	1222

NUMBER OF PEOPLE INVOLVED IN:	1st Quarter July - September 2024	2nd Quarter October - December 2024	3rd Quarter January - March 2025	4th Quarter April - June 2025	Grand Total 2024/2025
Fires	128	62	55	74	323
Accidents	67	80	80	110	337
TOTAL	195	142	135	184	660

NUMBER OF FATALITIES	1st Quarter July - September 2024	2nd Quarter October - December 2024	3rd Quarter January - March 2025	4th Quarter April - June 2025	Grand Total 2024/2025
Fires	2	2	0	1	5
Accidents	1	1	3	2	7
TOTAL	3	3	3	3	12
NUMBER OF INJURIES:	1st Quarter July - September 2024	2nd Quarter October - December 2024	3rd Quarter January - March 2025	4th Quarter April - June 2025	Grand Total 2024/2025
Fires	2	2	1	1	6
Accidents	23	26	33	21	103
TOTAL	25	28	34	22	109

	1st Quarter July - September 2024	2nd Quarter October - December 2024	3rd Quarter January - March 2025	4th Quarter April - June 2025	Grand Total 2024/2025
ESTIMATED DAMAGES (inclusive of Contents and Building/land)	5438700	805600	615200	959000	7818500
ESTIMATED VALUES (Contents and Building)	10050800	2690096	1831000	5458600	20030496

	1st Quarter July - September 2024	2nd Quarter October - December 2024	3rd Quarter January - March 2025	4th Quarter April - June 2025	Grand Total 2024/2025
ESTIMATED DAMAGES (Veld Fires)	162.7 Ha	85Ha	25Ha	37Ha	0
ESTIMATED VALUES	40675	21250	6250	9250	77425

NO. OF STAFF (Full Time)	AREA /MUNICIPAL	TOTAL FILLED	TOTAL VACANT
Chief Fire Officer	Port Alfred	1	0
Assistant/Deputy Chief		0	1
Divisional Commanders		0	2
Station Commanders		0	2
Platoon Commanders		0	8
Senior / Leading Fire fighters	Port Alfred	3	5
Fire Fighters	Port Alfred/Bushma	15	17
Control Room Operators	Port Alfred	4	0
Reservist/Volunteer Fire fighters		0	0
Admin staff		0	2
Other staff			
TOTAL		23	37

NUMBER OF VEHICLES : OPERATIONAL	AREA	CURRENT TOTAL	AGE AND CONDITION	TOTAL REQUIRED	ESTIMATED COST
Major Fire Pumpers	None	0	45yrs Poor	2	R10,000,000.00
Medium Pumper Fire Engines	1P/ Alfred1Bushmans	2	12yrs /1yr Good	0	
Light Rescue vehicles	1P/ Alfred1Bushmans	2	4yrs/1yr Good	0	
Heavy Duty Rescue	None	0		0	
LDV Fire Skid units	1PA,1Bushmans,1Alex	3	s/18yrs/6yrs /6yrs	0	
Fire fighting trailers	Ndlambe 3	3	24yrs good	0	
Water Tankers	1Bushmans	1	1yrs New	1	R1,500,000.00
Hazmat trailer / vehicle	1Port Alfred	1	10yrs good	0	
Hydraulic Platforms	None	0		0	
Turntable Ladders	None	0		0	
Incident command mobile unit	None	1	7rs Good	0	
Service vehicles	None	0		0	
OTHER				0	
TOTAL		13		3	R11,500,000.00

FIRE SERVICES VEHICLES	TYPE	NUMBER	SINCE WHEN	ACTION TAKEN
Vehicles involve in Accidents	Skid Unit	1	Jun-25	Processed for minor repairs
Vehicles Out of Commission	Major Pumpers	3	2020	Considered to be scrapped
	Ldv Units	2	2021	Municipal workshop attending to it
TOTAL		6		

BUILDINGS / FIRE STATIONS (OPERATIONAL)	CURRENT NUMBER	LOCATION / AREAS	NUMBER REQUIRED	ESTIMATED COSTS
Fire Station	1	Port Alfred	0	0
Satellite Fire Stations	1	Bushmansriver	1	6million

TOTAL	2		1	2Million

TRAINING & DEVELOPMENT OF STAFF	ALL STAFF TRAINED TO DATE (NOT ONLY DURING THIS QUARTER)				
Number of staff trained in:	FIRE FIGHTER 1	FIRE FIGHTER 2	HAZMAT OPERATIONS	HAZMAT AWARENESS	BASIC AMBULANCE ASSISTANT
TOTAL	20	19	20	19	2 BAA + 17 Level 3

CATEGORY	1st Quarter July - September 2024	2nd Quarter October - December 2024	3rd Quarter January - March 2025	4th Quarter April - June 2025	Grand Total 2024/2025
IN- SERVICES TRAINING TO FIRE STAFF	92	82	61	85	320
<u>Specify subjects</u> covered (e.g. ropes/ship/aircraft fire fighting/ hazmat)	Fire Equipment and Simulations	Fire Equipment and Simulations	Fire Equipment and Simulations	Fire Equipment and Simulations	
Number of hours i.r.o theoretical and practical	176	164	142	158	640
TOTAL	92	82	61	85	320

FORMAL TRAINING BY FIRE STAFF	1st Quarter July - September 2024	2nd Quarter October - December 2024	3rd Quarter January - March 2025	4th Quarter April - June 2025	Grand Total 2024/2025
Specify type of training (Rescue)	0	0	0	1	1
Number of Staff Trained during the Quarter	0	0	0	1	1
TOTAL	0	0	0	1	1

	1st Quarter July - September 2024	2nd Quarter October - December 2024	3rd Quarter January - March 2025	4th Quarter April - June 2025	Grand Total 2024/2025
AWARENESS AND TRAINING					
Number of civilians made aware	2	11	80	42	135
Specify the type of intitutions visited (e.g. Old age home/Hospital / Clinic / Factory / Govt. buildings / Library etc.)	Commercial	Commercial	Institutional	Commercial	
Number of children and teachers made aware	577	318	937	255	2087
Number of schools covered	2	3	13	9	27
TOTAL	579	329	1017	297	2222

	1st Quarter July - September 2024	2nd Quarter October - December 2024	3rd Quarter January - March 2025	4th Quarter April - June 2025	Grand Total 2024/2025
FIRE SAFETY (number of inspections conducted)					
General Inspections	192	268	205	137	802
Flammable Liquid	25	55	51	10	141
Building Plans	61	68	40	73	242
Fire Hydrants(specify the area)	279	311	341	360	1291
Burning Permits Issued	23	37	18	41	119

NUMBER OF FINES ISSUED AND PROSECUTED	NO. ISSUED	NUMBER PROSECUTED	CHALLENGES	REMEDIAL MEASURES
TOTAL	2	0	0	0

FUNDING		2024/2025 BUDGET ALLOCATION		
BUDGET ITEM (e.g. Salaries, fire truck, etc)	ACCUMULATIVE EXPENDITURE	BALANCE	PROGRESS	Please indicate (MUNICIPAL / DISTRICT / PROVINCIAL) funding
OPERATIONAL BUDGET				
Salaries	R9,535,641.00	R0.00	Staff Paid	Municipal
Maintenance Vehicles	R190,980.00	R0.00	Repairs done	Municipal
Maintenance Buildings	R32,495.00	R0.00	Repairs done	Municipal
Equipment Maintenance	R26,525.00	R0.00	Repairs done	Municipal
CAPITAL BUDGET				
SLA funding	R 869 000.00		Rec R824 000	District
Fencing of Port Alfred Station	R500,000.00	R0.00	Complete	Municipal
LDV Purchased		R550,000.00	Complete	District
4 Computers		R 63,000.00	Complete	District
Radio Communication Upgrade		R 50,000.00	Tender	District
Fire Uniform		R 219,000	Tender	Municipal

Institutional arrangements: e.g. Advisory forums; Meetings with stakeholders		
Name of committee	Meeting frequency	Key outcomes
Rims Meeting	Quarterly	Road Safety and Response issues
Events Planning	As needed	Events in Ndlambe Area
District Fire Advisory	Quarterly	Fire Service matters and concerns
District Disaster Advisory	Quarterly	Disaster matters and response

PLANS / POLICIES/ IN PLACE	YES OR NO	REMARKS
Fire Season Readines Plans	YES	NONE
Summer Season readiness plans	YES	NONE
Fire safety By-laws	YES	NONE
Fire Risk Assesment Study conducted	YES	DISTRICT WIDE
Cross border agreements in place?	YES	DISTRICT WIDE
Service level agreements in place?	YES	SBDM
Mutual Aid Agreements in Place?	Yes	Under Review
Fire Awareness Plans in place?	YES	
Fire Services Tarrifs or Levies in place?	YES	
Vehicle Replacement policy in place?	YES	

NUMBER OF VEHICLES	AREA/MUNICIPAL	CURRENT TOTAL	AGE AND CONDITION	TOTAL REQUIRED	ESTIMATED COST
Major Fire Pumpers	3	3 00C	FAIR	3	5 400 000
Medium Pumper Fire Engines	3	2	GOOD	1	1 500 000
Light Rescue vehicles	2	2	NEW	0	0
Heavy Duty Rescue	1	0	N/A	1	1 500 000
LDV Fire Skid units	4	3 (100C)	1FAIR/2 GOOD/1NEW	0	0
Firefighting trailers	7	3	YEAR 2005 FAIR	4	80 000
Water Tankers	2	1	NEW	1	1 800 000
Hazmat trailer/vehicle	1	1	FAIR	0	0
Hydraulic Platforms	0	0	N/A	0	0
Turntable Ladders	0	0	N/A	0	0
OTHER: JOC	1	1	GOOD	0	0
TOTAL	24	9 and 5 trailers		10	8300000

FIRE SERVICES VEHICLES	TYPE	NUMBER	SINCE WHEN
Vehicles involved in Accidents	0	0	N/A
Vehicles out of Commission	Major Pumper/LDV Grass Unit	3/1	2020/2021
TOTAL	0	4	

BUILDINGS / FIRE STATIONS	CURRENT	REQUIRED	ESTIMATED COSTS
Location of fire stations	Port Alfred/Bushmans	3	
No. of fire stations (Includes Satellites)	2	3	50 000
(Using an existing building)			
TOTAL	2	3	50 000

TRAINING & DEVELOPMENT OF STAFF

ALL STAFF TRAINED TO DATE (NOT ONLY DURING THIS QUARTER)					
Number of staff trained in:	Fire Fighter 1	Fire Fighter 2	Hazmat Operations	Hazmat Awareness	Basic Ambulance Assistant/Level 3
TOTAL	21	20	20	21	21

CATEGORY	1st Quarter Jul-Sep 2023	2nd Quarter Oct-Dec 2023	3rd Quarter Jan-Mar 2024	4th Quarter Apr-Jun 2024	Grand Total 2023/2024
In-services training to fire staff	104	61	53	97	315
Subjects covered	Fire Simulations and Equipment usage	Fire Simulations and Equipment usage	Fire Simulations and Equipment usage	Fire Simulations and Equipment usage	
No of hours i.r.o theoretical and practical	208	122	106	194	630
TOTAL	104	61	53	97	315

FORMAL TRAINING BY FIRE STAFF					
Type of training	0	0	High Angle 1&2, Vehicle Extrication, Adv Fire Prevention & Aviation	High Angle 1&2, Vehicle Extrication, Adv Fire Prevention & Aviation	
No of staff trained during the Quarter	0	0	8	6	
TOTAL	0	0	8	6	14

AWARENESS AND TRAINING					
Number of civilians made aware	58	18	350	517	943
Type of institutions visited	Industrial	Commercial	Commercial	Institutional	
No of children and teachers made aware	261	25	48	76	410
No of schools covered	6	2	1	3	12
TOTAL	325	45	399	596	1365

FIRE SAFETY (number of inspections conducted)					
General Inspections	164	151	114	147	576

Flammable Liquid	20	9	13	25	67
Building Plans	68	58	57	90	273
Fire Hydrants (specify the area)	240	209	190	204	843
Burning Permits Issued	24	11	9	22	66

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

- Disaster Management is a competency of Sarah Baartman District Municipality. A Disaster Co-Ordinator position exist under the District Municipality (servicing Ndlambe / Makana) with a satellite office at the Bushmans Integrated Emergency Centre outside Boesmansriviermond (by end June 2024 the position is vacant)
- There is a Contractual position of a Dog / Animal Control Officer that deal with Public Nuisance & Keeping of Animals By-law/
- Licensing of domestic animals (dogs and cats) will be rolled out in the 2025/2026 financial year.
- There is a Bylaw Compliance Officer that enforce all Municipal By-laws including the Public Nuisance by-law.
- Public Nuisances are shared between Bylaw Compliance Officer, Dog / Animal Control Officer, Environmental Compliance, Environmental Conservation and Environmental Health sections.
- There are currently 3 Environmental Management Inspectors (EMI's) as part of the Ndlambe Community Protection Services team and the Conservationist undertook EMI training on October 2023.

3.6.10 BY-LAW COMPLIANCE

July 2024.

- On Monday 08/07/2024- Routine Patrols and visit Illegal Dumping at Nemato Location, Stray Cattle Impounded on R343 SASP OB No 430/07/2024 and transported to Alexandria Pound.
- On Thursday 11/07/2024-Complaint received and attended at Marselle township, public nuisance keeping of animal in a residential area(pig) Warning issued No-0009 Creating an environmental health hazard,
- Stray Cattle Accident occurred and attended R72 towards Kenton Estate, Cow vs Toyota Fortuner, commercial cattle tag 023/112011
- 12/07/2024 Stray Cattle impounded, Boknesroad towards Kruisfontein farm Cattle transported to Alexandria Pound, with SAPS OB No796/07/2024.
- Stray Cattle Accident occurred R72 Towards Tam jazzi' truck involved Reg CF 108533, Trailer CF 338105 Commercial cattle tags no020/20093,197 third one no Tag also no Branding
- 21/07/2024 Complaint Received, Stray Cattle Impounded at Alex Karel Landman Street, Cattle were transported to Alex Pound, SAPS OB No1380/07/02024

August 2024

- 07/08/2024 Stray Animal (Donkey) Callout on the Boknes Rd, Donkeys were Impounded and taken to Alex Pound, with SAPS OB No 410/08/2024
- 10/08/2024 Complaint Received and Attended- Stray Cattle impounded Smith Street Cattle were impounded and taken to Alex Pound, SAPSOB No 606/08/2024
- 12/08/2024 Stray Cattle callout and Cattle impounded on the R343, Kenton SAPS OB No 551/08/2024 and transported to Alex Pound
- 25/08/2024 Stray Cattle Complaint Received and Attended Bushmansriver Cattle were impounded Kenton SAPS OB No 122/08/2024 taken to Alex Pound
- Stray cattle Impounded Boknes road Kruisfontein Farm Alex SAPS OB No 1760/08/2024

- 30/08/2024 Stray Cattle Callout and Cattle impounded Boknes Road, Alex SAPS OB No 2078/08/2024, Transported to Alex Pound

September 2024:

- Stray Cattle impounded Grahamstown Road- Alex SAPS Report made OB No-365/09/2024. Fine issued as per Notice no 00408 /617/001493
- 16/09/2024-Complaint received and attended- stray cattle impounded Shaw Park, Lindast Farm Bathurst, transported to Alex Pound report made SAPS Bathurst OB No 757/09/2024
- Stray Cattle Impounded Boknes road, Transported to Alex Pound, Alex SAPS OB No 1104/09/2024
- Stray cattle complaint and cattle impounded Bathurst, Transported to Alex Pound, Bathurst SAPS OB No 802/09/2024
- 25/09/2024- Fine Issued Notice No 00409 /617/0011495 Public Nuisance (Illegal Dumping)
- 28/09/2024- Complaint received, stray cattle callout, cattle impounded Alex Boknes Road, Transported to Alex pound, Alex SAPS OB No1885/09/2024

October 2024:

- 01/10/2024: Pound Visit Alexandria Pound, Cow Died at Pound and Carcass has Been Destroyed on the Landfield SAPS Report as Per OB No 63/10/2024
- 08/10/2024- Stray Cattle Callout at Bathurst R67 Shawpark Two (2) Stray Cattle Impounded, SAPS Report made at Bathurst SAPS OB No 379/10/2024, Cattle Transported to Alex Pound
- 12/10/2024- Stray Cattle callout Complaint Received and Attended-R72 Bushmans Area, two (2) stray Cattle Impounded Boknes Road- SAPS OB NO 809/10/2024, transported to Alex Pound
- 14/10/2024- Stray Callout and Cattle Impounded-Four (4) Stray Cattle Impounded GHT Road Alex, SAPSOB No 895/10/2024 and NINE (9) Cattle Transferred from Paterson Location STRAYING at Mr Jansen van Rensburg, Paterson) Alex SAPS OB No 901/10/2024
- 15/10/2024- Stray Cattle Callou and Cattle Impounded Alexandria R72 13 Cattle Impounded SAPS OB No 955/10/2024 and taken to Alex Pound
- 16/10/2024- Monitoring of Illegal Dumping Bathurst, Including Commonage Visit (Ngxangani commonage) Stray Cattle complaint and Cattle impounded, Alexandria SAPS OB No 1060/10/2024
- 21/10/2024-Spaza Shop Visited for Any Bylaw Contraventions, Bafana-bafana Shop-10 Cylinder Gas Confiscated; Red Sea Shop-13 Cylinder Gas Confiscated; Fine Issued as Per Control Notice No:/60/00407 /617/001491
- Spaza Shop Visited Nemato Township, Tandabantu Shop- 13 Cylinder Gas Confiscated and Fine Issued as per Notice No/60/00412 /617/001501
- 23/10/2024- Stray Cattle Impounded Voortrekker Street Alexandria, SAPS OB No1498/10/2024 and taken kept at Alex Pound
- 30/10/2024- Stray Cattle Callout Shawpark fine Issued as per Control No/60/00413 /617/001503
- Stray Cattle Impounded Alex, GHT Road, SAPS OB No 1996/10/2024
- 31/10/2024- Complaint received and Attended, Port Alfred Main Street, Creating Environment Health Hazard-Public Nuisance Complaint -Fine Issued Control no 60/0014 /617/ 001503

November 2024:

- On Thursday 07/11/2024 – Stray Cattle and Goat callout in Alexandria, Attended and Cattle were Impounded, with Alex SAPS OB No 419/11/2024; Fine Issued: Control No.60/00415- Amount **R1000**
- On Saturday 09/2024- Stray Cattle Callout, Stray Goat Impounded at Goodhope Farm SAPS OB No 551/11/2024; Fine Issued: Control No.60/00416- Amount **R1000**
- 12/11/2024- Stray Cattle Callout and Cattle Impounded, Albany Road- Port Alfred, Stray Cattle Impounded, PA SAPS OB No 851/11/2024, Cattle Were Transported to Alex Pound.
- On Thursday 14/11/2024, Stray Cattle Complaint received Warf street, Complaint Attended, Illegal Hawking/trading at Bushmansriver bend 'White Bakkie with Reg CAA228-840 Selling Animal Manure, Fine Issued: Control No.60/00417 Amount **R500**

- 15/11/2024-Blitz operation between municipal and relevant role stakeholders attended fines issued: Control no 60/00418; Control no 60/00419; Control no 60/00420
- 18 Monday 2024- Nemato spaza shop local operation and checking of expired foods. Fine issued: Control No 60/00421; Control No 60/00422 Amount; Control No 60/00423
- 21/11/2024- Spaza shop visit area Port Alfred for any Municipal Trading Bylaw Contraventions, Fine Issued, Control No: 60/00424; Control No 60/00425.
- 25/11/2024- Alexandria/Kwanonqubela Township Spaza Shop visit, fine issued Control No 60/00426
- 28/11/2024-Stray cattle complaint and attended, Bathurst Shaw Park area, stray cattle impounded Bathurst SAPSOB No 1475/11/2024; fine issued Control No: 60/00427

December 2024

- 05/12/2024- Spaza shop visit and monitoring, Trading contravention bylaws, expired foods monitoring; fines issued-spaza shops; : Control NO: 60/ 00429- creating an environmental health hazard, failing to take steps to reduce health hazard: Control No: 60/00430-creating an environmental health hazard; : Control No: 60/00431-creating environmental health hazard; Control No: 60/00432-failing to take step to reduce health hazard and create an environmental health hazard
- 06/12/2024-Monitoring of Illegal Street Trading and Trading Business permit checking. Fine Issued Spaza Shop 'Control No: 60/00433-Creating an environmental Health Hazard
- 08/12/2024-Stray cattle callout and cattle impounded, Bushmansrivermouth, Kenton SAPSOB No 454/12/2024, 6 cattle were transported to Alex Municipal Pound
- 09/12/2024- Spaza Shop Visit and Contravention of Bylaw Monitoring, permit checking, expired foods check
- Stray Cattle Complaint Cattle impounded, Geelhoutboom Farm, 9 goats impounded transported to Alex Animal Pound, Alex SAPS OB No1215/12/2024.

January 2025:

- Four (4) stray cattle impounded Alex: Alex SAPS OB No 885/01/2025
- Two (2) stray cattle impounded Bushman's River: Kenton SAPS Ob No 1536/01/2025
- Compliance warning control no 0010 was then issued to the tavern lawful owner who is the tavern owner wife. A report also Sent to Liquor board Compliance Officer.
- Euthanasian: took place at the pound by the animal control officer, 1Goat and 1 Cow- SAPS Alex OB No1278

2025 February:

- 04/02/2025-Spaza Shop visit Nemato Area, business permit check and any contravention of illegal trading including public nuisance in their establishment in the area.
- 05/02/2025- Vehicle patrols at the Bathurst location, monitoring of illegal dumping hotspot area and visit of spaza shop in the area
- 06/02/2025 -Municipal Store visit, monitoring security vehicle check with security, proceed to Kenton on sea Ekuphumleni challenge is keeping of pigs in residential area, suggestion awareness campaign educating the resident about the matter as it becomes a challenge in our area's some pigsty owners complain about LED complaining about not providing them with pigsty.
- Complaint received and attended at the Riversbend no 45 3rd Avenue, overgrown unfinished house left for years unattended SHP Informed to intervene
- On Wednesday19/02/2025- selling gas without municipal fire certificate and premise inspection at Bathurst Freestone shop, gas were confiscated and kept at fire station. Fine Issued -Fine and Control No; 60/00435
- **Stray Cattle Impounded:** 5 Cattles SAPSOB No 170/02/2025; 4 Cattle SAPS OB NO 1346/02/2025

March 2025:

- 02/03/2025: Stray cattle complaint, attended at Klipfontein R72 and Kenton on Sea R343, challenge in Kenton of stray goat due to lack of boundary fence on national roads has been a very huge challenge. Maintaining and repairing of fence has not been done in the area for 3years, entrance to the locations, has become exits of stray to the national roads.

- 03/03/2025- Illegal dumping monitoring on area Alexandria, Wentzel park which has hotspot illegal dumping area's and Kwanonqubela- challenge, theft of illegal dumping boards (scrap metal) and sending kids to skip bin to throw rubbish.
- 06/03/2025- Complaint received and attended, R67 Bathurst Road, cattle straying on the road, cattle impounded, PA SAPS OB No541/03/2025, 5stray Transported to Alex Pound
- Stray Cattle Impounded R67 Bathurst Road One (1) Black Cow Impounded, PA SAPS OB No 557/03/2025 transported to Alex Pound
- Stray Cattle Accident Complaint Received and Attended on the R72 Road Near Klipfontein, Accident Report No SAPS OB No 688/03/2025, Ear Tag no-LAMI, Carcass Destroyed Saps No 692/03/2025
- 13/03/2025- Complaint Received Stray Cattle at Bushmansriver, Cattle found with the Owner on the Spot, Spot on Fine Issued- Fine Control Number: 00436/ 617/00154
- 14/03/2025 Stray Cattle Callout, R343 Kenton on sea and Alex Pound Visit Security OB No 328/03/2025
- 18/05/2025- Complaint Received and attended, Illegal Street trading in Port Alfred Main Street, AND Proceed to Municipal Stores, Security OB No 198/03/2025
- 29/03/2025- Stray Cattle callout and cattle impounded, Alex SAPS OB No 2145/03/2025 and pound Security OB No 581/03/2025.

April 2025

- Stray Cattle Accident Occurred on the R67 Bathurst Road, Nemato, cow owner located, fined issued for allowing animal to roam and cause accident, Cas no 18/04/2025, SAPS OB No554/04/2025
- Stray Cattle Impounded Boknes Road, SAPS OB No 809/04/2025 Cattle transported to Animal Pound
- Stray cattle impounded Martha Oosthuizen Street Alex-SAPS OB No 817/04/2025 Cattle herded to the pound
- Stray Goat Impounded South Street Bushmansriver Kenton SAPS OB No 603/04/202
- 14/05/2025 Vehicle patrols: Cattle hotspot Area Wharf street, R67 Bathurst Road, Thornhill turnoff, and Monitoring & Visit of Spaza Shop for Any Trading contravention Bylaws including Station Spaza Shops Visit
- 22/04/2025: complaint received and attended, Stray Cattle impounded Bushmansrivermouth, Kenton SAPS OB No1223/04/2025

May 2025:

- Awareness campaigns are needed to take place educating our people about environmental issues, it is recommended that compulsory school awareness programs on environmental issues: (littering, illegal dumping, urinating in public, throwing of dead carcass in open spaces)
- May 2025- vehicle patrols in Alexandria, Klipfontein and Marselle, municipal lawn not maintained that cause overgrown grass on municipal verges
- 6 May 2025- Complaint received and Attended- Stray Cattle in Bathurst, on arrival the were removed, vehicle patrols, visit Ngxangani Commonage, for commonage Bylaw Contravention,
- 7 May Complaint received and Attended, Cattle at Klipfontein, challenge is the Boundary Fence not maintained between, Klipfontein and Marselle turn off, Department of Transport to assist as they are custodian of national roads and boundary fence.
- Challenge: R72 towards Commercial Farmers, The boundary fence is being maintained, would appreciate to have the clarity on national roads towards locations as there are no fences that being erected, from Alexandria to Kenton Location. Affected Boundary Fence\Roads: R72 Alexandria outside town towards Port Alfred side R72 Klipfontein towards Marselle and Klipfontein school; R72 turnoff to Kenton location- R343 towards Salem.
- 9 May 2025-Rise and Number of (street & bush beggars) in our Towns has escalated and Increase due to winter season, Stakeholders needed to be on Board to Assist as the are Illegal Foreigners, due construction work in our area's were they come with illegal foreigners for cheap labour and after they have use them they then dump them in our area, were they roam around sleep in our streets causing nuisance
- Crime due to dark area's lack of street lights maintenance; theft of metal due to scrap metal established place
- Increase number of carwash in our locations needs to be addressed as we have challenge and shortage of water and tempering of municipal infrastructure.

- Kruisfontein Commonage due to new Informal Settlement closer to the Commonage, Fence ,Poles and Vandalism of Boreholes that meant for Animal drinking water(cattle),
- Cattle roaming to nearby neighbouring farms which mostly are Plaintiffs in Cas between Agri EC and Ndlambe Municipality

June 2025:

- 01/06/2025- Stray cattle impounded- seven (7) Cattle impounded at Albany Road Port Alfred-SAPS Port Alfred OB No 072/06/2025
- Stray Cattle impounded; Station Road Alex, seven (7) Cattle impounded Alex SAPS OB No116/06/2025; No 97/06/2025
- Theft of fence and poles due to newly informal settlement, cattle roaming at Boknes Road, which becomes challenge to the municipality as cattle walk over to neighboring commercial farms of which majority are Plaintiff on a matter between municipality and Agri EC
- 16/06/2025-Callout At Klipfontein, Stray Cattle involve in Accident, No Injuries Sustained, KENTON SAPS OB No918/06/2025
- 18/06/2025: Stray Cattle impounded and kept at pound Alexandria SAPS OB No1300/06/2025, Vehicle patrols cattle hotspot area

2024/25 Annual Total Number Of Cattle Impounded, Fine Issued and Yearly Amount Received

Cattle	goat	Area	Amount	Control No: Fines
94 Stray Cattle	28 Stray Goats	Alex, KOS, Marselle PA and Bathurst	R115 791.59	Control no:00408 to 00436 as Per Fine Register

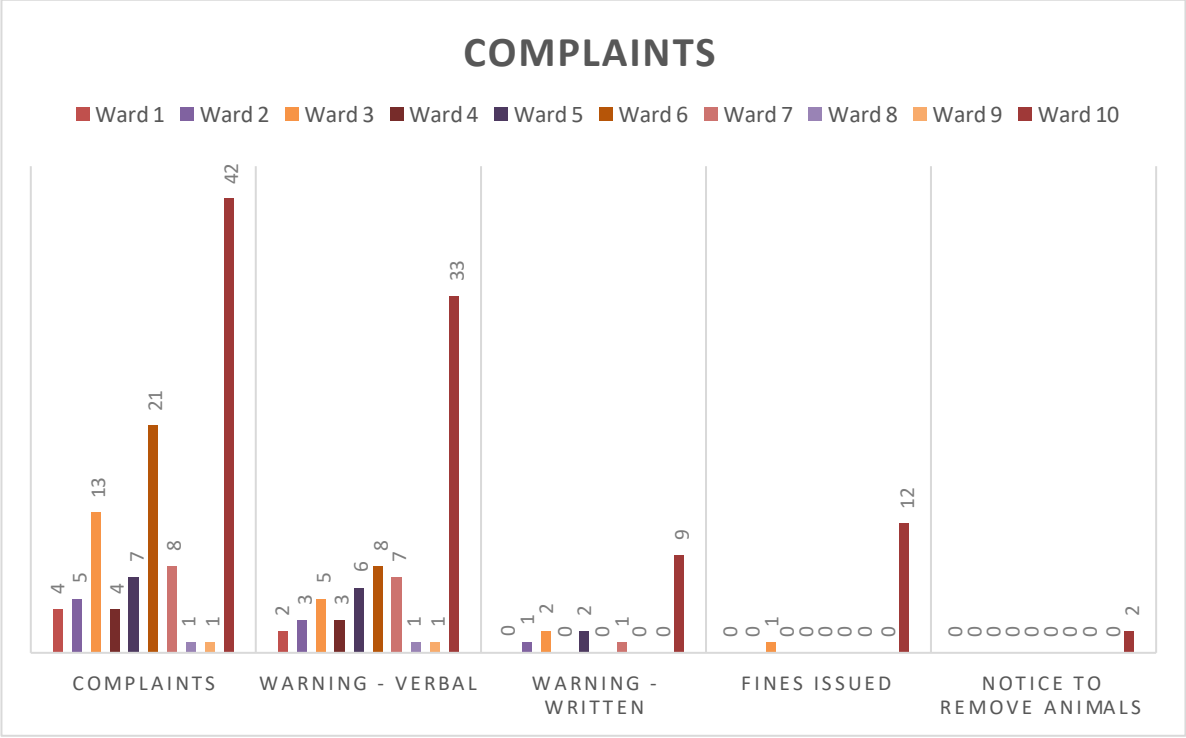
Annual Total R115 791.59

DOG / ANIMAL CONTROL

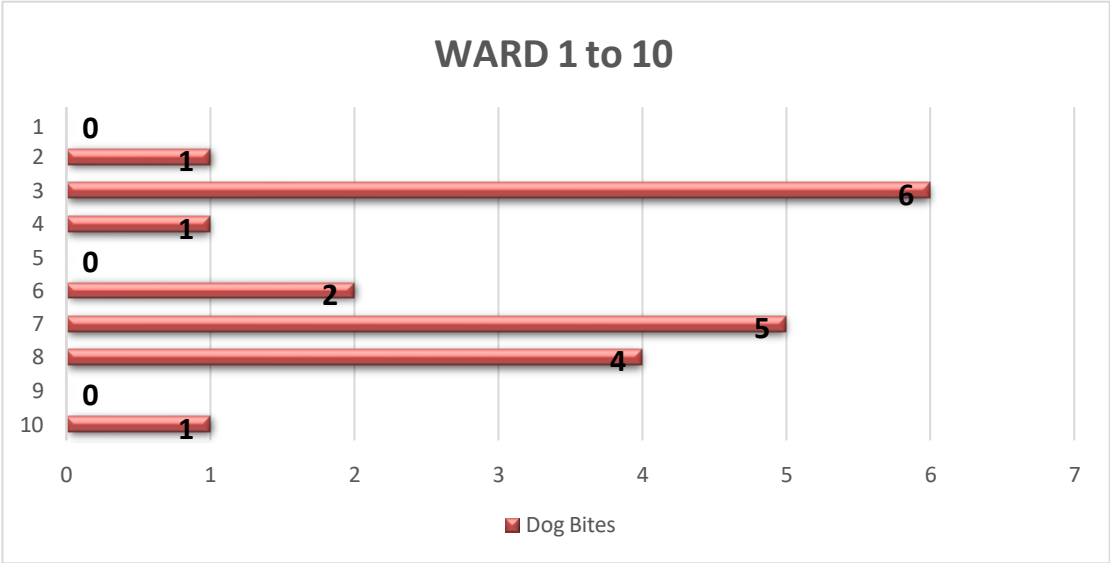
Complaints

By-Law and Non-By-Law Related – (Reactive)

WARD No	Complaints Attended	Written Warnings Issued	Verbal Warnings issued	Fines Issued	Notices to Remove Animals Issued	Notices Issued for Destruction of Animals Issued	Case Opened for None-Compliance
1	4	2	0	0	-	-	0
2	5	3	1	0	-	-	0
3	13	5	2	1	-	-	0
4	4	3	0	0	-	-	0
5	7	6	2	0	-	-	0
6	21	8	0	0	-	-	0
7	8	7	1	0	-	-	0
8	1	1	0	0	-	-	0
9	1	1	0	0	-	-	0
10	42	33	9	1	2	-	2
TOTAL	106	69	15	2	2	-	2



Reported Dog Bites/Attack on Humans



20 Reported Dog Bites

Wildlife

Type	Specie	Quantity
Marine Mammals	Leopard seal	1
	Green Seal Turtle	3
	Cape fur seal	5
	Sub-Arctic seal	3
Marine Birds	Bank Cormorant	2
	Cape Gannet	4
Reptiles	Cape Cobra	5
	Common Slug Eater	1
	Leopard tortoise	4
	Night Adder	6
	Puff Adder	7
	Boom Slang	3
	Natal Green Snake	6
	Water Monitor	2
Birds	Egyptian Goose	3
	Hadida	1
Mammals	Rock Hyrax	5
	Large spotted Gennet	1
	Yellobellied Bat	1
	Grysbok	1
TOTAL		64

Pro-Active Work

WARD №	Beach Patrols (On Foot)	Patrols (Visible/Vehicle)
1	25	25
2		19
3	28	28
4	31	32
5		17
6	24	27
7		21
8		20
9		20
10	45	36
TOTAL	153	245

Inspections (To keep more than two dogs, cats or other animals) in Terms of Prevention of Public Nuisances and Keeping of Animals By-Law

WARD №	Approved	Declined
1	2	-
2	-	-
3	-	-
4	-	-
5	1	-
6	2	2
7	-	-

8	-	-
9	-	-
10	1	-
TOTAL	6	2

Large animal pound

- Found that the lack of knowledge relating to veld/camp management has caused over grazing at the pound. This resulted in the deaths of many animals due to starvation.
- An additional 10'000-litre water tanks were added to the 5'000-litre tank. This one tank was not enough to supply sufficient water to the amount of cattle at the pound.
- The cattle handling facility (loading ramp and crush) was re-built due to the dilapidated state and dangerous conditions in which the cattle were loaded and off loaded.
- Bio-security measures were put in place to prevent the spread of contagious diseases.
- Bush clearing was started and Working on Fire helped with this task. There is however still a lot of bushes to be cleared to open space for more grazing space.
- Casuals were employed over a period of 6 months to clear the existing bush but this has not been successful due to the lack of supervision.
- A twelve-month plan is set in place to get the pound to run smoothly in future:
 - ✓ Extend the pound with approximately 4 hectares;
 - ✓ Re-design and replace the interior camps;
 - ✓ Lay waterpipes to the camps – for a constant water flow to troughs;
 - ✓ Erect floodlights for security purposes;
 - ✓ Add security cameras.
 - ✓ Replace the exterior fencing
- Applied for a branding certificate for Ndlambe Municipality – still waiting for the certificate.
- A feed room is necessary and would be budgeted for in the near future.
- It is suggested that that staff accommodation is built on the property for the future Pound master. This will help with security at the pound and for a smoother and more accurate (information) admission of impounded animals. This will also cut down on security costs. (Security guards are not following protocols when admitting impounded animals).

3.6.11 ORGANISATIONAL SCORECARD

The 2024/2025 Annual Performance Report (APR) of Ndlambe Local Municipality encompasses performance information covering the period from 1 July 2024 to 30 June 2025 and concentrates on the execution of the Service Delivery and Budget Implementation Plan (SDBIP), in relation to the strategic objectives articulated in Ndlambe Municipality's Integrated Development Plan (IDP) for the 2024/2025 fiscal year. Performance Management serves as the apparatus for assessing the extent to which the established targets aligned with strategic objectives have been achieved. The report provides a detailed analysis of the Municipality's Key Performance Indicators (KPIs) corresponding to each municipal Key Performance Area (KPA), thereby reflecting on the overall effectiveness and efficiency of service delivery initiatives within the Municipality. The APR 2024/2025:

KPA 1

Spatial Planning																				
Responsible Directorate	KPI Name	Strategic Objective	Baseline	Quarter ending September 2024			Quarter ending December 2024			Quarter ending March 2025			Quarter ending June 2025			Overall Performance for Quarter ending September 2024 to Quarter ending June 2025			Performance Comment on Annual Performance	Corrective Measures on Annual Performance
				Target	Actual	R	Target	Actual	R	Target	Actual	R	Target	Actual	R	Target	Actual	R		
Infrastructural Development	1.Percentage turnaround time for processing of land use applications within 16 months in accordance with SPLUMA	Provide sustainable, efficient, cost effective, adequate and affordable services to all our citizens	16.00%	100.00%	100.00%	G	100.00%	100.00%	G	100.00%	100.00%	G	100.00%	100.00%	G	100.00%	100.00%	G	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.

Summary of Results: Spatial Planning				
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0	0%
R	KPI Not Met	0% <= Actual/Target <= 74.999%	0	0%
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0	0%
G	KPI Met	Actual meets Target (Actual/Target = 100%)	1	100%
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0	0%
B	KPI Extremely Well Met	150.000% <= Actual/Target	0	0%
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0	0%
	Total KPIs:		1	100%

Basic Service Delivery																								
Responsible Directorate	KPI Name	Strategic Objective	Baseline	Quarter ending September 2024				Quarter ending December 2024				Quarter ending March 2025				Quarter ending June 2025				Overall Performance for Quarter ending September 2024 to Quarter ending June 2025			Performance Comment on Annual Performance	Corrective Measures on Annual Performance
				Target	Target Description	Actual	R	Target	Target Description	Actual	R	Target	Target Description	Actual	R	Target	Target Description	Actual	R	Target	Actual	R		
Community and Protection Services	2. Number of formal households with access to refuse removal as per schedule	Provide sustainable, efficient, cost effective, adequate and affordable services to all our citizens	21 656	21 832		21 974, 67	G 2	21 832		21 894	G 2	21 832		21 920, 33	G 2	21 832		21 885, 33	G 2	21 832	21 918, 58	G 2	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Community and Protection Services	3. Number of known informal settlements receiving basic refuse removal services in accordance with the National Environmental Management Waste Act no. 59 of 2008.	Provide sustainable, efficient, cost effective, adequate and affordable services to all our citizens	0	12	1. PA: New Rest, 2. PA: Cricket Field, 3. KOS:Haysplace, 4. Bushmans: eRayini, 5. Alex:Kwandzayi, 6. Alex: eTenteni, 7. Brakfontein, 8. Klipfontein, 9. Ezidonkini, 10.Bathurst, 11.Port Alfred-Potyopayi,12. Marselle-Ezihagwini	12	G	12	1. PA: New Rest, 2. PA: Cricket Field, 3. KOS:Haysplace, 4. Bushmans: eRayini, 5. Alex:Kwandzayi, 6. Alex: eTenteni, 7. Brakfontein, 8. Klipfontein, 9. Ezidonkini, 10.Bathurst, 11.Port Alfred-Potyopayi,12. Marselle-Ezihagwini	12	G	12	1. PA: New Rest, 2. PA: Cricket Field, 3. KOS:Haysplace, 4. Bushmans: eRayini, 5. Alex:Kwandzayi, 6. Alex: eTenteni, 7. Brakfontein, 8. Klipfontein, 9. Ezidonkini, 10.Bathurst, 11.Port Alfred-Potyopayi,12. Marselle-Ezihagwini	12	G	12	1. PA: New Rest, 2. PA: Cricket Field, 3. KOS:Haysplace, 4. Bushmans: eRayini, 5. Alex:Kwandzayi, 6. Alex: eTenteni, 7. Brakfontein, 8. Klipfontein, 9. Ezidonkini, 10.Bathurst, 11.Port Alfred-Potyopayi,12. Marselle-Ezihagwini	12	G	12	12	G	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Community and Protection Services	4. Number of beaches with full blue flag status maintained according to blue flag beach criteria and explanatory notes 2020.	Develop a vibrant rapidly growing employment generating economy based on tourism, agriculture, ocean resources and new digital technologies	2	0		0	N/A	3	Blue Flag Beaches (December)	3	G	2	Blue Flag Beaches (December to April)	2.33	G 2	2	Blue Flag Beaches (February to April) During May and June apply for next year status	2	G	2.33	2.44	G 2	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Community and Protection Services	5. Number of patrols conducted within the estuaries (Kowie, Bushmans,	Preserve the natural beautiful environment,	333	45	Kowie 12 patrols, Kariega 12 patrols, Bushmans 12 patrols, beaches 9	86	B	75	Kowie 20 patrols, Kariega 20 patrols, Bushmans 20 patrols, beaches 15	115	B	57	Kowie 15 patrols, Kariega 15 patrols, Bushmans 15 patrols, beaches 12	85	G 2	45	Kowie 12 patrols, Kariega 12 patrols, Bushmans 12 patrols, beaches 9	79	B	222	365	B	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.

	Kariega, Beaches)	cultural heritage, and biodiversity																							
Community and Protection Services	6. Number of patrols conducted within biodiversity priority areas(nature reserves)- Kap River-, Round-Hill-, Joan Muirhead & Great Fish Wetland Reserve - Local Authority Nature Reserves	Preserve the natural beautiful environment, cultural heritage, and biodiversity	0	36		45	G 2	36		44	G 2	36		47	G 2	36		37	G 2	144	173	G 2	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	
Community and Protection Services	7. Percentage compliance with the required attendance time for structural firefighting incidents in accordance with SANS 10090	Create a pleasant, safe and secure living environment for all our citizens	0.00 %	100.00%		100.00%	G	100.00%		100.00%	G	100.00%		100.00%	G	100.00%		100.00%	G	100.00%	100.00%	100.00%	G	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.

Community and Protection Services	8. Number of identified by-laws to be reviewed within the CPS directorate	Create a pleasant, safe and secure living environment for all our citizens	3	0		0	N/A	0		0	N/A	0		0	N/A	17	(By-Law Aerodrome, By-law Commonage, By-Law Customer Care Revenue Management, By-Law Electricity Supply, By-Law Fences and Fencing, By-Law Funeral Parlours and Cemeteries, By-Law Impoundment of Animals, By-law Outdoor Advertising and Signage, By-Law Public Anemities, By-law Public Nuisance and Keeping of Animals, By-Law Roads and Traffic, By-Law Solid Waste Disposal, By-Law Sporting Facilities, By-Law Stormwater Management, By-Law Street Trading, By-Law Water Supply and Sanitation, By-Law Electricity Supply)	17	G	17	17	G	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Community and Protection Services	9. Number of municipal sites (54) secured by alarms and armed response as per the security contract	Create a pleasant, safe and secure living environment for all our citizens	54	54	Sites	74	G 2	54	Sites	82.3 3	B	54	Sites	74	G 2	54	Sites	75	G 2	54	76.3 3	G 2	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Community and Protection Services	10. Percentage of physical sites	Create a pleasant, safe and	0.00 %	100.00%		100.00%	G	100.00%		100.00%	G	100.00%		100.00%	G	100.00%		100.00%	G	100.00%	100.00%	G	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.

on Services	secured by guards as per user department requests	secure living environment for all our citizens																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															

Infrastructural Development	12. Number of water infrastructure project milestones completed (Multi-year)	Develop state-of-the-art innovative physical and technological infrastructure	0	0		0	N/A	0		0	N/A	0		0	N/A	4	(Thornhill Reservoir Completion; Port Alfred Water Treatment Plant; Port Alfred Brackish Water RO Plant; Alexandria: Retrofitting of Isolation Valve Chambers and Hydrostatic Pressure testing of the GRP Pipelines installed)	4	G	4	4	G	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.

Infrastructural Development	14. Number of informal settlement project milestones completed (Klipfontein, Ezidonkini, Kenton-on-Sea - Ndokwenza and Horseplay, Bathurst, Alexandria-Phola Park, Port Alfred-Potyopayi, Marselle-Ezihagwini) (Multi-year project)	Provide sustainable, efficient, cost effective and affordable services to all our citizens	3	3	(Procurement Process completed - Ndokwenza, Horseplay, Potyopayi)	0	R	1	(Ezidonkini - 20 Water Tanks, 20 Toilets)	1	G	1	Port Alfred - Potyopayi (20 Water Tanks, 20 Toilets)	2	R	6	Alexandria - Boknes Road (EIA in progress, Geotech Surveying, (146 Water Tanks, 150 Toilets) Bathurst Infill (EIA in progress, Geotech Surveying, 50 Water Tanks, 50 Toilets), Kenton on Sea - Horseplay (212 Water Tanks, 212 Toilets), Kenton on Sea - Ndokwenza (193 toilets, 193 Water Tanks) Marselle - Ezihagwini (300 Water Tanks, 300 Toilets) Alexandria - Brakfontein (45 Water Tanks, 45 Toilets)	1	R	11	4	R	Alexandria - Boknes Road (EIA in progress, Geotech Surveying, (146 Water Tanks, 150 Toilets). Alexandria - Boknes Road Water Tanks: 148 completed Boknes Road Toilets: 390 completed. This project has been completed and the number of units done is more than the planned units due to the following: Informal Settlements is a moving target on a daily basis there are people moving from somewhere to the area where there is work happen, it is not easy to have control. During planning the households were assessed and calculated but during implementation there were more numbers that also needed to be catered within the same budget from the Human Settlements. Bathurst Infill (EIA in progress, Geotech Surveying, 50 Water Tanks, 50 Toilets), This project had to be re-planned. During pre-planning a geotechnical report indicated that the area is wet and therefore will require different design measures or re-allocation and re-pegging. Hence this project couldn't be part of the implementation. The surveyor has been appointed and is currently busy with the project. Kenton on Sea - Ndokwenza (193 toilets, 193 Water	Alexandria - Boknes Road (EIA in progress, Geotech Surveying, (146 Water Tanks, 150 Toilets). Alexandria - Boknes Road Water Tanks: 148 completed Boknes Road Toilets: 390 completed Corrective Measure: To inform the community about the importance of occupying the sites and building so that water tanks and toilets can be installed. Anticipated Completion date: 30 February 2026 Bathurst Infill (EIA in progress, Geotech Surveying, 50 Water Tanks, 50 Toilets), Corrective Measure: After the pegging, appointment of the contractors and implementation of the project will commence based on the new planning. Anticipated Completion date: 30 March 2026 Kenton on Sea - Ndokwenza (193 toilets, 193 Water Tanks) Kenton, Ndokwenza Toilets: 113 completed Kenton, Ndokwenza Water Tanks: 178 completed Corrective Measure: The contractor will proceed with the works to ensure completion of the works. Anticipated Completion date: 30 December 2025 Marselle - Ezihagwini (300 Water Tanks, 300 Toilets) Corrective Measure: The contractor will

Tanks) Kenton, Ndokwenza Toilets: 113 completed; Kenton , Ndokwenza Water Tanks: 178 completed. This project started late due to the EIA application process that had to be followed. The municipality engaged with DEDEAT on the 3rd of June 2025 to submit a request that the Municipality be allowed to work through the full EIA has not been approved to install temporal services. The Department requested to have re-designs on temporal structures, and the information was submitted. On the 03rd of September 2024 the department responded and gave a go ahead when the time had already elapsed. Procurement process was initiated, and the contractors were appointed within three months. In January 2025. During Implementation there were heavy Rains caused that cause delays in progress, where contractors had to stop working and when they got back on site had rectify the snags caused by the rain. The contractors are on site completing the works currently. Marselle - Ezihagwini (300 Water Tanks, 300 Toilets) This project started late due to the EIA application process that had to be followed. The municipality engaged with	proceed with the works to ensure completion of the works. Anticipated Completion date: 30 June 2026 Alexandria - Brakfontein (45 Water Tanks, 45 Toilets) Corrective Measure: The contractor will proceed with the works to ensure completion of the works. Anticipated Completion date: 30 April 2026 Port Alfred - Potyopayi (20 Water Tanks, 20 Toilets) after the environmental Port Alfred (Ezidokinini - 20 Water Tanks, 20 Toilets) Corrective Measure: To inform the community about the importance of occupying the sites and building so that water tanks and can be installed. Anticipated Completion date: 30 March 2026 Kenton on Sea - Horseplay (212 Water Tanks, 212 Toilets), Corrective Measure: Contractors also working overtime to ensure completion of the works. Anticipated Completion date: 31 December 2025

DEDEAT on the 3rd of June 2025 to submit a request that the Municipality be allowed to work though the full EIA has not been approved to install temporal services. The Department requested to have re-designs on temporal structures, and the information was submitted. On the 03 of September 2024 the department responded and gave a go ahead when the time had already elapsed. Procurement process was initiated, and the contractors were appointed within three months. In January 2025.

Alexandria - Brakfontein (45 Water Tanks, 45 Toilets)

This project started late due to the EIA application process that had to be followed. The municipality engaged with DEDEAT on the 3rd of June 2025 to submit a request that the Municipality be allowed to work though the full EIA has not been approved to install temporal services. The Department requested to have re-designs on temporal structures, and the information was submitted. On the 03 of September 2024 the department responded and gave a go ahead when the time had already elapsed. Procurement process was initiated, and the contractors were appointed within three months. In January 2025.

Port Alfred - Potopayi (20

Water Tanks, 20 Toilets) after the environmental assessment the project could not commence due to the location is in flood line. There is still a challenge here of the availability of land where the people will be relocated. So long some of the people will be catered for by the Thornhill housing project depending on the number approved.

Port Alfred (Ezidonkini - 20 Water Tanks, 20 Toilets)
Project has been complete with 49 toilets and 27 water tanks

Informal Settlements is a moving target daily there are people moving from somewhere to the area where there is work happen, it is not easy to have control. During planning the households were assessed and calculated but during implementation there were more numbers that also needed to be catered for.

Kenton on Sea - Horseplay (212 Water Tanks, 212 Toilets),
This project started late due to the EIA application process that had to be followed. The municipality engaged with DEDET on the 3rd of June 2025 to submit a request that the Municipality be allowed to work though the full EIA has not been approved to install temporal services. The Department requested to have re-designs on temporal

[illegible]

Infrastructural Development	15. Number of formal houses completed in the rectification process (Project 402)	Provide sustainable, efficient, cost effective, adequate and affordable services to all our citizens	0	0		0	N/A	0		0	N/A	0		0	N/A	297		0	R	297	0	R	The municipality was appointed as the implementing agent for the project. A consultant was then appointed by the municipality to conduct an assessment on the houses. Upon finalisation of the assessment, the Department of Human Settlements advised the municipality that they, as the department, would be implementing the project. The Department of Human Settlements, as the funder of the projects utilised its own resources and there was no funding that was provided to the municipality with regards to this project.	A progress report will be requested from the Department to report on the actual achievement to date.
Infrastructural Development	16. Number of housing projects completed (Bathurst - 5 and Kenton-10)	Provide sustainable, efficient, cost effective, adequate and affordable services to all our citizens	0	0		0	N/A	0		0	N/A	0		0	N/A	2	(Bathurst - 5 Units Kenton - 10 Units)	1	R	2	1	R	Annual Project Milestones completed: 1. Bathurst 5 - The annual project milestones have been completed. Annual Project milestones not completed: 1. Kenton 10 To date, 6 out of the 10 units have been plastered. However, no further construction progress has been made. The project was halted by the NHBRC due to the contractor license dispute between the main license holder and the sub-license holder (contractor), this license is required to construct houses using ISBT technology. The additional issue which was identified was the emergence of structural defects which was identified by NHBRC in the process.	Annual Project milestones not completed: 1. Kenton 10 In response, the Department of Human Settlements has committed to engaging NHBRC to resolve the compliance and licensing matter. In the interim, a Technical Task Team (TTT) has been established, comprising key stakeholders, to guide the process forward that will unlock the project. In addition, an expert from University has been appointed to assist with the technological issues and a security company has been appointed to protect the project site against vandalism

Infrastructural Development	17. Number of stormwater drainages upgraded	Develop state-of-the-art innovative physical and technological infrastructure	0	6	1. Kenton on Sea - Anglers Way (Phase 1), 2. Port Alfred - Magongo Street, 3. Port Alfred - Mbabela Street, 4. Port Alfred - Ntini Street, 5. Port Alfred - Sagwityi Street, 6. Boknes/Danie I Scheepers Street: Outfall Stormwater Drainage	0	R	0		3	B	0		1	B	2	(Kenton on Sea - Anglers Way/Ndokwezana Link Road (Phase 2), Ezidonkini Link Road)	8	B	8	12	B	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Infrastructural Development	18. Percentage of households with access to basic sanitation	Provide sustainable, efficient, cost effective, adequate and affordable services to all our citizens	98.85 %	80.0 0%		99.2 0%	G 2	80.0 0%		38.9 3%	R	80.0 0%		45.9 6%	R	80.0 0%		50.6 0%	R	80.0 0%	58.6 7%	R	The non-achievement is due to the exclusion of informal settlements. The billing register from finance will not show access for all residents rather the billing made on that month. It must be noted that indigent households don't appear on the billing register because there is no billing made on such households. The information in the billing register is not incorrect rather than not	The remedial action is to use the approved IDP which shows access of households to services and reviewed indigent register.

																					showing the informal settlements due to the above reason.			
Infrastructural Development	19. Percentage of households with access to water supply	Provide sustainable, efficient, cost effective, adequate and affordable services to all our citizens	110.45%	95.00%		97.39%	Green	95.00%		69.07%	Red	95.00%		89.62%	Orange	95.00%		90.16%	Orange	95.00%	86.56%	Orange	The non-achievement is due to the exclusion of informal settlements. The billing register from finance will not show access for all residents rather than the billing made on that month. It must be noted that indigent households don't appear on the billing register because there is no billing made on such households. The information in the billing register is not incorrect rather not showing the informal settlements due to the above reason.	The remedial action is to use the approved IDP which shows access of households to services and reviewed indigent register.
Infrastructural Development	20. Percentage of non-revenue water	Provide sustainable, efficient, cost effective, adequate and affordable services to all our citizens	31.08%	35.00%		31.65%	Blue	35.00%		31.92%	Blue	35.00%		29.80%	Blue	35.00%		33.73%	Blue	35.00%	31.78%	Blue	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.

Infrastructural Development	21. Percentage of waste water samples compliant to water use license conditions.	Provide sustainable, efficient, cost effective, adequate and affordable services to all our citizens	69.56 %	75.0 0%		60.0 0%	0	75.0 0%		63.5 7%	0	75.0 0%		63.0 0%	0	75.0 0%		61.8 0%	0	75.0 0%	62.0 9%	0	Compliance with effluent discharge standards averaged 62% across wastewater treatment plants with the key issue being the wastewater treatment plants not being fully operational to meet the discharge conditions. The following issues identified for each plant are as follows: Alexandria Wastewater Treatment Plant This plant uses waste stabilisation ponds. The first (anaerobic pond) is full of sludge that requires desludging to improve treatment processes. Bathurst Wastewater Treatment Plant This plant uses waste stabilisation ponds. The first (anaerobic pond) is full of sludge that requires desludging to improve treatment processes. In addition, the ponds are overgrown with reeds that need removal. Bushmans Wastewater Treatment Plant This plant uses waste stabilisation ponds. The ponds are overgrown with reeds that need removal to improve the treatment process. Kenton Wastewater Treatment Plant This plant uses an activated sludge treatment process and process operations were interrupted by mechanical breakdowns on the aerators and	Alexandria Wastewater Treatment Plant Remedial Actions • Engage contractor to desludge the ponds • Implement annual sludge removal programme Bathurst Wastewater Treatment Plant Remedial Actions A professional service provider has been appointed to upgrade the pond system and they have currently finalised the designs and it is expected that a contractor will be appointed towards the end of the new financial year. Bushmans Wastewater Treatment Plant Remedial Actions • Engage a contractor to remove reeds Kenton Wastewater Treatment Plant Remedial Actions • Repair of aerators and outlet pipe (completed). • Conduct performance monitoring to confirm improved treatment efficiency. Port Alfred Wastewater Treatment Plant Remedial Actions • Continue operational monitoring to sustain improved performance

[illegible]

Infrastructural Development	25. Metres of road improved (paving)	Develop state-of-the-art innovative physical and technological infrastructure	4245.1m	2272	m	3953	B	1900	m	2117.50	G2	2135	m (Atherstone Road - 2000m; Westbourne Road - 135m)	2351.5	B	862	m (Protea Crescent [Extended] - 417m; Koti Street [Extended] - 445m)	862	G	7169	9284.00	G2	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Financial Services	26. Percentage registered indigent households having access to free basic services	Provide sustainable, efficient, cost effective and affordable services to all our citizens	100.00%	100.00%		100.00%	G	100.00%		100.00%	G	100.00%		100.00%	G	100.00%		100.00%	G	100.00%	100.00%	G	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Infrastructural Development	13. Number of infrastructure related project milestones completed (Internal Services)	Develop state-of-the-art innovative physical and technological infrastructure	0	0		0	N/A	0		0	N/A	0		0	N/A	2		1	R	2	1	R	Annual Project Milestones completed: 1. Thornhill: Internal Services Annual Project Milestones not completed: Marselle 500 Internal Services: The project experienced delays due to additional scope that was discovered when the contractor attempted to connect the new	Annual Project Milestones not completed: Marselle 500 Internal Services: To mitigate the risk of further delays, the contractor increased manpower and resources to expedite construction for completion by the revised date of 30 September 2025. The municipality will need to take extra precaution

[illegible]

KPA 3

Municipal Transformation and Organisational Development																							
Responsible Directorate	KPI Name	Strategic Objective	Baseline	Quarter ending September 2024			Quarter ending December 2024			Quarter ending March 2025			Quarter ending June 2025			Overall Performance for Quarter ending September 2024 to Quarter ending June 2025			Performance Comment on Annual Performance	Corrective Measures on Annual Performance			
				Target	Actual	R	Target	Actual	R	Target	Actual	R	Target	Actual	R	Target	Actual	R					
Corporate Services	27. Staff Vacancy Rate	Improve the governance of the Municipality	0.10%	0.00%	0.00%	N/A	0.00%	0.00%	N/A	0.00%	0.00%	N/A	10.00%	6.11%	B	10.00%	6.11%	B	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.			
Office of the Municipal Manager	28. Percentage of funded posts (Task Grade 5 upwards) filled within 6 months of vacancy according to municipal staff regulations 890	Improve the governance of the Municipality	0.00%	60.00%	46.66%	O	60.00%	60.00%	G	60.00%	60.00%	G	60.00%	62.22%	G2	60.00%	57.22%	O	The annual target for the 2024/2025 financial year has not been met.	The municipality will ensure that the filling in of funded positions is concluded within 6 months of the position being vacant in line with the Municipal Staff Regulations.			
Corporate Services	29. The percentage of municipality's (Corporate Services) budget (OPEX) actually spent on implementing its workplace skills plan	Create a comfortable remote working environment and develop new	0.01%	0.00%	0.00%	N/A	0.00%	0.00%	N/A	0.17%	0.47%	B	0.17%	0.07%	R	0.17%	0.07%	R	The annual target for the 2024/2025 financial year has been met. The training budget did not represent 0.17% of the OPEX, therefore the target was unrealistic and unattainable. This was an oversight error.	The target will need to be aligned to the actual training budget against the total operating budget and in instances where there has been adjustments, those will need to be aligned to the			

		economy skills																		targets contained in the Service Delivery and Budget Implementation Plan.
Corporate Services	30. Number of NLM Organograms updated	Improve the governance of the Municipality	1	0	0	N/A	0	0	N/A	1	1	G	0	0	N/A	1	1	G	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Office of the Municipal Manager	31. Number of Business Continuity Strategies approved	Improve the governance of the Municipality	0	0	0	N/A	0	0	N/A	1	0	R	0	0	N/A	1	0	R	The annual target for the 2024/2025 financial year has not been met. Target not met. The Business Continuity Plan was rejected by ICT Steering on the 12 September 2024.	The Business Continuity Strategy will need to be revised and re-sent to the ICT Strategy for approval during the 2025/2026 financial year.

Summary of Results: Municipal Transformation and Organisational Development				
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0	0%
R	KPI Not Met	0% <= Actual/Target <= 74.999%	2	40%
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	1	20%
G	KPI Met	Actual meets Target (Actual/Target = 100%)	1	20%
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0	0%
B	KPI Extremely Well Met	150.000% <= Actual/Target	1	20%
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0	0%
	Total KPIs:		5	100%

KPA 4

Local Economic Development																				
Responsible Directorate	KPI Name	Strategic Objective	Baseline	Quarter ending September 2024			Quarter ending December 2024			Quarter ending March 2025			Quarter ending June 2025			Overall Performance for Quarter ending September 2024 to Quarter ending June 2025			Performance Comment on Annual Performance	Corrective Measures on Annual Performance
				Target	Actual	R	Target	Actual	R	Target	Actual	R	Target	Actual	R	Target	Actual	R		
Office of the Municipal Manager	32. Number of work opportunities created by the municipality through Public Employment Programmes (incl. EPWP, CWP and other related employment programmes)	Develop a vibrant rapidly growing employment generating economy based on tourism, agriculture, ocean resources and new digital technologies	910	60	634	B	579	943	B	419	640	B	171	671	B	1 229	2 888	B	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Office of the Municipal Manager	33. Number of tourism initiatives supported	Develop and support adventure and extreme water sports	4	1	4	B	3	1	G	0	0	N/A	1	1	G	5	6	G2	The annual target for the 2024/2025 financial year has been met. Additionally, the municipality assisted in preparations for Ndlambe Music Festival.	No corrective measures are applicable.
Office of the Municipal Manager	34. Number of LED Strategies reviewed	Improve the governance of the Municipality	1	0	0	N/A	0	0	N/A	1	0	R	0	0	N/A	1	0	R	The LED Strategy could not be tabled before council due to a request from councillors to be workshopped on the LED Strategy.	A workshop with Councillors will be scheduled. Once this has been concluded, the LED Strategy will be tabled before council.

Summary of Results: Local Economic Development				
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0	0%
R	KPI Not Met	0% <= Actual/Target <= 74.999%	1	33.33%
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0	0%
G	KPI Met	Actual meets Target (Actual/Target = 100%)	0	0%
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1	33.33%
B	KPI Extremely Well Met	150.000% <= Actual/Target	1	33.33%
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0	0%
	Total KPIs:		3	100%

Financial Viability and Management

Financial Viability and Management																				
Responsible Directorate	KPI Name	Strategic Objective	Baseline	Quarter ending September 2024			Quarter ending December 2024			Quarter ending March 2025			Quarter ending June 2025			Overall Performance for Quarter ending September 2024 to Quarter ending June 2025			Performance Comment on Annual Performance	Corrective Measures on Annual Performance
				Target	Actual	R	Target	Actual	R	Target	Actual	R	Target	Actual	R	Target	Actual	R		
Financial Services	35. Percentage Collection Rate	Improve financial viability of the municipality	0.78%	69.00%	79.00%	G2	78.00%	83.67%	G2	72.00%	77.67%	G2	76.00%	78.33%	G2	73.75%	79.67%	G2	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Financial Services	36. Cash/ Cost Coverage Ratio (Excluding Unspent Conditional Grants)	Improve financial viability of the municipality	01:01	01:01	2.27:1	B	01:01	0.63:1	R	01:01	01:01	G	01:01	01:01	G	01:01	1.23:1	G2	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Financial Services	37. Percentage reduction of Irregular, Fruitless and Wasteful, Unauthorised Expenditure prior years	Improve financial viability of the municipality	80.00%	0.00%	0.00%	N/A	0.00%	0.00%	N/A	0.00%	0.00%	N/A	70.00%	0.00%	R	70.00%	0.00%	R	The annual target for the 2024/2025 financial year has not been met. The report has not yet been tabled in Council.	The SCM report was submitted to MPAC for investigation. A report detailing the findings from this investigation and recommendations from MPAC were submitted to Council on the 29th of August 2025.
Financial Services	38. Irregular, Fruitless and Wasteful Expenditure as a percentage of Total Operating Expenditure	Improve financial viability of the municipality	0.35%	0.00%	0.00%	N/A	0.00%	0.00%	N/A	0.00%	0.00%	N/A	25.00%	11.00%	B	25.00%	11.00%	B	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Financial Services	39. Repairs and Maintenance as a % of Property, Plants and Equipment and Investment Property (Carrying Value)	Improve financial viability of the municipality	0.01%	0.01%	0.42%	B	0.01%	1.00%	B	0.02%	2.00%	B	0.02%	2.00%	B	0.02%	2.00%	B	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Financial Services	40. Debt coverage	Improve financial viability of the municipality	2.00%	1.00%	0.35%	B	0.00%	0.00%	N/A	1.00%	0.00%	B	0.00%	0.00%	N/A	1.00%	0.18%	B	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Financial Services	41. Current Ratio	Improve financial viability of the municipality	1.06:1	1.10:1	1.18:1	G2	1.10:1	1.26:1	G2	1.10:1	1.31:1	G2	1.20:1	1.32:1	G2	1.13:1	1.27:1	G2	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.

Financial Services	42. Percentage of Total Funded budget (Internal) spent	Improve financial viability of the municipality	0.75%	0.00%	0.00%	N/A	0.00%	0.00%	N/A	0.00%	0.00%	N/A	80.00%	83.77%	G2	80.00%	83.77%	G2	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Office of the Municipal Manager	43. Total Capital Expenditure as a percentage of Total Capital Budget	Improve financial viability of the municipality	0.86%	0.00%	0.00%	N/A	40.00%	57.00%	G2	59.00%	66.00%	G2	70.00%	76.00%	G2	70.00%	76.00%	G2	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.

Summary of Results: Financial Viability and Management				
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0	0%
R	KPI Not Met	0% <= Actual/Target <= 74.999%	1	11.11%
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0	0%
G	KPI Met	Actual meets Target (Actual/Target = 100%)	0	0%
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	5	55.56%
B	KPI Extremely Well Met	150.000% <= Actual/Target	3	33.33%
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0	0%
	Total KPIs:		9	100%

Good Governance and Public Participation

Good Governance and Public Participation																				
Responsible Directorate	KPI Name	Strategic Objective	Baseline	Quarter ending September 2024			Quarter ending December 2024			Quarter ending March 2025			Quarter ending June 2025			Overall Performance for Quarter ending September 2024 to Quarter ending June 2025			Performance Comment on Annual Performance	Corrective Measures on Annual Performance
				Target	Actual	R	Target	Actual	R	Target	Actual	R	Target	Actual	R	Target	Actual	R		
Financial Services	44. Audit Opinion	Improve the governance of the Municipality	0	0	0	N/A	3	4	G2	0	0	N/A	0	0	N/A	3	4	G2	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Office of the Municipal Manager	45. Percentage of alleged fraud and corruption cases reported	Improve the governance of the Municipality	0.00%	100.00%	100.00%	G	100.00%	100.00%	G	100.00%	100.00%	G	100.00%	100.00%	G	100.00%	100.00%	G	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Office of the Municipal Manager	46. Number of Public Participation meetings and formal engagements held with the Local Communities (excluding tavern owner engagements, roundtable engagements and initiation forums)	Improve the governance of the Municipality	4	2	10	B	2	10	B	2	4	B	2	6	B	8	30	B	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Office of the Municipal Manager	47. Number of special programmes held	Provide sustainable, efficient, cost effective, adequate and affordable services to all our citizens	11	5	5	G	3	3	G	1	1	G	1	1	G	10	10	G	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Corporate Services	48. Percentage of councillors who have declared their financial interests	Improve the governance of the Municipality	1.00%	100.00%	100.00%	G	0.00%	0.00%	N/A	0.00%	0.00%	N/A	0.00%	0.00%	N/A	100.00%	100.00%	G	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Office of the Municipal Manager	49. Number of credible IDPs approved by council	Improve the governance of the Municipality	1	0	0	N/A	0	0	N/A	0	0	N/A	1	1	G	1	1	G	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Office of the Municipal Manager	50. Number of developed SDBIPs approved by the Mayor.	Improve the governance of the Municipality	1	0	0	N/A	0	0	N/A	0	0	N/A	1	1	G	1	1	G	The annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.
Office of the Municipal Manager	51. IDP Assessment Rating	Improve the governance of the Municipality	0	0	0	N/A	0	0	N/A	0	0	N/A	3	3	G	3	3	G	The annual target for the 2024/2025 financial	No corrective measures are applicable.

year has been met.

Summary of Results: Good Governance and Public Participation				
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0	0%
R	KPI Not Met	0% <= Actual/Target <= 74.999%	0	0%
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0	0%
G	KPI Met	Actual meets Target (Actual/Target = 100%)	6	75%
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1	12.50%
B	KPI Extremely Well Met	150.000% <= Actual/Target	1	12.50%
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0	0%
	Total KPIs:		8	100%

Overall Summary of Results				
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0	0%
R	KPI Not Met	0% <= Actual/Target <= 74.999%	9	17.65%
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	4	7.84%
G	KPI Met	Actual meets Target (Actual/Target = 100%)	15	29.45%
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	14	27.45%
B	KPI Extremely Well Met	150.000% <= Actual/Target	9	17.65%
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0	0%
	Total KPIs:		51	100%

CHAPTER 4: ORGANISATIONAL DEVELOPMENT

4.1 Component A: Organisational Development

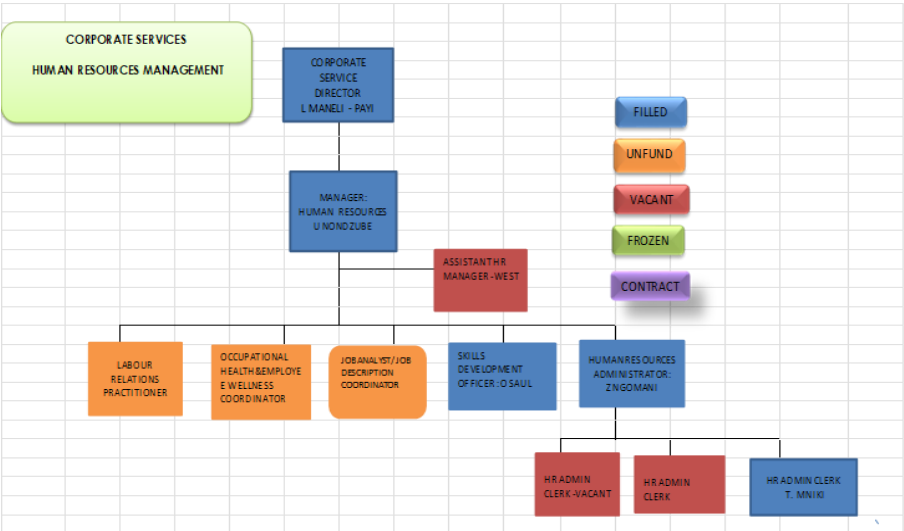
4.1.1 HUMAN RESOURCE SERVICES

Ndlambe Municipality is proud to employ approximately 488 individuals, who account for over 35% of the local municipality's budget. It is vital to understand that our employees are not just valuable assets; they are the heartbeat of our organization. Without their dedication and contribution, achieving our goals would be impossible. We must recognize our staff as our primary customers, and it is the municipality's responsibility to ensure their success and satisfaction. By investing in our team, we invest in the future of our community.

Successful people management hinges on actively overseeing employee performance, which includes not just setting clear goals but also conducting regular performance reviews—a practice that the Office of the Municipal Manager strongly advocates. Furthermore, investing in staff training is crucial in Human Resource Management; when employees are well-trained and knowledgeable, they can significantly enhance the value the Municipality delivers to its customers.

To enhance the effectiveness of our organization, the Municipality, through the Human Resources department, has implemented a robust mechanisms to monitor absenteeism and staff turnover. This is crucial to ensure that our people management process operates at its best through the PayDay System. The strategic and effective management of human resources is not just a necessity; it is the foundation for transforming the Local Government Service as a whole. Furthermore, we are proud to announce that the Leave Management System has undergone a complete transition to an electronic format, streamlining our processes for greater efficiency.

To thrive and maintain its position as a leader in sustainable development, the municipality must implement measures that foster a strategic approach to human resource management. Accordingly, the municipality has adopted a robust organizational structure.



4.1.2 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees: Human Resources Services					
Job Level	Year -1		Year 0		
	Employees No.	Posts No.	Employees No.	Vacancies No. (fulltime equivalents)	Vacancies as a % of total posts
Sec 56	1	1	1	0	0%
Sec 57	4	4	4	0	0%
Task Grade 10-18	104	110	104	6	5.45%

Employees					
Description	Year -1		Year 0		
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	36	30	36	1	3.33%
Wastewater (sanitation)	26	11	26	1	0.09%
Electricity	2	3	2	1	33.33%
Waste Management (Refuse and Street Cleaning)	57	9	57	5	55.55%
Parks and Recreation, Beaches, Nature Conservation and Reserves Management	38	29	38	9	31.03%
Housing	5	7	5	2	28.57%
Roads and Wastewater (stormwater drainage)	102	111	102	9	8.11%
Mechanical and Workshop	5	6	5	1	16.67%
Town Planning & Building Control	12	14	12	2	14.29%
Local Economic Development	4	5	4	1	20%
Planning (strategic and Regulatory)	0	0	0	0	0
Community and Social Services	49	50	49	1	2%
Environmental Protection / Health	3	3	2	1	33.33%
Special Programmes	1	4	1	3	75%
Corporate Policy Offices and Other	113	132	113	24	18.18%

Vacancy Rate: Year 2024/25			
Designations	Total Approved Posts No.	Vacancies No. (Total time that vacancies exist using fulltime equivalents)	Vacancies as a proportion of total posts in each category %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S57 Managers (excluding Finance Post)	3	0	0%
Other S57 Managers (Finance Post)	0	0	0%
Fire Fighters	17	1	0%
Senior Management levels 13 – 18 (excluding Finance Post)	25	0	0%
Senior Management levels 13 – 17 (Finance Post)	4	0	0%

Highly skilled supervision: levels 9 – 12 (excluding Finance posts)	58	0	0%
Highly skilled supervision: levels 9 -12 (Finance posts)	11	0	0%
Internal Audit Staff (Levels 9– 12)	3	1	0%

COMMENT ON VACANCIES AND TURNOVER

The critical positions mentioned in the above column are filled which positively reflect the stability of the Municipality and the functioning of the Retention Strategy of Ndlambe Municipality. However, other terminations in lower positions are as a result of resignations, deaths, retirements and dismissals.

4.2 Component B: Managing the Municipal Workforce

4.2.1 MUNICIPAL WORKFORCE MANAGEMENT

The Council has reviewed and adopted various policies, including newly developed ones to conform with the Municipal Staff Regulations. The process of policy development is ongoing and responsive to emerging needs. It is important to highlight that the engagement process, which involved consultations with labour representatives at the Local Labour Forum meetings and collaborative working sessions with the Councillors, has played a crucial role in finalizing these policies.

The Local Labour Forum meets quarterly to discuss issues of mutual interest between the employer and organized labor. In instances when the Local Labour Forum does not convene, a memorandum of agreement is signed by both the Employer and Organized Labour. This forum is essential for maintaining stability within the institution.

4.2.2 POLICIES

Ndlambe Municipality currently has the following Human Resources Policies in place:

No.	Policy	Custodian(s)/Responsible person
1	Allowances Policy	Corporate Services
2	Bereavement Policy	Corporate Services
3	Employee Wellness Policy	Corporate Services
4	Discipline/Labour Relations Policy	Corporate Services
5	Leave Policy	Corporate Services
6	Occupational Health & Safety Policy	Corporate Services
7	Overtime Policy	Corporate Services
8	Private Work (Code of Conduct) Policy	Corporate Services
9	Remuneration Policy	Corporate Services
10	Recruitment and Selection Policy	Corporate Services
11	Essential User Car Scheme Policy	Corporate Services
12	Skill Development Policy	Corporate Services
13	Disciplinary Procedure Agreement	Corporate Services
14	Motor Vehicle Allowance	Corporate Services
15	Policy On Casual or Contract Workers	Corporate Service
16	Grievance Policy	Corporate Services
17	Attendance and Punctuality Policy	Corporate Services
18	Relocation Policy	Corporate Services

19	Retention and scarce skills Policy	Corporate Services
20	Smoking Policy	Corporate Services
21	Substance abuse Policy	Corporate Services
22	Job Evaluation Policy	Corporate Services
23	Chronic illness Policy	Corporate Services
24	Sexual Harassment Policy	Corporate Services
25	COVID-19 Ready Workplace plan and return to work policy	Corporate Services
26	Data allowance Policy and Procedures for Audit Committee member	Corporate Services
27	Training, Education and development Policy and Skills Development Plan for Councillors	Corporate Services
28	Stand-by, Shift and night work allowance policy	Corporate Services
29	Telephone policy	Corporate Services
30	Anti – Corruption and fraud prevention Policy	Corporate Services
31	Whistle blowing Policy	Corporate Services
32	Appointment of Senior Manager's Policy	Corporate Services
33	Post-Retirement Medical Subsidy Policy	Corporate Services
34	Danger Allowance Policy	Corporate Services
35	Mayor's External Bursary Policy	Corporate Services
36	Cellphone Allowance and Date card policy	Corporate Services
37	Termination of Services Policy	Corporate Services
38	Promotion, Transfer, Secondment and Acting appointment policy	Corporate Services
39	Private Work and Declaration of Interest Policy	Corporate Services
40	Corporate Uniform Policy	Corporate Services
41	Internship/Experiential Policy	Corporate Services
42	Human Resources Plan	Corporate Services
43	Employment Equity Policy	Corporate Services
44	Delegation Framework	Corporate Services
45	Leave Encashment Policy for Senior Managers	Corporate Services

4.2.3 INJURIES, SICKNESS AND SUSPENSIONS COMMENT ON INJURY AND SICK LEAVE

The low utilization of injury-on-duty leave this year indicates a positive trend, as most injuries sustained were not serious. Notably, only one employee experienced an amputation due to a motor vehicle accident (MVA), and fifty nine cases were reported to the Compensation Fund from 2004 to 2024.

In contrast, the high usage of sick leave, driven largely by lifestyle diseases, highlights an area where we can improve. However, our proactive wellness programs are making a real difference and helping to mitigate these concerns.

While chronic illnesses and possible sick leave abuse contribute to this situation, it is essential to recognize and address these challenges.

To enhance employee health, the municipality has introduced a full-time aerobics class on Mondays and Wednesdays, demonstrating our commitment to fostering a culture of wellness.

The following claims were submitted, with their statuses outlined:

Claim Number	Date of Loss/Claim	Claimant	Status Description
12053334	2023/11/08	Liability Accepted	
12034682	2024/02/16	Liability Accepted	
11988418	2024/04/16	Liability Accepted	
11959737	2024/02/14	Liability Accepted	
11948564	2024/01/19	Liability Accepted	
11943768	2024/01/01	Liability Accepted	
11891314	2023/07/12	Liability Accepted	
11873883	2023/06/03	Liability Accepted	
11869147	2023/01/06	Claim rejected	
11786643	2022/10/27	Liability Accepted	
11734211	2022/05/18	Liability Accepted	
11723639	2022/06/05	Liability Accepted	
11710072	2020/11/04	Liability Accepted	
11709840	2021/04/12	Liability Accepted	RETIRED 30/04/2022
11694977	2018/06/27	Liability Accepted	RETIRED 01/08/2018
11689252	2022/03/10	Liability Accepted	MEDICALLY BOARDED 31/08/2023
11534217	2019/01/21	Liability Accepted	CONTRACT ENDED 11/11/2021
11532310	2019/01/21	Liability Accepted	CONTRACT ENDED 28/01/2020
11388347	2020/05/12	Liability Accepted	
11386233	2020/06/13		
11302685	1991/12/24	Liability Accepted	DECEASED
11267180	2015/02/17	Liability Accepted	
11258584	2012/04/26	Liability Accepted	
11205591	2017/01/27	Liability Accepted	EARLY RETIREMENT 16/05/2024
11193503	2016/12/12	Liability Accepted	
11114267	2018/06/14	Liability Accepted	
11061167	2019/01/21	Liability Accepted	
11055486	2018/10/29	Liability Accepted	RETIRED 01/08/2018
10968514	2017/07/14	Liability Accepted	
10909094	2017/06/06	Liability Accepted	
10854626	2018/05/09	Liability Accepted	

10645538	2015/11/06	Liability Accepted	DISMISSED 15/11/2018
10633797	2016/05/18	Liability Accepted	
10612479	2016/03/15	Liability Accepted	
10476294	2013/11/12	Liability Accepted	
10471962	2013/09/30	Liability Accepted	
10439289	2014/04/30	Liability Accepted	
10400118	2014/04/29	Liability Accepted	2024/05/16 EARLY RETIREMENT
10390305	2013/07/30	Liability Accepted	2019/12/31 RETIREMENT
10386591	2014/02/03	Liability Accepted	2015/04/30 RETIREMENT
10365831	2013/11/13	Liability Accepted	2014/03/31 RERETIREMENT
10365796	2013/07/14	Liability Accepted	
10356897	2013/06/04	Liability Accepted	YES
10348155	2014/07/03	Liability Accepted	11/15/2018 DISMISSED
10327021	2014/01/01	New Claim	2/28/2018 ILL HEALTH RETIREMENT
10312915	2012/10/23	Liability Accepted	10/31/2016 RETIREMENT
10270687	2011/12/08	Liability Accepted	2013/11/15 RESIGNED
10234987	2013/06/13	Liability Accepted	YES
10217399	2010/05/29	New Claim	2/28/2017 PENSION
10199998	2012/09/14	Liability Accepted	2015/04/30 RETIREMENT
10160942	2011/10/26	Liability Accepted	YES
10158713	2010/03/18	New Claim	12/30/2020 RETIRED
10148072	2012/02/14	Liability Accepted	YES
10103729	2011/02/15	New Claim	2019/12/31 RETIREMENT
10046731	2009/03/09	Liability Accepted	YES
10044316	2010/02/01	Liability Accepted	YES
10019124	2007/02/26	New Claim	2015/08/31 PENSION
10017406	2006/05/22	Liability Accepted	2024/08/31 PENSION
10014704	2004/05/07	New Claim	2011/11/06 END CONTRACT

Financial Competency Development: Progress Report*

Description	A. Total Number of officials employed by municipality (Regulations 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial officials						
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	1	0	1	1	1	1
Senior Managers	3	0	3	3	3	3
Any other Officials	11	0	0	11	0	0
Supply Chain Management Officials	3	0	0	3	0	0
Heads of supply	1	0	0	1	0	0

chain management units						
Supply chain management Senior Managers	0	0	0	0	0	0
TOTAL	19	0	5	19	5	5

4.3 Component C: Capacitating the Municipal Workforce

4.3.1 WORKFORCE CAPACITY DEVELOPMENT

The municipality is committed to enhancing human capital through the ongoing training and development of its staff. Each year, we meticulously formulate the Workplace Skills Plan and submit it to the Local Government Seta. This comprehensive plan details targeted capacity-building programs tailored for our Councillors and workforce, ensuring that we cultivate skilled leaders and dedicated employees for a prosperous future.

TRAINING AND DEVELOPMENT: COUNCILLORS

Name & Surname	Type of Learning Programme	Name of Learning Programme
Cllr A Marasi	Learnership	MFMA
Cllr S Kolosa	Bursary	Diploma in Local Government
Cllr A Nyumka	Bursary	Bachelor of Public Administration
Cllr X Runeli	Bursary	Higher Certificate in Paralegal Studies
Cllr M Sweli	Bursary	Postgraduate in Public Management
Cllr S Dyakala	Bursary	Higher Certificate in Local Government
Cllr N Memani	Bursary	Higher Certificate in Local Government and Development Management

EMPLOYEE TRAINING REPORT

Name & Surname	Position	Type of Learning Programme	Name Of Learning Programme
1. Diane May	Deputy Director Finance	Bursary	BCOMPT in Financial Accounting
2. Siyasanga Ngubo	Contracts Clerk	Bursary	BCom in International Supply Chain Management
3. Simamkele Mbenga- Smaile	Manager Supply Chain Management	Bursary	MBA
4. Lizo Mohapi	Acquisition Officer	Bursary	Advanced Diploma Logistics
5. Nombulelo Cynthia Booysen – Willy	Director Community/Protection Services	Bursary	Postgraduate Diploma in Marine Studies
6. Clair Human	HR Clerk	On the Job Training	Visual Employee Self Service PayDay Software Training
7. Tracy Reid	Executive Secretary Corporate Services	On the Job Training	Visual Employee Self Service PayDay Software Training
8. Noncedo Mbodlane	Admin Clerk		
9. Khanyisa Kani	Executive Secretary Municipal Manager	On the Job Training	Visual Employee Self Service PayDay Software Training
10. Tabisa Mniki	HR Clerk	On the Job Training	Visual Employee Self Service PayDay Software Training
11. Debbie Nel	Executive Secretary CPS	On the Job Training	Visual Employee Self Service PayDay Software Training

12. Sivuyisiwe Sakambana	Executive Secretary Finance	On the Job Training	Visual Employee Self Service PayDay Software Training
13. Ann Barkhuizen	Senior Accountant Expenditure/Payroll	On the Job Training	Visual Employee Self Service PayDay Software Training
14. Anelisa Klaas	Executive Secretary Infrastructure	On the Job Training	Visual Employee Self Service PayDay Software Training
15. Nomvuyo Ngogela	Admin Clerk Infrastructure	On the Job Training	Visual Employee Self Service PayDay Software Training
16. Asandiswa Mtyhapa	Admin Clerk Infrastructure	On the Job Training	Visual Employee Self Service PayDay Software Training
17. Lelethu Poni	Costing Clerk	On the Job Training	Visual Employee Self Service PayDay Software Training
18. Nombuso Sodladla	Executive Secretary to the Speaker of Council	On the Job Training	Visual Employee Self Service PayDay Software Training
19. Patricia Tokwe	Admin Clerk – Corporate Services	On the Job Training	Visual Employee Self Service PayDay Software Training
20. Olwethu Saul	Skills Development Officer	On the Job Training	Visual Employee Self Service PayDay Software Training
21. Zukiswa Ngomani	HR Administrator	On the Job Training	Visual Employee Self Service PayDay Software Training
22. Aubrina Van Niekerk	Records Administrator	On the Job Training	Visual Employee Self Service PayDay Software Training
23. Jackie Nel	Manager Administration	On the Job Training	Visual Employee Self Service PayDay Software Training
24. Colleen Mani	Manager Income/Revenue	On the Job Training	Visual Employee Self Service PayDay Software Training
25. Carin Engelbrecht	Manager Expenditure	On the Job Training	Visual Employee Self Service PayDay Software Training
26. Gerrie Germisthuizen	Manager ICT	On the Job Training	Visual Employee Self Service PayDay Software Training
27. Lazola Maneli-Payi	Director Corporate Services	On the Job Training	Visual Employee Self Service PayDay Software Training
28. Mlungisi Klaas	Director Financial Services	On the Job Training	Visual Employee Self Service PayDay Software Training
29. Ntombozuko Diko	General Worker	Skills Programme	eNaTIS Driving License
30. Mzongwana Xabendlini	General Worker	Skills Programme	eNaTIS Driving License
31. Zandre Strydom	eNaTIS Administrator	Skills Programme	Training on eNaTIS
32. Tabisa Mniki	HR Clerk	Bursary	BCom in Human Resources Management
33. Clair Human	HR Clerk	Bursary	Higher Certificate in Human Resources Management
34. Mzomhle Mxube	Finance Filling Clerk	Bursary	Higher Certificate in Local Government Finance
35. Olwethu Saul	Skills Development Officer	Online Course (NSG)	Introduction to Strategic Human Resources Management - 2025/ Introduction to Strategic Planning and Management
36. Tania Matthys	LED Intern	Online Course (NSG)	Ethics in Local Government
37. Nangamso Aja	PMS Intern	Online Course (NSG)	Managing Performance in the Public Services – 2025/26 Writing for Government: Advanced Writing Skills – 2025/26

38. Simamkele Mgoduka	PMS Intern	Online Course (NSG)	Writing for Government: Advanced Writing Skills – 2025/26
39. Busisiwe Matsalo	PMS Intern	Online Course (NSG)	Writing for Government: Advanced Writing Skills – 2025/26 Introduction to Leading Change 2025/26
40. Siviwe Mani	Corporate Services Intern	Online Course (NSG)	Ethics in Local Government Writing for Government: Advanced Writing Skills – 2025/26
41. Phelokazi Msipa	Corporate Services Intern	Online Course (NSG)	Introduction to Leading Change - 2025/26 Introduction to Strategic Human Resources Management - 2025/26 Ethics in Local Government Writing for Government: Advanced Writing Skills - 2025/26

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

The municipality prioritizes expenditure on skills development based on the organization's needs to enhance service delivery. All Heads of Departments have undergone training in financial competency regulations. Additionally, the municipality invests in its employees through formal education. Finance interns receive training in the financial competency area through the Municipal Systems Improvement Grant (MSIG)

4.3.2 CUSTOMER CARE UNIT

The Municipality has a dedicated Customer Care Unit which has a tracking report system on all complaints received it.

OBJECTIVES

- To use the Batho Pele Principles as a milestone for monitoring and providing feedback on quality of municipal service delivery;
- To use and entrench people centeredness and Batho Pele as a service delivery improvement tool for the municipality.
- The White Paper on Transformation of Public Services aims to provide people centred customer service. It calls for a shift away from inward looking systems, processes and attitudes to the issues and interests of the people or the public.
- To deliver people centred services it is important for the municipality to embrace and institutionalize the Batho Pele principles. This is not only to ensure that the municipality complies with legislation, but a people-centred culture leads to improved service delivery.

PROPOSED PROCESS PLAN

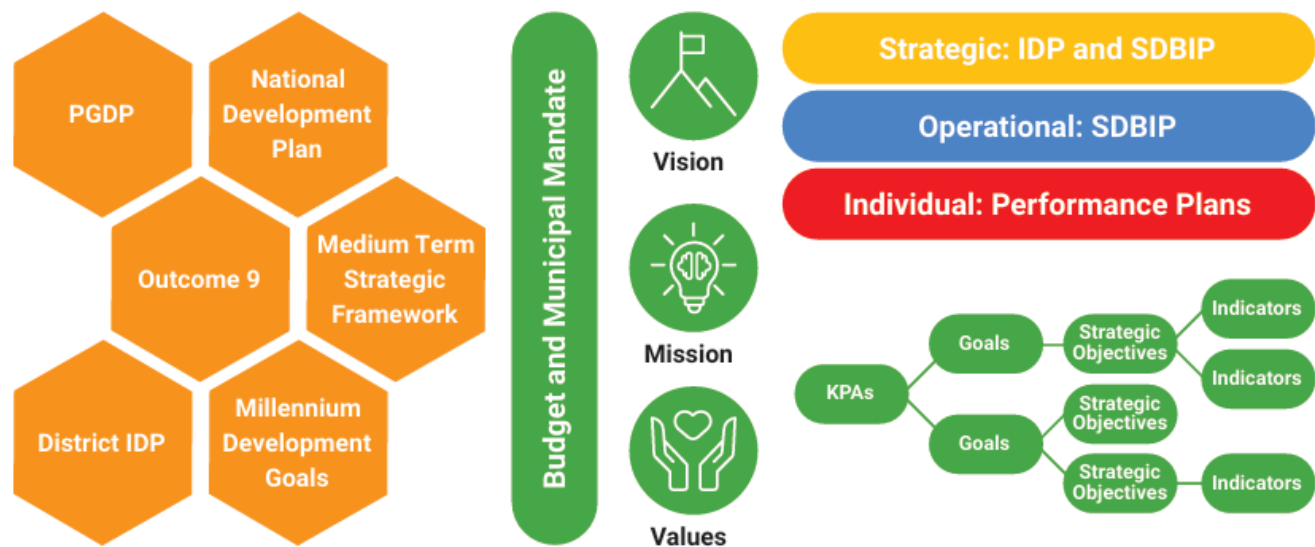
- Conduct diagnostic analysis
- Develop tools for diagnostic analysis in a phased approach
- Develop and propose solutions
- Develop Customer Relations Framework/Strategy
- Integrated Service Delivery (a move away from silo mentality negative effect on service delivery)
- Surveys (CRM) internal and external
- Reporting Matrix for continuous improvement
- Understanding the importance of customer / customer retention

4.3.3 PERFORMANCE MANAGEMENT SYSTEMS

Performance Management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure, and review performance indicators to ensure efficiency, effectiveness, and the impact of service delivery by the Municipality. The PMS links the long-term strategic objectives of Ndlambe organisation to its day-to-day performance by setting measurable key performance indicators (KPI's) and monitoring performance against those indicators. It is an essential tool to monitor whether or not the municipality is on track to meet targets and serves as an early warning system to identify areas where improvement is required to enhance service delivery and recognise excellent performance. The Municipal Systems Act (MSA), (Act 32 of 2000) requires municipalities to: Establish a Performance Management System (PMS) Align the Integrated Development Plan (IDP), in accordance with the Municipal Finance Management Act (MFMA) (Act 56 of 2003), to the municipal budget. To monitor the performance of the budget against the IDP via the Service Delivery and Budget Implementation Plan (SDBIP). The Municipal Planning and Performance Management Regulations, 2001: Stipulate that a municipality's

Performance Management System (PMS) should entail a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.

The diagram below provides an overview of the Ndlambe LM’s Performance Management Model:



Levels of Measurement

It important to note that performance is measured on three levels:

- Level 1 – at and organisational level
- Level 2 - an operational departmental level
- Level 3 – at an individual level

LEVEL 1 Strategic (Organisational) Performance linked to the IDP of Ndlambe Municipality	LEVEL 2 Operational (Departmental) Performance linked to the SDBIP of Ndlambe Municipality	LEVEL 3 Individual Performance linked to PMS and the individual’s KPAs and job descriptions
At this level the performance of the municipality is measured and managed against the progress made in achieving the strategic objectives as set out in the integrated development plan (IDP) of the municipality. This is done based on key performance indicators (KPIs) and targets set for each of the IDP objectives. Given the fact that the IDP has a five-year time span, the measures set at this level is of a strategic and long-term nature with an Outcomes focus. The measures set for the Municipality at an organisational level is captured in an organisational scorecard into what is referred to as “Organisational Scorecard”	The validity of the strategy of the municipality and the extent to which it is successfully implemented, is also measured and managed at an operational (departmental) level. This is achieved by measuring the progress made regarding service delivery and budget implementation via service delivery measures and targets captured in the annual Service Delivery and Budget Implementation Plan (SDBIP) of a municipality. Given the fact that a SDBIP has a one-year time span, the measure set at this level is of an operational and short to medium-term nature. This level is Output focused as oppose to level 1 above, which is Outcomes focused. The SDBIP is a two-tiered plan with a top and departmental layer.	The performance of individuals is measured against personal performance targets, which are set in accordance with job descriptions and their roles linked to the strategy of the municipality and SDBIP’s of the municipal operational units (departments). The Municipal Performance Regulations for Municipal Managers and Managers reporting directly to Municipal Managers, 2006 have put in place a legislative framework for linking the individual performance of section 57 Managers to the strategy and operations of the municipality.

CASCADING OF PMS

By cascading performance measures from rganizational to operational and individual levels, both the IDP and the SDBIP form the link to individual performance management. This link ensures that performance management at the various levels relate to one another, which is a requirement of the Municipal Planning and Performance Regulations, 2001. The MFMA, 2003 specifically requires that the annual performance agreements of managers to be linked to the SDBIP of the municipality and the measurable performance objectives approved with the budget. Ndlambe Municipality has implemented the cascading of performance as required by the Municipal Staff Regulations, 2021 as follows:

- Group 1- Task Grade 17- 10 (2023-2024 FY)
- Group 2- Task Grade 9-6 (2024-2025 FY)
- Group 3 – Task Grade 5-1 (2025-2026 FY)

PERFORMANCE MANAGEMENT COMMITTEE

The Municipal Council has restructured its existing Audit Committee to extend its mandate to include the Auditing of Performance Information (AoPI).

As per the Regulations, 2001, the Audit Committee will:

- Review the quarterly reports submitted to it by the internal audit unit.
- Review the municipality's performance management system and make recommendations in this regard to the council of that municipality.
- Assess whether the performance indicators are sufficient; and
- At least twice during a financial year submit an audit report to the Municipal Council

The following summary reflects how the current PMS system aligns with national legislation and compliance expectations: Ndlambe Municipality has a structured and legislatively compliant Individual Performance Management System (PMS), which cascades from strategic (IDP) and operational (SDBIP) levels down to individual employees. Performance is assessed using personal KPAs and job descriptions, aligned to the municipal strategy and monitored by the Performance Management Committee. This approach ensures accountability, early warning, and continuous improvement in service delivery. The PMS is underpinned by the Municipal Systems Act (2000), the MFMA, and the 2001 Performance Management Regulations.

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

The rganizational objectives and priorities are translated into a Service Delivery and Budget Implementation Plan. The predetermined key performance indicators in the SDBIP are monitored quarterly and periodically evaluated against IDP objectives. The monitoring and evaluation function collects data that is used to review, re-assess, and revise the IDP where necessary. The effectiveness of the implementation of the short-term plan (SDBIP) will be measured against the medium-term plan (IDP) on an annual basis. Every five years, implementation evaluation of an IDP on the achievement of the objectives of the Long-Term Growth and Development Plan will be undertaken. The spatial impact in terms of the IDP programmes and projects will be evaluated regarding the SDF. The monitoring and evaluation function includes the tracking of resolutions from council meetings until its implementation. The Service Delivery and Budget Implementation Plan (SDBIP), performance agreements and plans underpin effective performance management.

CHAPTER 5: FINANCIAL PERFORMANCE

Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognised accounting practice, uniform expenditure classifications and uniform treasury norms and standards. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe, by regulation such measures in terms of section 168 thereof.

The application of sound financial management principles is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The key objective of the Municipal Finance Management Act (2003) is to modernise municipal financial management in South Africa so as to lay a sound financial base for the sustainable delivery of services. Municipal financial management involves managing a range of interrelated components: planning and budgeting, revenue, cash and expenditure management, procurement, asset management, reporting and oversight. Each component contributes to ensuring that expenditure is developmental, effective and efficient and that municipalities can be held accountable.

The Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. Encouragement of structured community participation in the matters of the municipality is an important focus area.

Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognised accounting practice, uniform expenditure classifications and uniform treasury norms and standards. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe, by regulation such measures in terms of section 168 thereof.

Efforts are made to address the issues raised by the Auditor-General in both the audit report and the audit management letter for the audit. An audit check list was developed and is monitored by the internal auditor to ensure that we improve in the areas identified. Further controls and action plans have been implemented by the finance directorate to ensure that the financial statements are prepared timeously and that we work towards an improved audit outcome. To achieve a clean audit is going to be a challenge and all offices and directorates are going to have to pull together as a team to achieve the objective. The compilation of the financial statements and the audit undertaken by the auditor-general's office is no longer just a finance issue.

The demands on the finances of Ndlambe Municipality continue to be significant as backlogs in services, aging infrastructure, and maintenance remain a serious challenge. Emphasis has to be put on enhancing our revenue streams and collecting debt due to the Ndlambe Municipality by consumer and ratepayers that have the ability to pay. Households that receive indigent grants that are in fact not indigent also need to be addressed. Debt collection had always been a challenge in the Eskom Electricity supply areas, however, municipality is making efforts to mitigate the challenge through introduction of prepaid metering devices. Escalating bulk electricity costs, loadshedding and use of alternative energy sources had a negative impact on our electricity revenue. On the otherhand water shortages in the western areas of Ndlambe Local Municipality led to an unexpected service delivery costs as alternative means had to be made to ensure water is made available to these communities.

The internally funded capital budget, the reduction in the maintenance budget and reducing budgets for depreciation/bad debts provision/income foregone to balance the budget and the increase to our customer's needs to be seriously addressed in future financial years as the aging infrastructure needs to be replaced and maintained. In to address these challenges experienced in balancing the budget, the Municipality had to do Cost of Supply studies for all trading services for the 2024/25 Budget. The efforts will be evaluated at year-end, this had been done at high costs during this year anticipating better results in the future.

A major challenge that continues to face the administration of Ndlambe Municipality and highlighted in the Auditor-Generals management letter in the past and still continuing, is the implementation and compliance to regulations emanating from the Municipal Finance Management Act including but not limited to supply chain management issues, asset management, budget control and material water losses. The highlighted cost related challenges are the contributors to these challenges.

5.1 Municipal Financial Viability

5.1.1 FINANCE DIRECTORATE

The finance directorate is a support directorate to other directorates and ratepayers of Ndlambe Municipality. The finance directorate consists of four sections namely the Budget and Treasury Office, Supply Chain Unit, Revenue and Expenditure. The main office of finance is situated in Port Alfred with three satellite offices in Alexandria, Kenton-on-Sea and Bathurst.

The objectives of the finance directorate for the 2024/2025 financial year were as follows:

- To activate/implement, update the entire Municipality's fixed asset register and ensure its Compliance to GRAP (Generally Recognised Accounting Practice);
- Ndlambe is able to raise sufficient revenue (internal and external sources) and manage the assets to meet their responsibilities in terms of service delivery incorporating both capital and operational costs;
- To maintain Finance assets;
- To improve communication of the budget process;
- To implement mSCOA according to National Treasury Circulars and guidelines;
- Households living below the poverty line, as well as vulnerable groups, have improved access to all required basic services, health facilities and social/ work creating programs;
- Develop the Supply Chain Management Unit to be in line with the SCM policy and meet the requirements of good practice and address all issues raised in the report of the Auditor-General;
- To ensure financial resources are utilised in an economical, efficient and effective manner;
- Develop the capacity of the Budget and Treasury Office (BTO) to meet the requirements of credible financial management;
- To ensure that all revenue is collected on a monthly basis to cover the operating expenditure of the municipality on a daily basis;
- To ensure all indigents have access to free basic services;
- To ensure an effective customer care service to all residents;
- To ensure increased registration of the qualifying indigent households;
- To ensure deceased indigent beneficiary's households are visited to obtain information of the occupant and verify if the household qualifies to be indigent;
- To work with infrastructure development to reduce water and electricity losses
- To find ways to enhance revenue collection and improve cashflow
- The newly approved SSEG policy must be implemented together with the NERSA approved electricity tariffs

To meet the above objectives the following indicators were set that we needed to achieve:

- Percentage of progress made towards maintenance and rehabilitation of Asset register including all Finance Leases, Operating Leases, Infrastructure Assets and municipal and Investment properties;
- New asset acquisitions are recorded/captured on a monthly basis;
- The existence of all assets is verified half yearly;
- All assets acquired are bar coded and insured on a monthly basis;
- Percentage increase in the possible local revenue base;
- 100% spending of FMG grant allocated;
- Increase in % of equitable share based on more accurate statistics in terms of the DORA;
- Percentage decrease in non-payment;
- Percentage of elements of financial system utilized;
- Increased in number of staff trained to effectively use the financial system;
- Increase in number of useful reports generated for planning and monitoring purposes;
- Increase in the investments of maintenance / upgrade of financial system;
- Number of reports that meet the legal requirements at the right time;
- Percentage of improved cash flow by reducing expenditure to match actual cash on hand;
- Number of Finance assets assessed and ensuring that they are utilized economically;
- Relevant advertisements and loud hailing are done within the legislated time frames;
- Increase in number of households benefiting from poverty alleviation programs;
- Fully operational SCM unit in line with SCM Policy and MFMA implemented;
- Income and expenditure reports are provided on a monthly basis to offices and directorates for them to do budget control;
- Infrastructure investment plan is developed for development priorities in the IDP;
- Relevant officials are trained to ensure that they are able to contribute to the financial management system (treasury departments and departmental managers);
- A process plan in place to ensure all new buildings, additions to buildings, re-zoning of properties, sub-divisions and consolidations are forwarded to the finance directorate on a monthly basis for billing and valuation purposes;
- All residents who do not have the financial means to pay for basic services in terms of the indigent policy are registered;
- A complaint register to reduce number of complaints from residents resulting from system errors is developed;
- Increase in response time and resolution of complaints to be within 7 days of receipt.

FINANCE DIRECTORATE CHALLENGES

The following general challenges were experienced by the finance directorate for the year ending 30 June 2025:

- Grant dependency for capital expenditure;
- Increase of the debtors book impacting negatively on our financial viability;
- Turnaround time of customer queries and complaints;
- Asset maintenance and asset control to ensure sustainability;
- Revenue enhancement;
- Lack of office space;
- Staff establishment;
- Reduction of bad debt, depreciation and income foregone budget to reduce the tariff percentage increase to ratepayers and consumers;
- Water losses, due to leaks and faulty meters.
- Decentralisation of the supply chain unit;
- Subsidisation of water consumed by households in Amatola subsidised areas;
- Debt collection in ESKOM licensed electricity distribution areas.
- Increase in unbilled water in areas affected water scarcity and rationing
- Occupancy rate in some of our areas have a negative impact on revenue derived from consumption units

Finance Directorate Composition

CREDITORS

Payroll

Administer payment of salaries and allowances. Monthly reconciliation of salaries. Payroll runs on the Friday closest to the 25th of each month where salaries are transferred electronically to staff members bank accounts. Payments made to the Pension Funds, SDL, PAYE and UIF as well as other salary deductions due, are done before the 7th of the following month. The duties are performed by a payroll clerk and Senior accountant who reports directly to the Expenditure Assistant Director.

Creditors Payments

Administer payment of creditors. Creditors to be paid within 30 days of invoice received date. Monthly, statements of creditors reconciled with the paid and outstanding invoices. Late submission of invoices past 25 days of invoice date should be accompanied by a memo stating the reason for such late payments. Ovvio scanning has been implemented to ensure easy access and safekeeping of such payment vouchers. Direct payments are done on a day-to-day basis for emergencies, accommodation, travelling and temporary wages.

Project Management unit has been established under the SCM Unit. Invoices and payments related to a project are captured by the SCM-Project Management Unit and submitted to Expenditure section for authorization.

Two stamps (signed) to authenticate the capturing of such invoices are required from the Project Management Units:

- a) The Project Management Stamp indicating the Project Number and that the relevant SLA is in place for the project.
- b) Project Management stamp confirming that the Invoice captured complies with SARS specifications and VAT has been correctly allocated.

THE STRATEGIC OBJECTIVE OF THE CREDITORS SECTION

To utilise all the functions available on the MunSoft system to be more effective on directs-/creditors payments. To safekeep of Expenditure documentation electronically. The key issues for 2024/2025 were:

- To get all expenditure documents on an electronical filing system
- Balance and reconcile creditors statements

REVENUE

The revenue section within Ndlambe Municipality covers a wide range of functions which are of an administrative nature. It plays a pivotal role in revenue generation and collection activities through:

- Formulation, implementation and reviewal of relevant revenue policies
- Ensuring compliance to national, provincial and local government legislation.
- Active participation in various government structures to promote intergovernmental relationships.
- Engaging in revenue enhancement activities by billing for services consumed, provide key statistical data for setting annual tariffs, undertaking banking services, meter readings for billing purposes.
- Facilitation of property general and supplementary valuations and finally rating of properties.
- Facilitation of a credible billing database for metered services.

One of the critical functions of the Finance department is to continuously, monitor expenditure and give advice to other directorates to ensure that expenditure is within approved budget. Financial management is not only inward focused, it provides a wide range of services to local communities. It serves as a delivery mechanism for free basic services.

Free Basic Services

Financial function is responsible for facilitating an enabling environment for the implementation of free basic services by developing policies to be approved by council. It is through these policies that local communities can

access these services. Communities are assisted by the Finance department to apply for these services and thereafter facilitate payment for such services. Different mechanisms are considered to extend the provision of certain free basic services to informal settlement and rural areas. Such services are provided through alternative sources of energy namely gel fuel, gel stoves and solar street lights.

Service Delivery

The Finance department is one of the key role players in service delivery. Finances' role is to provide support to the departments that are directly involved in service delivery. Such support is ensuring of cash resources, these resources are generated through various billing activities, collections of payments due are done by the finance department. One of the greatest challenges that Ndlambe is faced with is electricity distribution in townships which fall under ESKOM's electricity distribution licences. The challenge is in the distribution network that is currently in place. It must be noted that this problem is not exclusive to Ndlambe.

There are number of problems to mention a few, insufficient credits levels maintained by the vendors resulting unavailability of electricity to consumers. Turnaroundtimeofreplacingfaultymetersandinstallingnewmeterswheremeters are required. The matter has been addressed with ESKOM, but no solution has been provided.

Property Valuations

The new General Valuation roll was implemented on the 1 July 2024 and 2 further Supplementary Valuation rolls were compiled during the 2024/2025 financial year to rate new properties and properties that have had improvements done.

THE STRATEGIC OBJECTIVE OF THE REVENUE SECTION

The following are finance key strategic objectives which will contribute towards achievement of the municipality's strategic objectives:

- Creation and maintenance of a credible valuation roll
- Building and maintenance of a good customer relationship
- Creation and maintenance an internal customer approach when serving other internal departments.
- Reduction of errors in billing
- Ensuring maximum collection of municipal revenue through billing and revenue collection.
- Capacitating of departmental staff
- Use of various tools, equipment, to enhance revenue collection
- Identification of unbilled and unmetered consumption to enhance our revenue base.
- Accurate and consistent water and electricity reading
- Reporting and working hand in hand with the infrastructure department in replacing of faulty water meters.
- To implement all feasible revenue enhancement strategies
- To ensure that all deserving indigents are registered for indigent subsidies
- To find ways of containing the escalating indigents subsidy costs without depriving the beneficiaries their right

Key issues for 2024/2025 financial year were:

- The focus was on the following issues which are critical for service delivery and financial viability of Ndlambe Municipality, these included but not limited to the list below:
- Resourcing the department
- Capacitating staff
- Improving billing and credit control information system/reports
- Increasing the number of registered indigents
- Ensuring the indigent register is credible
- Reduce account queries
- Shorten account query response time
- Increasing debt collection efforts

- Improving customer relations
- Exploring other debt collection mechanisms
- Ensuring continuous supply of electricity to consumers in Ndlambe townships.
- Attending to by investigate, obtaining and updated to the financial system with postal or email details for all undelivered accounts
- Increased accessibility of Free basic Electricity to indigent people through:
 - Indigent registration;
 - Issuing of free tokens without purchasing coupons;
 - Provision of alternative energy sources to rural and informal settlement communities.

It must be noted that due to processes to be followed some of the issues may be both short and long term issues.

BUDGET AND TREASURY OFFICE

Budget and Treasury Office was established in terms of section 80 of the MFMA. It consists of BTO manager and two Senior accountants one responsible for reporting and the other responsible for budget. The section plays a pivotal role in compilation and management of expenditure. There is a limited staff complement resourced with the 5 Treasury funded interns. Reliance on interns is a risk as treasury may decide to stop the funding. Ndlambe will have to build its capacity with time.

The functions of the BTO are as follows:

- Budgeting;
- Financial Statements & Reporting;
- Asset Management;
- Cash Management;
- Investments;
- Insurance.

The function of the budget and treasury office within the municipality is administered as follows and includes:

Budgeting

The Municipality's annual budget comprises of operating, capital expenditure, cash flow, and financial position budget. The operating budget funds employee salaries, operating costs, bulk purchases, and assistance for the poor, such as free basic water and sanitation. The Municipality's business and service delivery priorities were reviewed and where appropriate, funds were transferred from low- to high- priority programs to maintain sound financial stewardship. The focus is to critically review expenditure on non-core items.

The capital budget is set aside for spending on infrastructure and services, such as roads, water, and sanitation as well as the many other utilities and services that Ndlambe Municipality needs to function, grow, and offer opportunities to its residents. The cash flow budget focuses on projected cash flow movements determining whether the municipality's cash receipts, and cash and cash equivalent can fund all the operating expenditure and capital commitments.

The entire budget amount per annum is based on the income that the Municipality accrues on rates, service charges, and grants and subsidies. Budgeting on the accrual basis enforces strict cash control measures as before expenditure can be incurred the income must be in the bank. The municipality has to move to a cash budget so that expenditure can be more certain.

BTO's involvement in budgeting starts from the planning, strategizing, preparing, tabling, approving, finalizing, and implementation stage. The planning and strategizing stages are done through the political guidance of the Mayor, i.e. review of timetable schedule and the previous year's budget process to determine what went wrong, what should be corrected, and the way forward. This can be done through internal and external participation. The preparation for the

finalizing stage of the budget is done by the BTO with the assistance of the Accounting Officer and the cooperation of the other directorates. After the implementation the BTO conducts in-year monitoring of the budget. The budget process as compared to prior years has improved, the introduction of funding envelopes that were provided to each directorate to budget within and the establishment of budget support teams allocated to assist and guide the directorates in budget preparation. The procurement plans were compiled and tabled to Council.

THE STRATEGIC OBJECTIVE OF THE THIS SECTION

- Compile a funded, well-balanced, community needs representative and affordable budget informed by the IDP and available resources.

The Key Issues for the Financial Year are:

- The in-year monitoring to control the budget;
- Improve Engagement of the budget steering committee involvement in the budget in order to achieve a smooth budget process;
- To include the SDBIP in the Budget process;
- To achieve 100% aligned system generated cash flow with mScoa data strings;
- To achieve 100 % compliance on mScoa.

Financial Statements and Reporting

The BTO coordinates the process of preparing the financial statements with the finance management team. The finance management team is required to prepare statements that are in accordance with generally recognized accounting practice (GRAP). The Financial Statements are handed over to Auditor General on 31 August for auditing purposes as required by the S126 (1) b of the MFMA. The BTO section prepares the monthly, quarterly, half-yearly, and yearly reports to Council, National, and Provincial Treasury based on the requirements of the MFMA.

THE STRATEGIC OBJECTIVE OF THE FUNCTION

- Compile accurate and reliable financial statements and reports which reflect the true financial position of the Council;
- An updated (contemporary) financial system of Ndlambe is optimally used by competent staff to achieve an unqualified audit report;
- Monitor and update the progress of the audit action plan.

The key issues for the financial year were:

- Striving to produce financial statements that are fully complying with GRAP.
- To develop a monthly checklist to correct errors on matters affecting the financial statements before the reporting date.
- To address all the prior year's audit findings both in the audit report or management report and to maintain sustainability on areas that were not raised.
- Continuous generation of credible financial records that can be used for compilation of financial statements with no or minor adjustments

Asset Management

The asset office coordinates the verification of assets starting from January each year, The verification will first target the low-risk areas or locations and save for last for the high-risk areas. Controls the movement, transfers, acquisitions, and disposals of Council assets daily and calculates the depreciation on a monthly basis. Report to Council a list of assets to be disposed of for approval.

THE STRATEGIC OBJECTIVE OF THE FUNCTION

- Maintain the fixed assets register and ensure 100% compliance with GRAP.
- An updated (contemporary) financial system of Ndlambe is optimally used by competent staff to locate,

identify, and revalue all Municipal Assets.

- Ndlambe Municipality to maximize revenue (internal and external sources) and manage its assets to meet its responsibilities in terms of service delivery incorporating both capital and operational costs.

The key issues for the financial year were:

- Ensuring that the Council asset register complies with GRAP;
- Introducing assets standard operating procedure to improve internal controls.

Cash Management

Prepares a daily cash flow to determine whether the council is in the status to spend from the budget. Informs the directorates if there are any cash flow problems. Allocate grant monies to the allocated budget.

THE STRATEGIC OBJECTIVE OF THE FUNCTION

- To secure sound and sustainable cash flow management of the Council. The key issues for the financial year are:
- To review the cash management and investment policy in accordance with any framework that may be prescribed in terms of s13 (1) of the MFMA.

Investments

The BTO section maintains the quotation process. Identify monies that are transferred to the Council's current account and invest monies not immediately required. Prepares the monthly reconciliation and recognizes interest and re-invests investments on the due date.

THE STRATEGIC OBJECTIVE OF THE FUNCTION

- To secure sound and sustainable investment procedures of the Council, by making use of the investment module of the financial system. The key issues for the financial year are:
- Implement authorization and review the investment decision made by the employee making the investment;

Insurance

Manages the insurance portfolio. Maintain and update the insurance register for all the additions and claims. Allocate payments received from the insurance company to the relevant vote. Update insurance claim register. The problems encountered when implementing the insurance activity are directorates are not informing the BTO of the new acquisitions and stolen assets for insurance additions. Directorates are submitting insufficient information for insurance claims and are not adhering to the terms of the insurance contract. i.e., late submissions.

THE STRATEGIC OBJECTIVE OF THE FUNCTION

- To ensure all the Council assets as per the asset register are insured. The key issues for the financial year are:
- To review the fixed asset register to comply with GRAP and ensuring that the fixed assets are at the market value for the insurance purposes.

MUNICIPAL REGULATIONS ON A STANDARD CHART OF ACCOUNTS (mSCOA)

In terms of section 169(1) (b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the Minister of Finance has signed into effect and subsequently published the Municipal Regulations on a Standard Chart of Accounts (SCOA) in terms of Notice 312 of 2014, Government Gazette No. 37577 subsequent to formal consultation. The Municipal Regulations on a Standard Chart of Accounts inter alia makes provision for an updated GFS Classification Framework, Detailed Classification Framework of the 7 Segments (SCOA Version 5.5). To date Ndlambe has been complying with these requirements in all respects.

Names of pension fund	Number of members
Cape Joint Pension Fund	2
Consolidated retirement fund	389
SALA Pension Fund	26
MWRF	60
Sanlam Umbrella	11
MCPF	1

Names of Medical Aids	Number of members
LA Health	124
Bonitas	144
SAMWU National Medical Scheme	80
Hosmed	57
Key Health	22
Sizwe HosMed	56

Service Providers to the Finance Directorate

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement.

- **Service provider** means a person or institution or any combination of persons and institutions which provide a municipal service.
- **External service provider** means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality.
- **Service delivery agreement** means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

- The performance of each service provider
- Comparison of the performance with targets set for and performances in the previous financial year; and
- measures taken to improve performance

Section 116(2) of the MFMA further states that the accounting officer of a municipality must:-

- take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;
- monitor on a monthly basis the performance of the contractor under the contract or agreement.

Finance Related By-Laws

By-laws Introduced during 2024/2025					
Newly Developed	Revised	Public Participation conducted prior to adoption of by- laws (yes/no)	Dates of public participation	By-laws Gazetted* (yes/no)	Date of publication
0	0	N/A	N/A	N/A	N/A

COMMENT ON BY-LAWS

The finance policies that were reviewed and adopted for the 2024/2025 financial year did not necessitate any amendments to the financial by-laws that are in place. The finance related by-laws are available on the municipal web-site and at the finance offices.

Free Basic Services and Indigent Support

The free basic services were funded from the "equitable share" grant received from National Treasury. The criteria for an Indigent Household for 2024/2025 were as follows:

- The applicant must be a resident of the municipality.
- The applicant must be in possession of a valid South African identity document.
- The combined or joint gross income of all occupants or dependants in a single household which receives

services from the municipality may not exceed the thresholds determined by the municipality annually during consideration of the budget for the next financial year. The guideline relating to the household income threshold for a 100% rebate is an income of not more than two state pensions per month.

- The applicant must be the owner or tenant or any person who is authorised to occupy the property subject to availing authorised documents who receives municipal services and is registered as an account holder or legal authorised occupant on the municipal financial system; provided that the requirement of being registered as an account holder does not apply to households in informal settlements where no accounts are rendered nor in rural areas where no accounts are rendered.
- Any occupant or resident, as per the definition of indigent, of the single household referred to above may not own any property in addition to the property in respect of which indigent support is provided.
- A tenant can apply for the benefits in respect of the charges he/she is billed for while the landlord remains liable for all ownership related charges such as rates.
- The account of a deceased estate may be subsidised if the surviving spouse or dependants of the deceased who occupy the property, applies for assistance.
- The account of a deceased estate may be subsidized if the occupier who occupies the house applies for services and indigent subsidy by completing the **NDLAMBE OCCUPANT DECLARATORY AFFIDAVIT FORM**
- Rateable house value of less than R350 000 or where the owner applies for assistance as a special case and as determined by the rates rebates committee.
- Any one of the following factors will serve as a disqualification:
 - Where the applicant has or allows any business to be operated on the property
 - Where there is no written service agreement with the applicant;
 - Where the applicant owns more than one property, only one property will qualify for indigent subsidy
 - Where any of the documents requested in the application is not supplied the applicant will not qualify for subsidy

When budget allows, the municipality repairs water leaks on the consumer side of indigent households at no cost to the household, with the aim of reducing water losses and achieving savings. The municipality needs to ensure that all indigent households have pre-paid electricity and water flow limited meters to keep consumptions to the limit allowed by the policy.

Finance Directorate: Staff Component – 2024/2025

The staff component does not fall into an ideal structure and this needs to be addressed when the budget and cash flow allows. It is also critical that the budgeted posts in finance must be filled at all time or debt collection and segregation of duty becomes a problem and in turn increases the risk factor.

Finance Directorate: MFMA Competencies

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. Employees and interns were identified in the finance directorate to obtain the CPMD qualification and prescribed competencies. All of the finance directorate staff apart from the Assistant Director: Expenditure has complied with the requirements of the Government Notice 493 of June 2007.

5.2 Financial Sustainability of the Municipality

Financial Sustainability of the Municipality

Details	Original Budget	Adjusted Budget	Final Budget	Actuals	Variance to Budget
Income			-		-
Exchange transactions	256 941 000.00	-	256 941 000.00	270 494 494.00	13 553 494.00
Non-exchange transactions	548 229 000.00	140 602 000.00	688 831 000.00	506 563 518.00	(182 267 482.00)
Total Revenue	805 170 000.00	140 602 000.00	945 772 000.00	777 058 012.00	(168 713 988.00)
Expenditure					
Employee	(204 080 000.00)	(370 000.00)	(204 450 000.00)	(214 912 679.00)	(10 462 679.00)
General	(105 015 000.00)	4 354 000.00	(100 661 000.00)	(95 430 564.00)	5 230 436.00
Repairs and Maintenance	(35 113 408.00)	-	(31 922 592.00)	(23 712 524.84)	8 210 067.16
Less: Expenditure	(689 438 000.00)	(51 338 000.00)	(740 776 000.00)	675 292 741.00	1 416 068 741.00
Net Total	115 732 000.00	89 264 000.00	204 996 000.00	103 614 304.00	(101 381 696.00)

Note: surplus/(deficit)

NOTE: INFORMATION RELATING TO COMPONENT A TO COMPONENT D HAS BEEN INCLUDED IN THE AUDITED ANNUAL REPORT AS PART OF THE AUDITED ANNUAL FINANCIAL STATEMENTS AND IN THE APPENDICES.

Chapter 6: AUDITOR-GENERAL AUDIT FINDING

The municipality received an unqualified audit opinion for the 2024/2025 financial year. The audit action plan is a report based on the audit report from AGSA, where the responsible user departments are supposed to give remedial actions on how to better improve our audit status and to indicate how we can ensure findings are not repetitive. In the 2024/2025 audit AGSA team issued 26 COAFs with a total of 39 findings raised to our attention. Listed below is the split of findings per category:

- Resolved – 15
- Limitation of Scope – 1
- Unresolved – 22
- Auditor’s conclusion not yet received – 1

All unresolved findings have been uploaded on the National Treasury website and working sessions are being held to track the progress of the implementation. The following table refers to all the unresolved audit findings:

Financial Year: 2024/2025				
Audit Action Plan				
Finding	Root Cause	Recommendation	Auditors Conclusion	Action Plan Status
COAF 01 - Planning: Draft ICT Policies used	The cause of the issue noted is that council needed a workshop on policies prior to approval. The IT department is not fully capacitated with officials to provide direction as to what needs to be done by the IT department hence the IT documents are still in draft format	Management should ensure that council is provided with the workshop needed in order to approve ICT policies.	Management comment is noted. The other policies that have not been approved will be reported on in the Management report.	Not Yet Started
COAF 09 - ASSETS ISSUE 2 - Issues related to the Fixed Asset Register	The above are internal control deficiencies and non-compliance with GRAP 17	It is recommended that management undertake a detailed re-assessment of the useful lives of all assets and the Fixed Asset Register should be updated to reflect accurate useful lives and net book values of assets that are still in use. Additionally, internal controls over asset management should be strengthened to ensure timely updates to the FAR and to prevent similar issues from recurring as the internal control was reported in the prior year.	Management comments are noted, the finding remains and will be reported in the management report.	Not Yet Started

COAF 04 - Ineffective performance management	There was no sufficient oversight to ensure compliance with relevant laws and regulations. There was no implementation of effective HR management to ensure that performance is adequately monitored. The impact of the finding results to a non-compliance with Municipal Staff Regulation 35 38, as well as non-compliance with performance management policy framework.	Leadership and management:- Oversight must be implemented over HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored. Management should ensure that all employees sign performance contracts. Management should ensure that the performance reviews are conducted for all employees as required by the regulation and prepare personal development plan to identify and address specific development needs of the employees.		Not Yet Started
COAF 07 - Asset that could not be verified	Management did not prepare an accurate fixed asset register to support the disclosure of property plant and equipment. The fixed asset register comprises of an asset that could not be physically verified, thereby not all assets in fixed asset register exist. Management does not perform effective reviews on the fixed asset register to confirm adherence to standards of GRAP 17 and ensure that all assets included in the asset register exist.	Management should ensure effective asset verifications are conducted as per the policy to ensure that the fixed asset register is in line with the physical assets and ensure that assets included in the fixed asset register exist. Management should ensure that the asset register is updated timeously with the assets that no longer exist (stolen or disposed of).		Not Yet Started

COAF 08 - Deviation not in line with Supply Chain Management regulations	The above is because of poor planning by the municipality to ensure that procurement process for required goods and services is executed timeously.	Management should: Design and implement effective procurement controls to prevent deviating from normal processes.		Not Yet Started
ISSUE 1 – Reasons for deviation not justified	Management further did not implement effective monitoring of procurement process to ensure that deviations are justified.	Design and implement a more detailed procurement checklist to ensure that the entity complies with SCM regulations. Design and implement a control to timely detect and report irregular expenditure from procurement of goods and services. The irregular expenditure identified above by the auditors should be disclosed in the annual financial statements. Deviation should be reported on the council in the next meeting. Adjust the annual financial statements Note 49 to correctly disclose deviations note.		

COAF 08 - Deviation not in line with Supply Chain Management regulations ISSUE 3 The following deviations were disclosed in the notes at incorrect amounts (i.e. expenditure, instead of award amount).	The above is because of poor planning by the municipality to ensure that procurement process for required goods and services is executed timeously. Management further did not implement effective monitoring of procurement process to ensure that deviations are justified.	Management should: Design and implement effective procurement controls to prevent deviating from normal processes. Design and implement a more detailed procurement checklist to ensure that the entity complies with SCM regulations. Design and implement a control to timely detect and report irregular expenditure from procurement of goods and services. The irregular expenditure identified above by the auditors should be disclosed in the annual financial statements. Deviation should be reported on the council in the next meeting. Adjust the annual financial statements Note 49 to correctly disclose deviations note.		Not Yet Started
COAF 10 - Irregular expenditure Non - compliance	Management did not implement effective review and monitor compliance with the supply chain management policy and MFMA to avoid non-compliance with SCM Regulations and recurring irregular expenditure. After the irregular expenditure write off approved by council in the current year, management did not strengthen their procurement controls to prevent the re-occurrence of irregular expenditure.	Ndlambe Municipality should strengthen its supply chain management controls by ensuring that all procurement processes strictly comply with the MFMA and SCM Regulations, supported by regular training for officials to enhance compliance awareness. The municipality should also improve record-keeping and documentation, maintaining complete and accessible audit trails for all procurement and contract transactions to facilitate transparency and accountability		Not Yet Started

COAF 13 - Deviations not in line with Supply Chain Management regulations	Compliance with applicable laws and regulations was not reviewed and monitored. Management further did not implement effective monitoring of procurement process to ensure that deviations are approved by the Accounting Officer and is justified.	Management should implement effective procurement controls to prevent deviating from normal processes and ensure that deviations are approved in terms of supply chain regulations and are reported to council. Management should design and implement controls to strengthen the deviation control environment to avoid irregular expenditure from procurement of goods and services (legacy contracts). Management should ensure that all donations made by the municipality are recorded timeously on the donations register. Management should ensure all procurement contracts have termination dates. Management should adjust and quantify the irregular expenditure note on the financial statements for this contract. . Management should ensure that all procurement and contract management registers are updated timeously.		Not Yet Started

COAF 14 - Consequence management – noncompliance with applicable legislation	Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.-	It is recommended that management should implement proper and appropriate controls to ensure irregular, fruitless and wasteful expenditure is avoided-		Not Yet Started
A. Irregular expenditure	There are lack of systems and controls in place to prevent noncompliance that result in irregular, fruitless and wasteful expenditure- Oversight body has not ensured that adequate investigation is undertaken to ascertain that no official is responsible in the eventuality of an official being responsible – the resultant loss is either recovered or is in the process of being recovered	Oversight must create a culture of zero tolerance for noncompliance incurred through deviations that could have been avoided had proper planning been implemented. It is further recommended that the oversight committee to conduct a comprehensive report where each case will be individually assessed for liability.		
COAF 14 - Consequence management – noncompliance with applicable legislation	Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.-	It is recommended that management should implement proper and appropriate controls to ensure irregular, fruitless and wasteful expenditure is avoided-		Not Yet Started
B. Fruitless and wasteful expenditure	There are lack of systems and controls in place to prevent noncompliance that result in irregular, fruitless and wasteful expenditure- Oversight body has not ensured that adequate investigation is undertaken to ascertain that no official is responsible in the eventuality of an official being responsible – the resultant loss is either recovered or is in the process of being recovered	Oversight must create a culture of zero tolerance for noncompliance incurred through deviations that could have been avoided had proper planning been implemented. It is further recommended that the oversight committee to conduct a comprehensive report where each case will be individually assessed for liability.		

COAF 15 - Predetermined objectives: Top and bottom layer not clearly defined in SDBIP	Lack of review of planning documents to ensure that its easily understandable by end user	It is recommended that management should perform adequate reviews to ensure that the performance information is easily understandable. Going forward, management should clearly indicate the Strategic Layer and Operational Layer of the SDBIP		Not Yet Started
COAF 15 - 1 Predetermined objectives: Top and bottom layer not clearly defined in SDBIP	Management did not adequately review the planning documents to ensure that they are easily understandable by end user	It is recommended that management should perform adequate reviews to ensure that the performance information is easily understandable. Going forward, management should clearly indicate the Strategic Layer and Operational Layer of the SDBIP		Not Yet Started

COAF 17 - Deviation not in line with Supply Chain Management regulations	The above is because of poor planning by the municipality to ensure that procurement process for required goods and services is executed timeously. Management further did not implement effective monitoring of procurement process to ensure that deviations are justified.	Management should: - design and implement effective procurement controls to prevent deviating from normal processes. - design and implement a more detailed procurement checklist to ensure that the entity complies with SCM regulations. - design and implement a control to timely detect and report irregular expenditure from procurement of goods and services. The irregular expenditure identified above by the auditors should be disclosed in the annual financial statements. Adjust the annual financial statements Note 49 to correctly disclose deviations note.		Not Yet Started
COAF 21 - Water and electricity losses: Water loss % above the norm	The excessive water losses are mainly attributable to: Real losses resulting from physical leaks, burst pipes and reservoir overflows. Apparent losses due to metering inefficiencies, such as faulty or inaccurate meters, and unauthorised or unmetered consumption.	Management should implement measures to reduce both real and apparent losses by Strengthening maintenance and monitoring of water infrastructure, prioritizing the timely repair of leaks and burst pipes, conducting regular meter testing, calibration and replacement to improve accuracy and enhancing controls to detect and curb unauthorized and unmetered consumption.		Not Yet Started

COAF 23 - Indigent Register Issues	The municipality does not have adequate resources and controls to identify and effect changes that impact the indigent register timeously.	Management should ensure that indigents register is updated timeously for any changes applicable to the indigent's application such as: - o Changes to ID numbers - o Deaths of applicants Management should ensure that applicants whose income status changes to be above the minimum income threshold be removed from the indigents register timeously.		Not Yet Started
COAF 25 - Property, plant and equipment - Inaccurate impairment valuation method	Management did not apply the correct valuation method aligned to the applicable accounting policy to calculate the impairment of non-cash-generating assets.	Management should ensure the appropriate valuation method is selected to calculate the value in use amount to be used to estimate the recoverable amount for the impairment of non-cash-generating assets. Management should ensure that the valuation method selected in the accounting policy is the one used to calculate the impairment of non-cash-generating assets.		Not Yet Started

Annexure A

NDLAMBE LOCAL MUNICIPALITY ORGANISATIONAL STRUCTURE

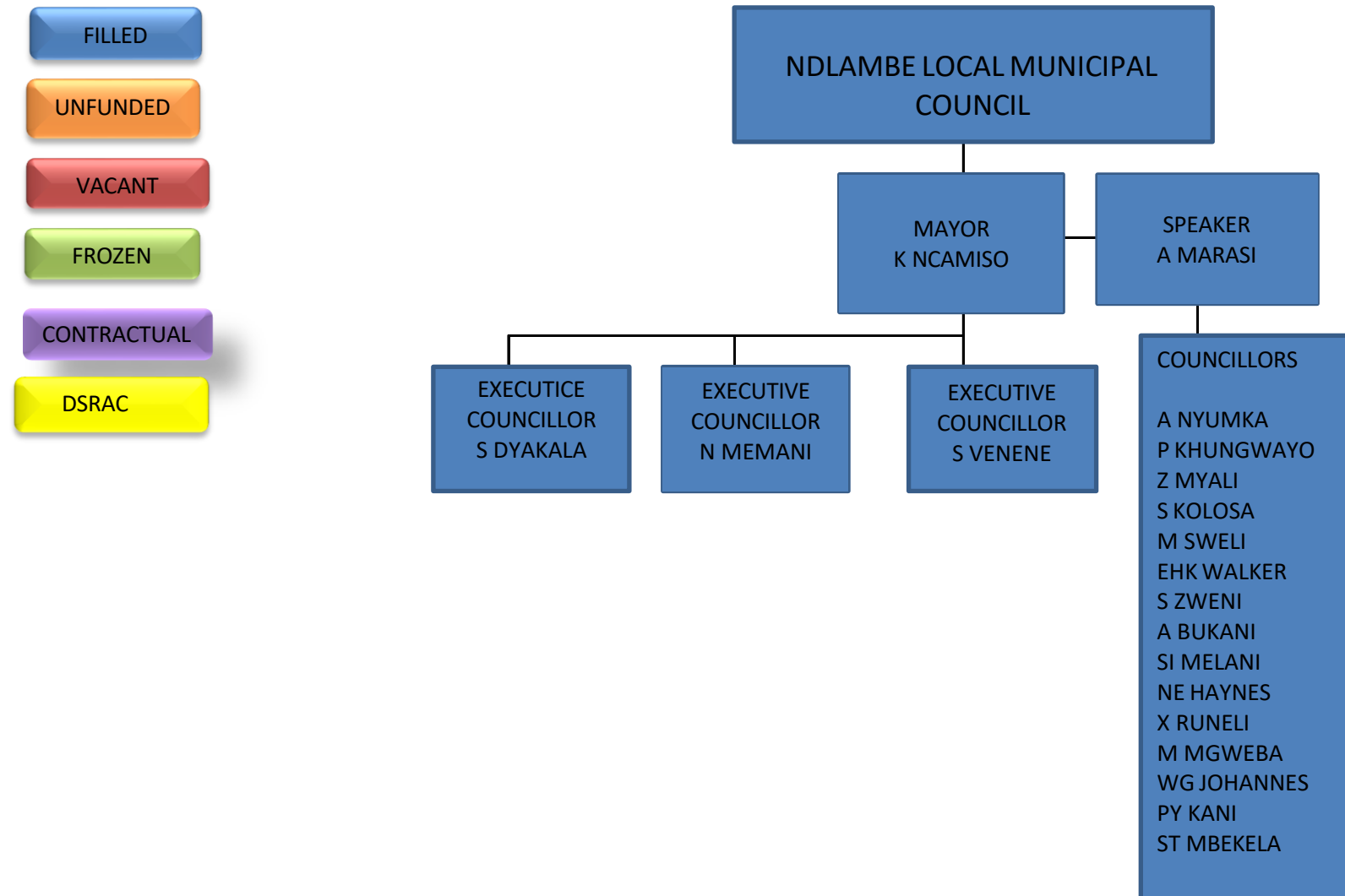




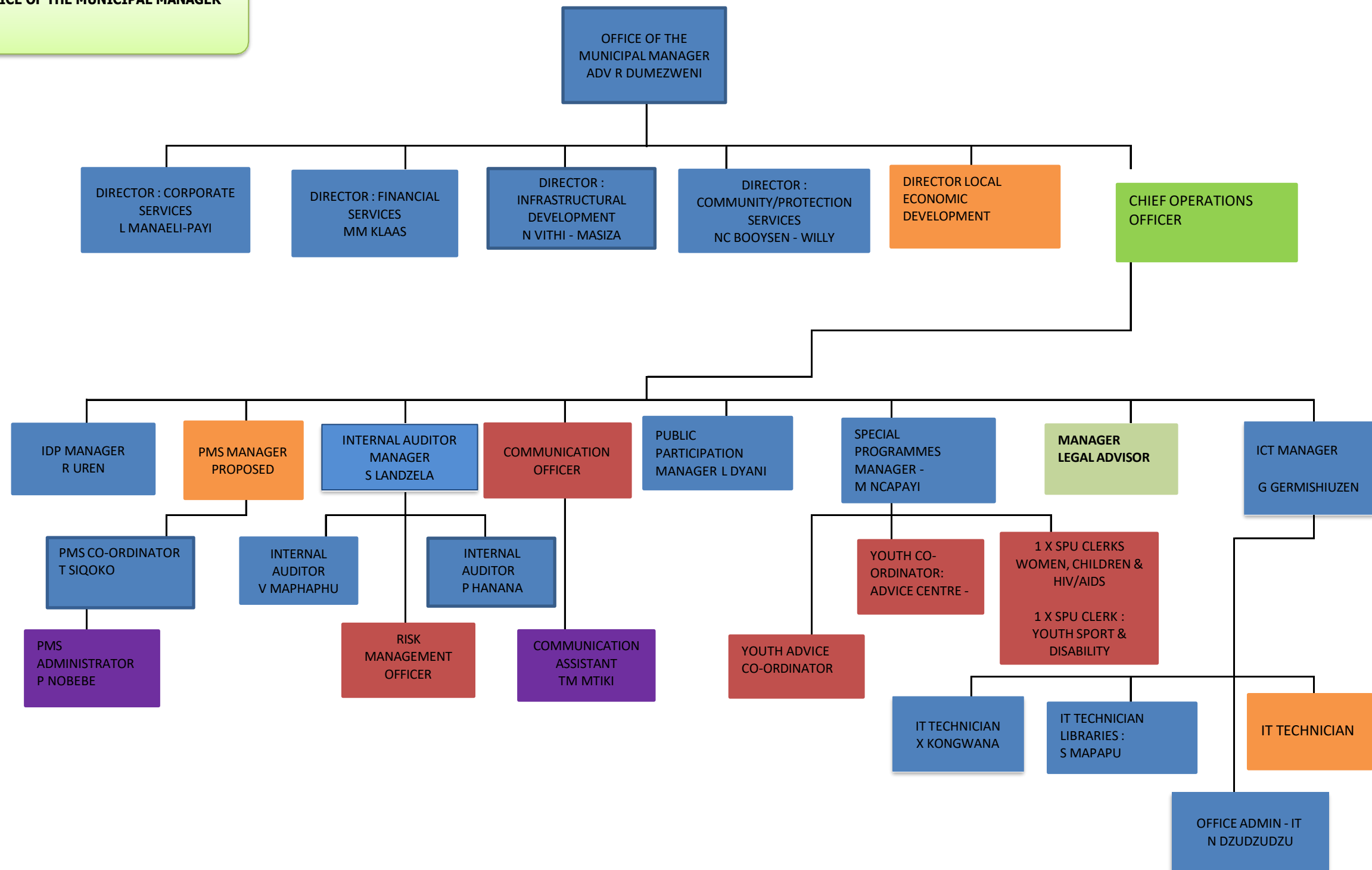
OFFICE OF THE MAYOR AND
SPEAKER

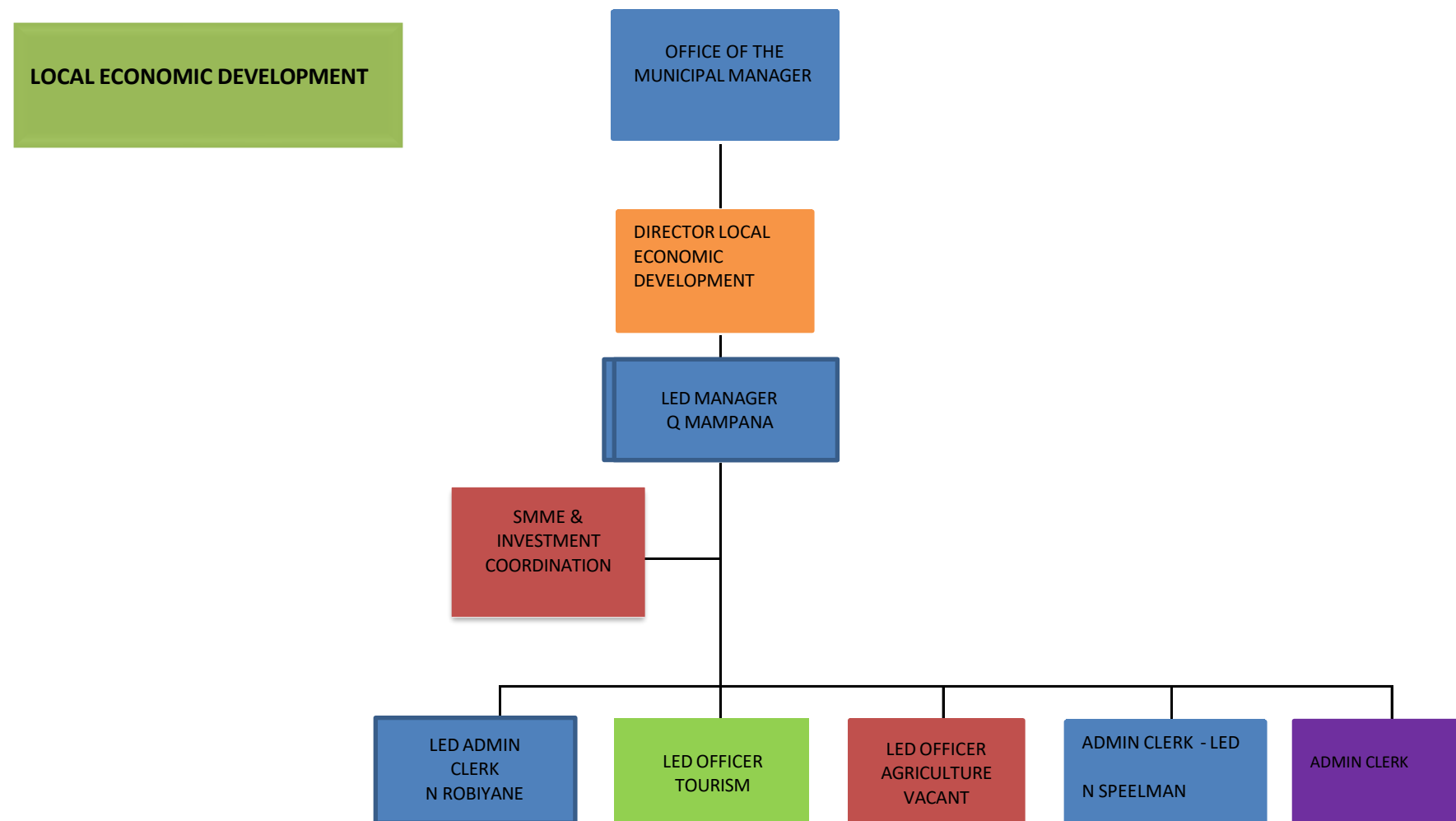
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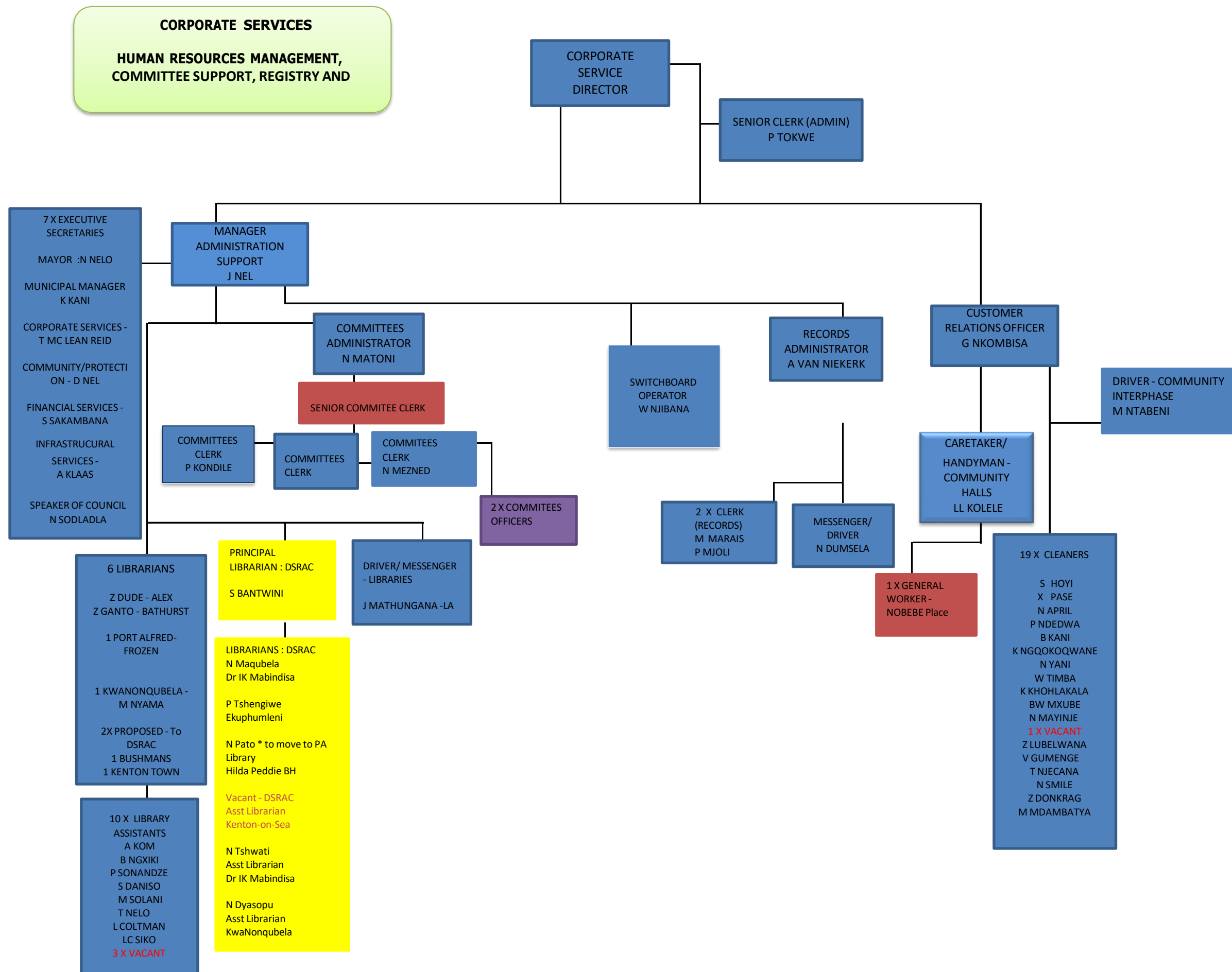
ORGANISATIONAL STRUCTURE

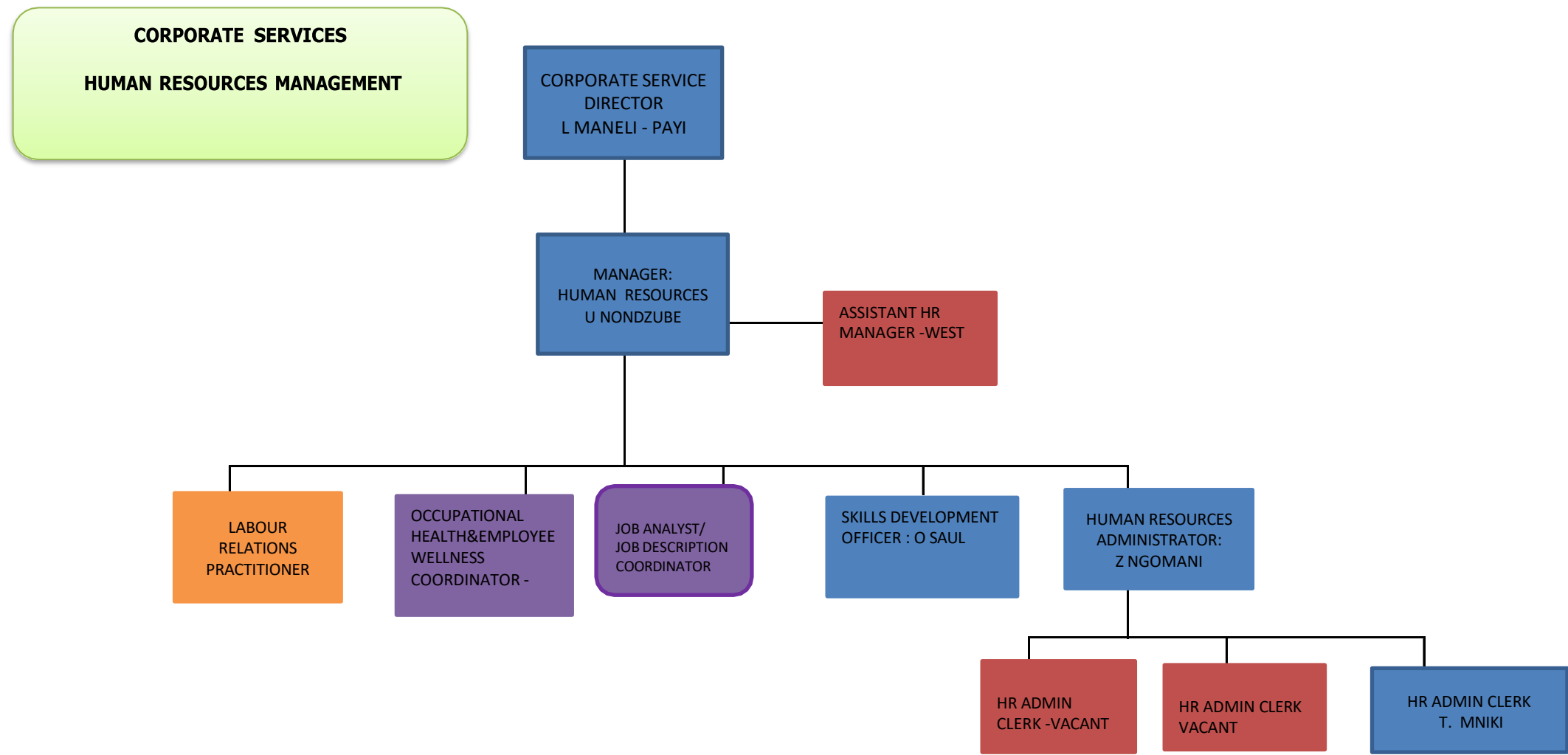


OFFICE OF THE MUNICIPAL MANAGER

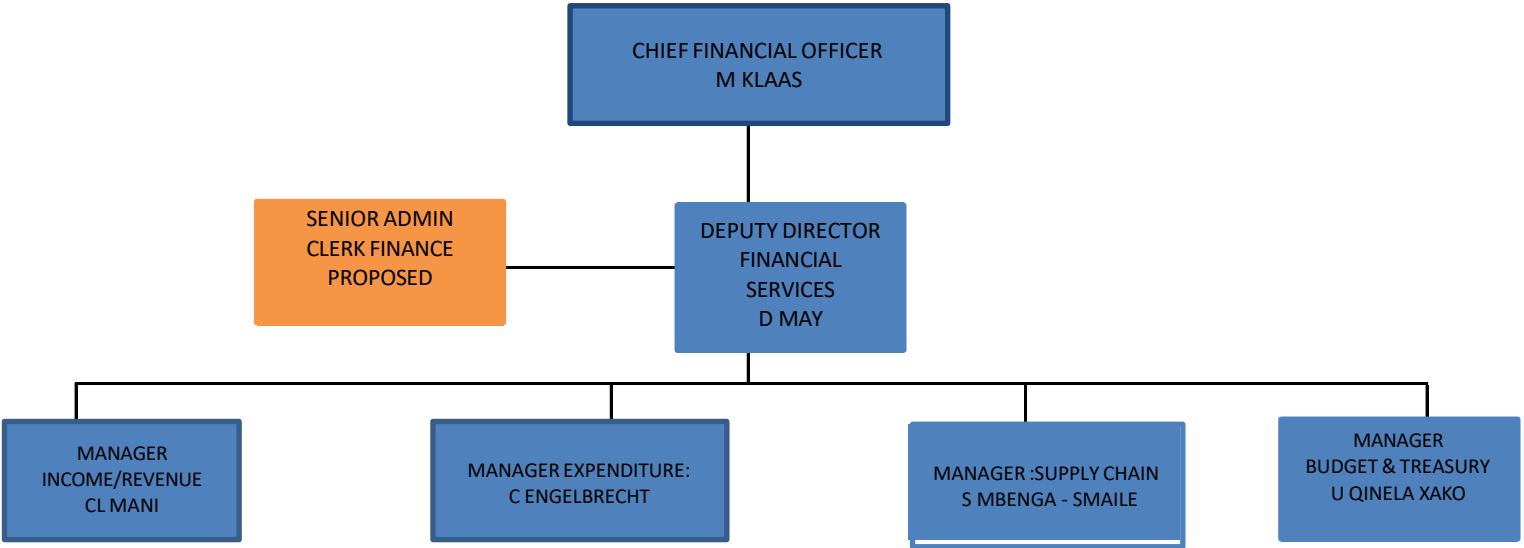


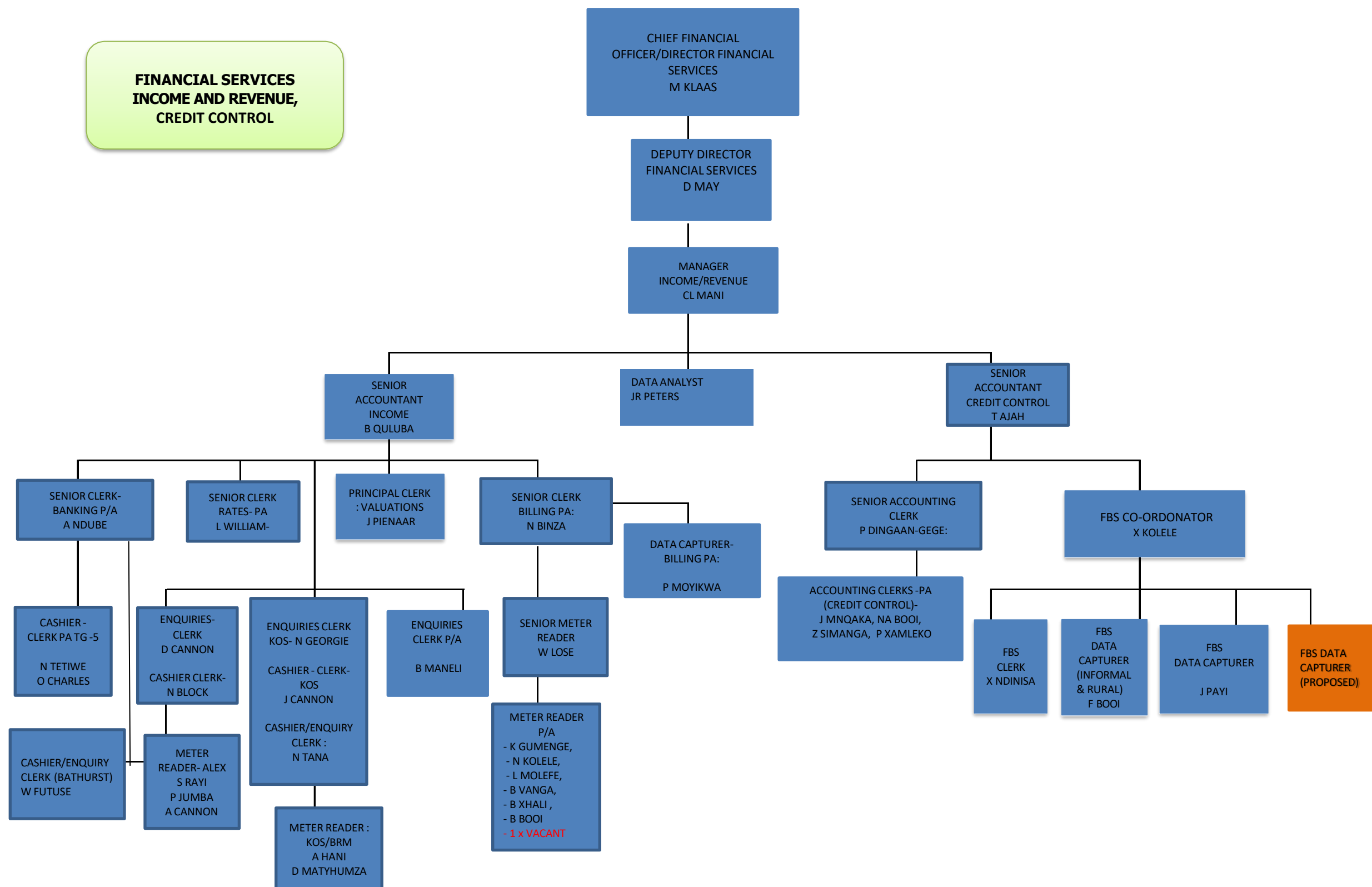


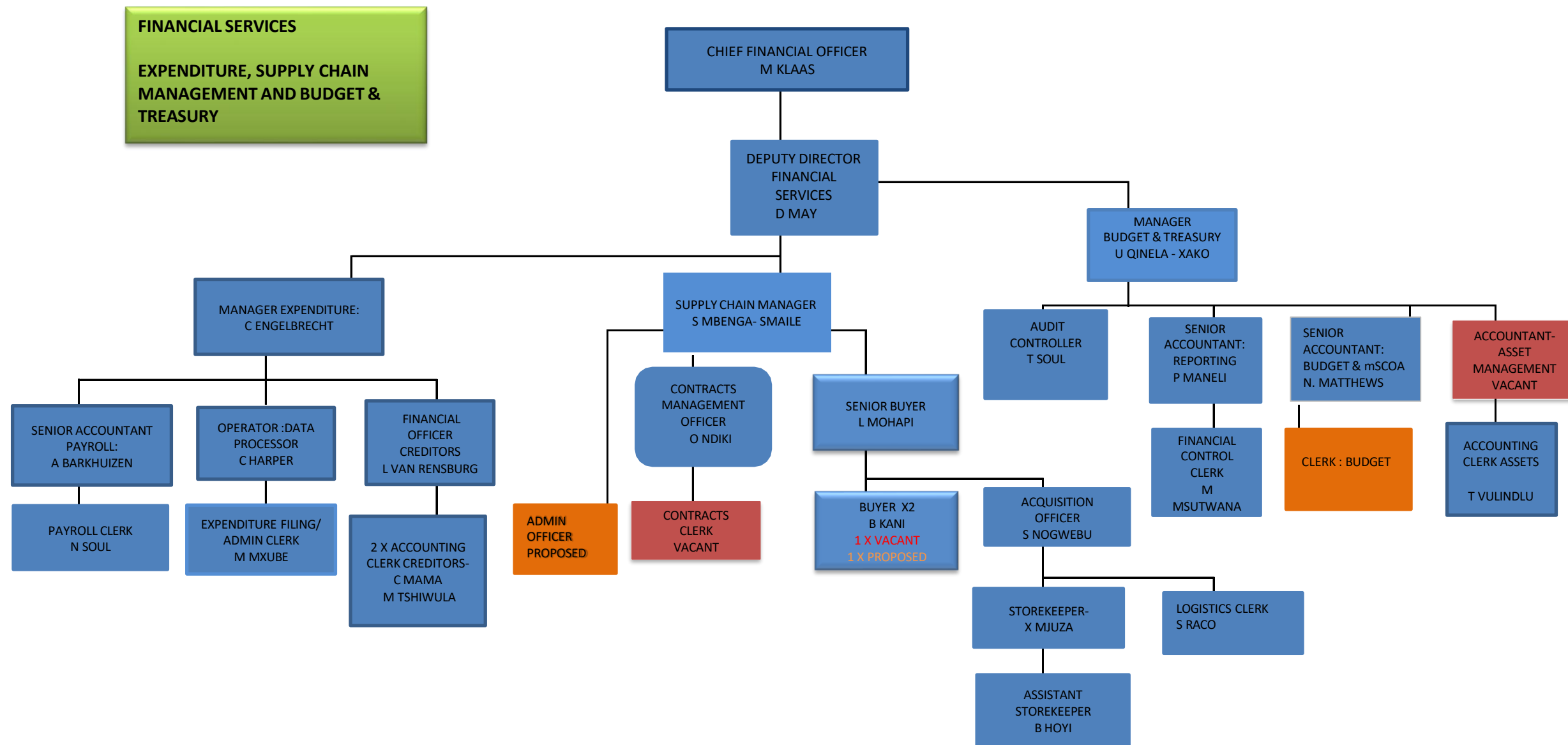


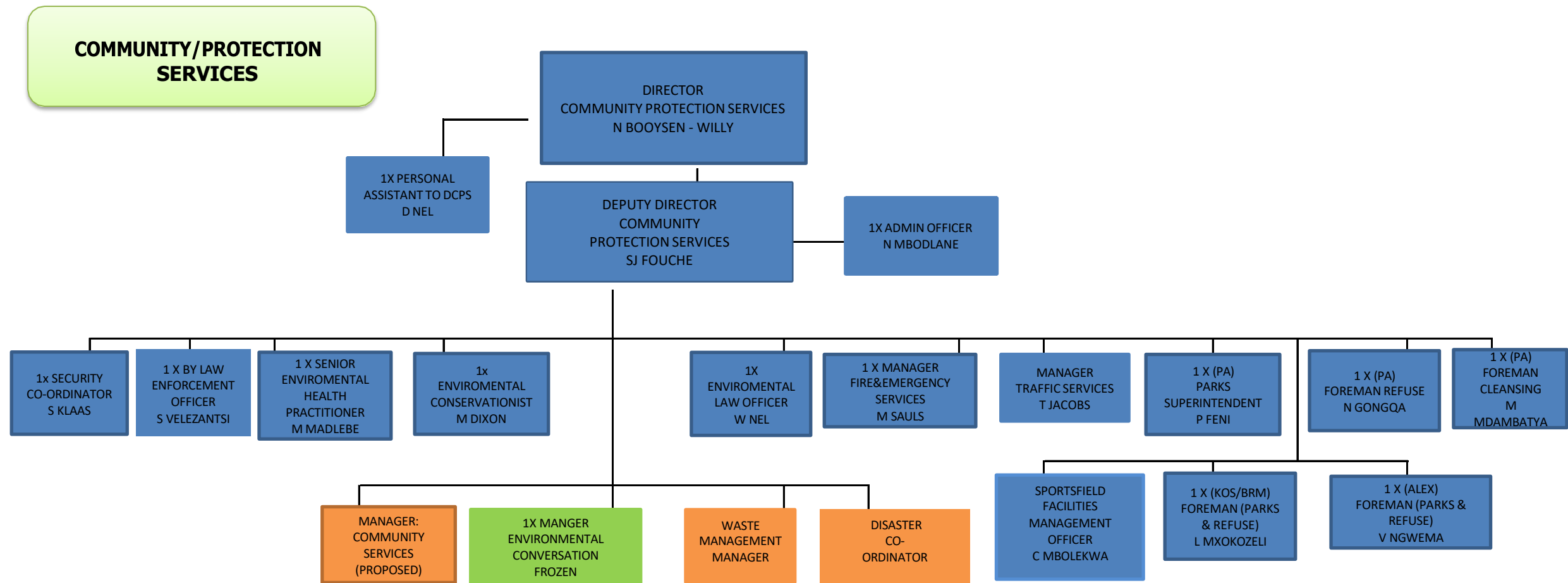


FINANCIAL SERVICES

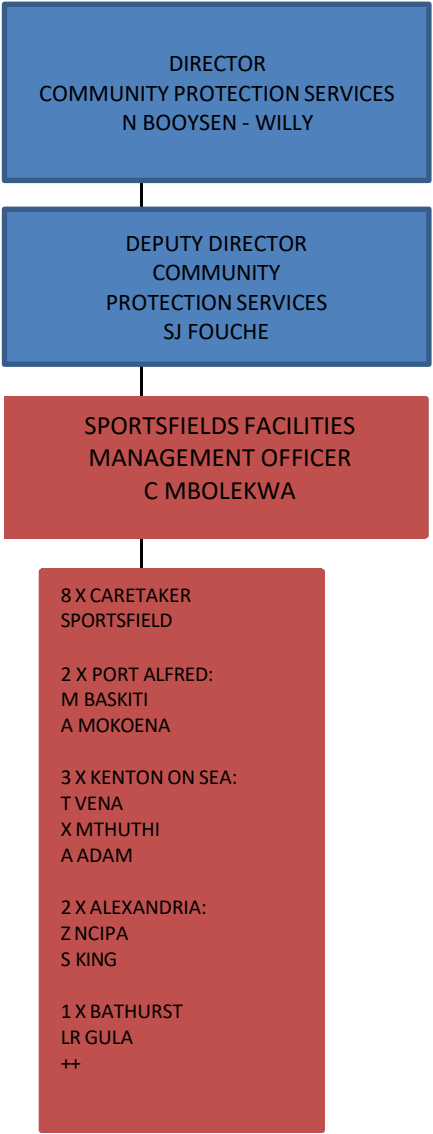




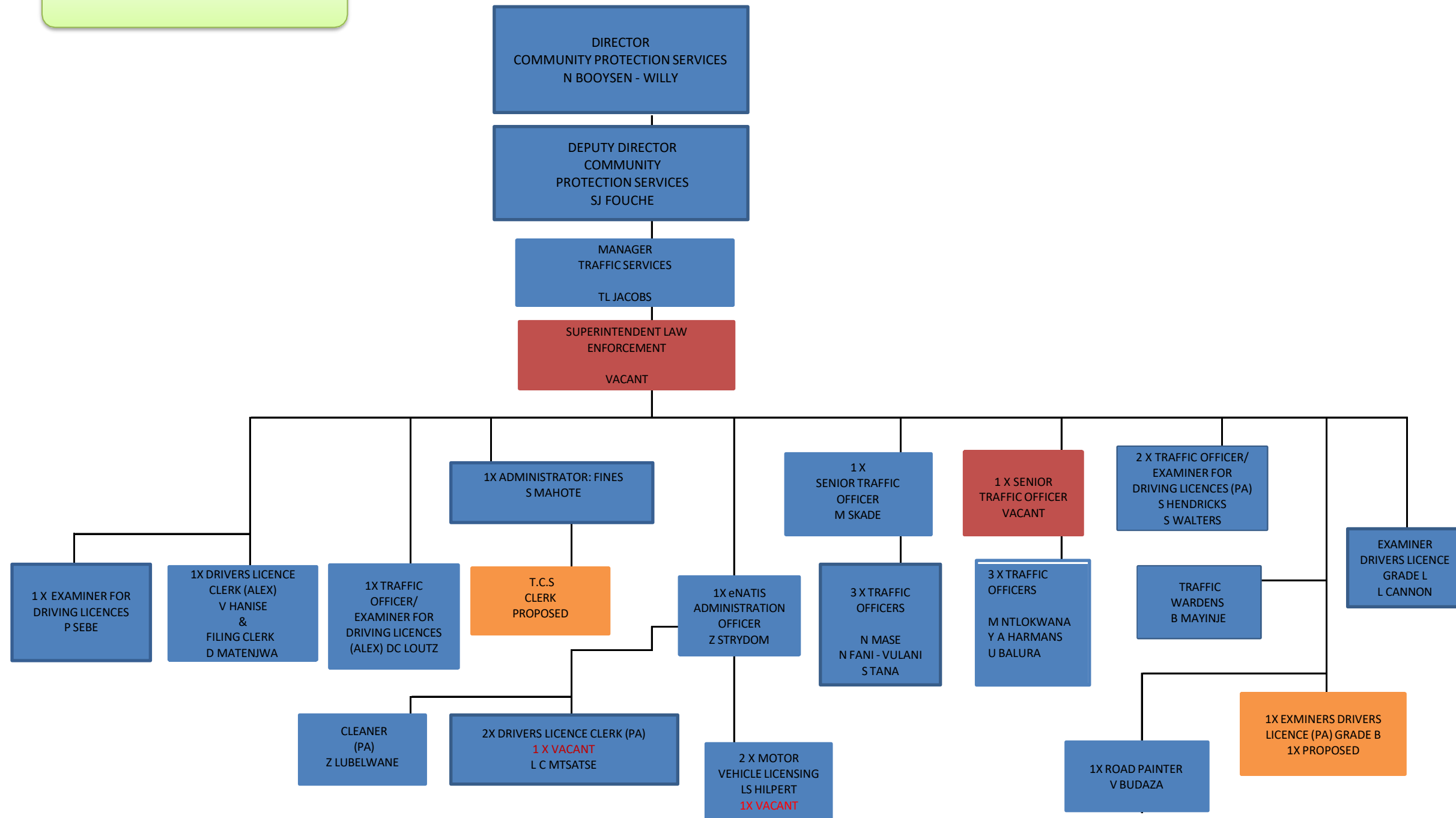


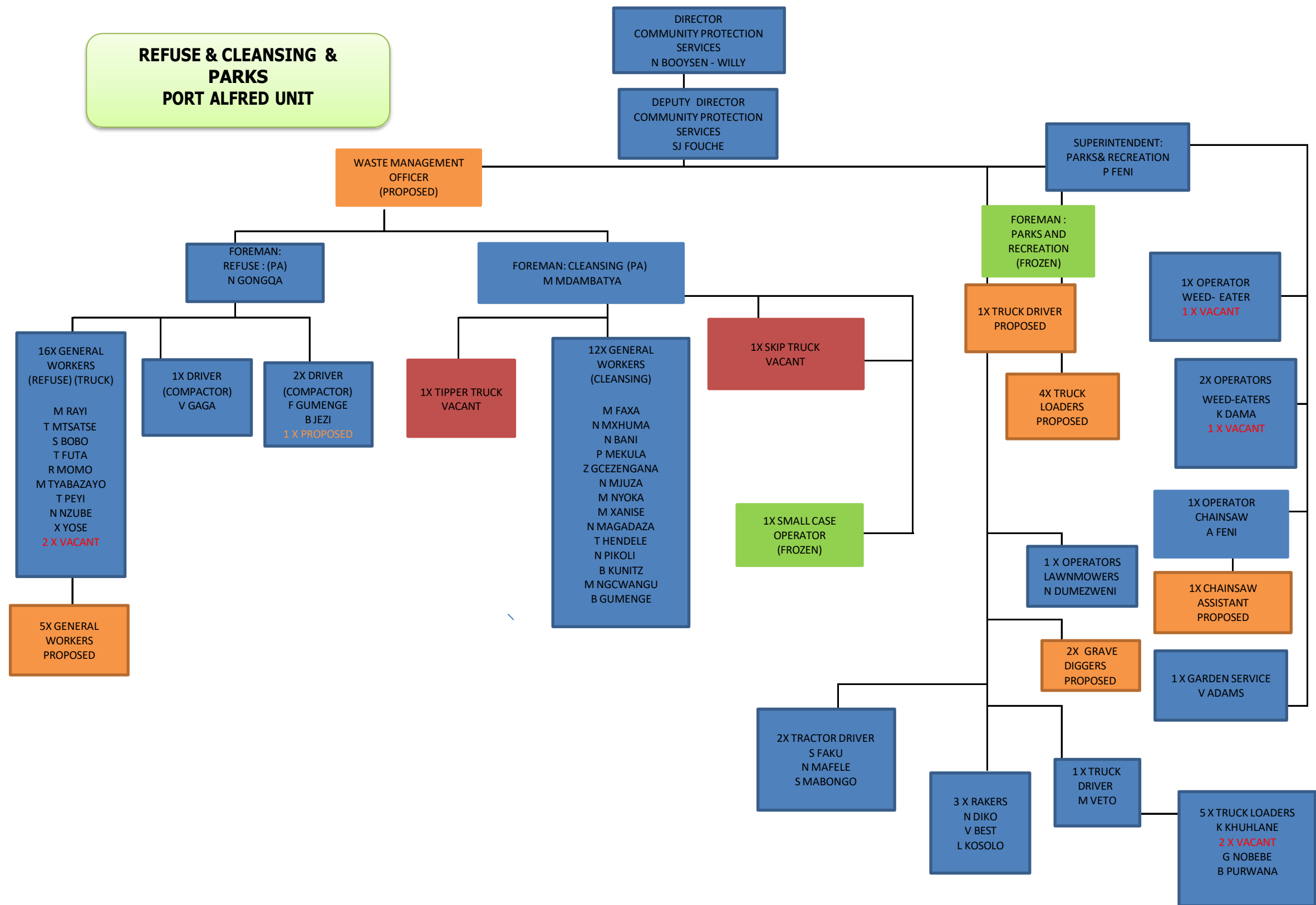


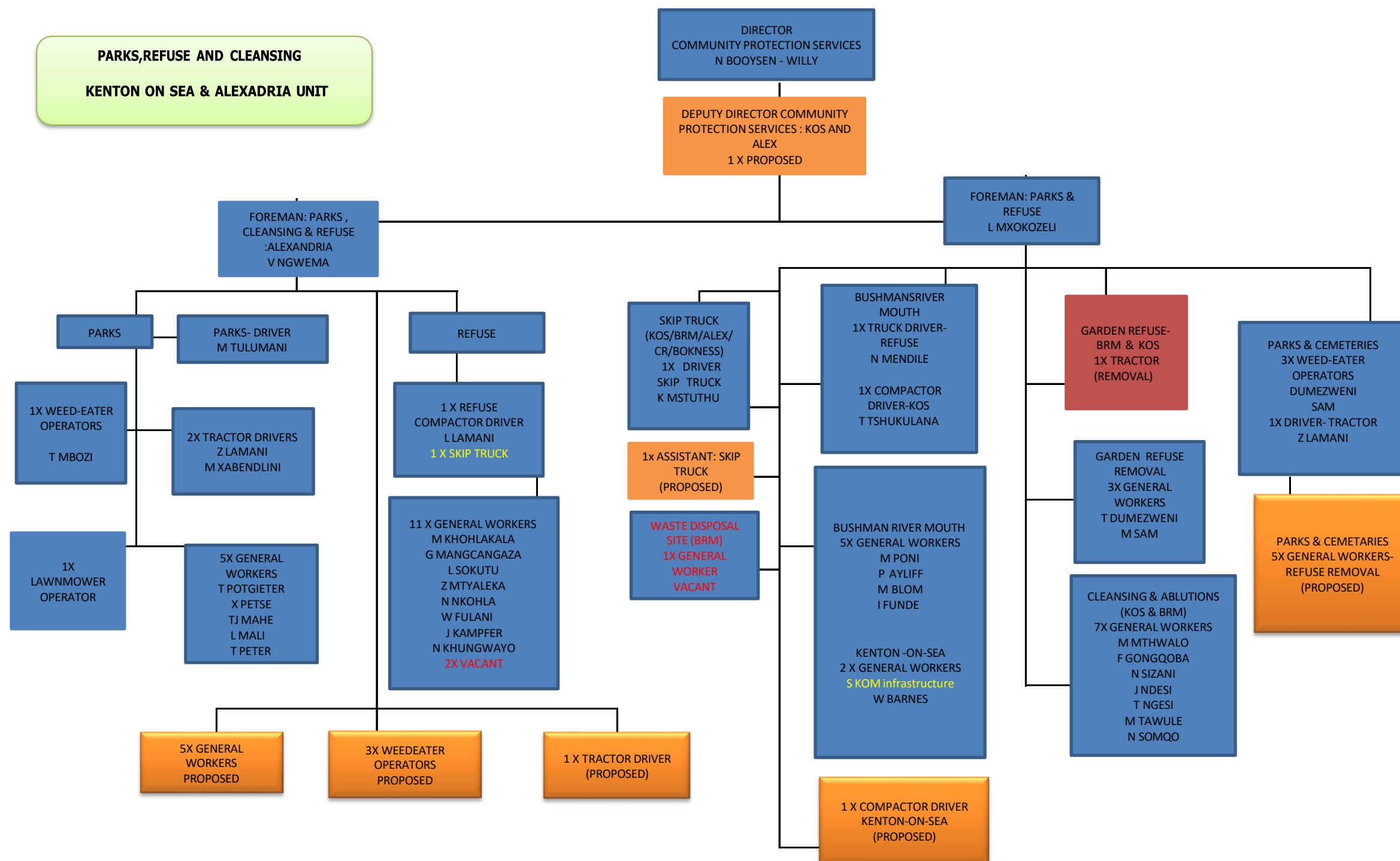
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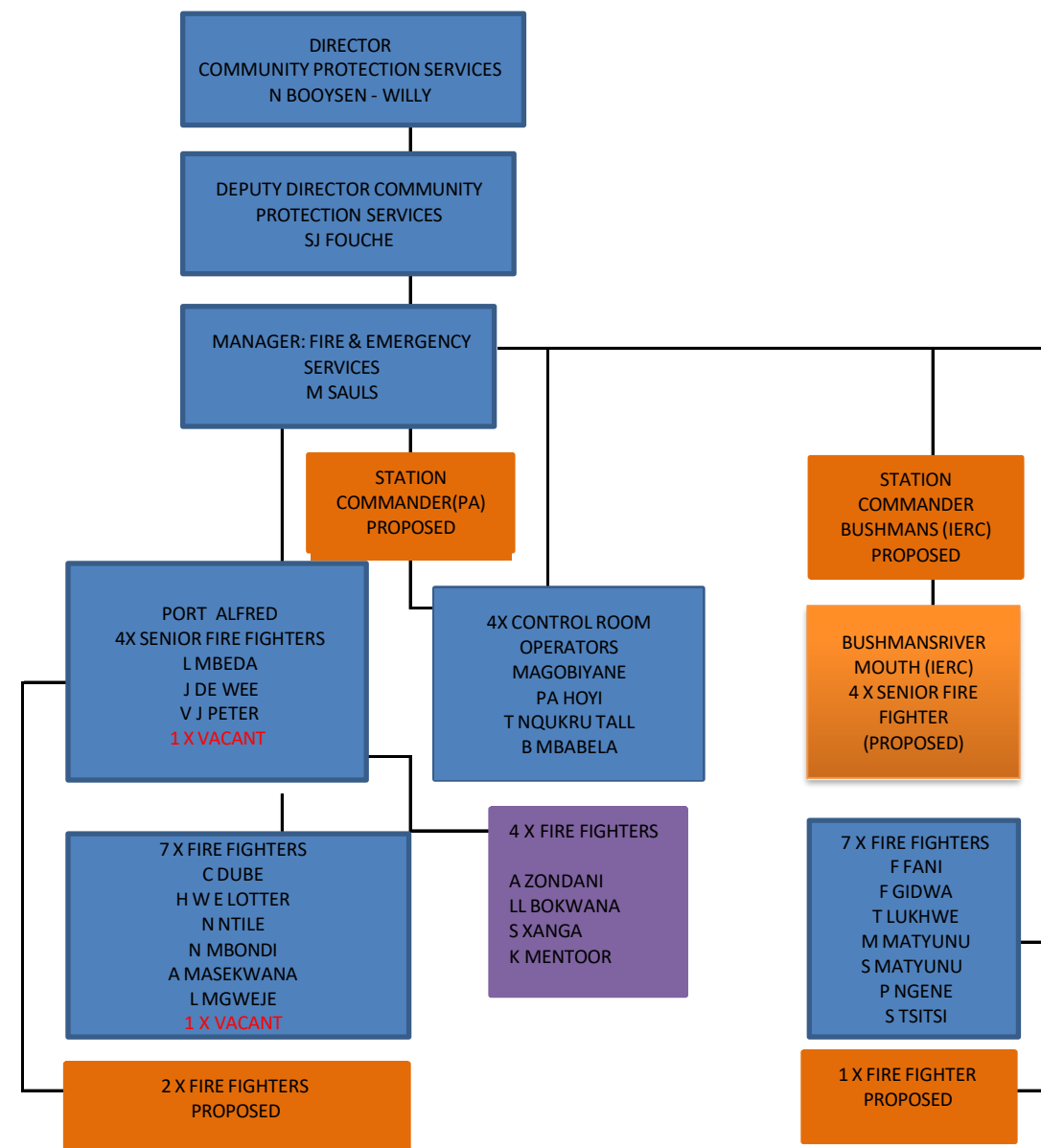
TRAFFIC SERVICES



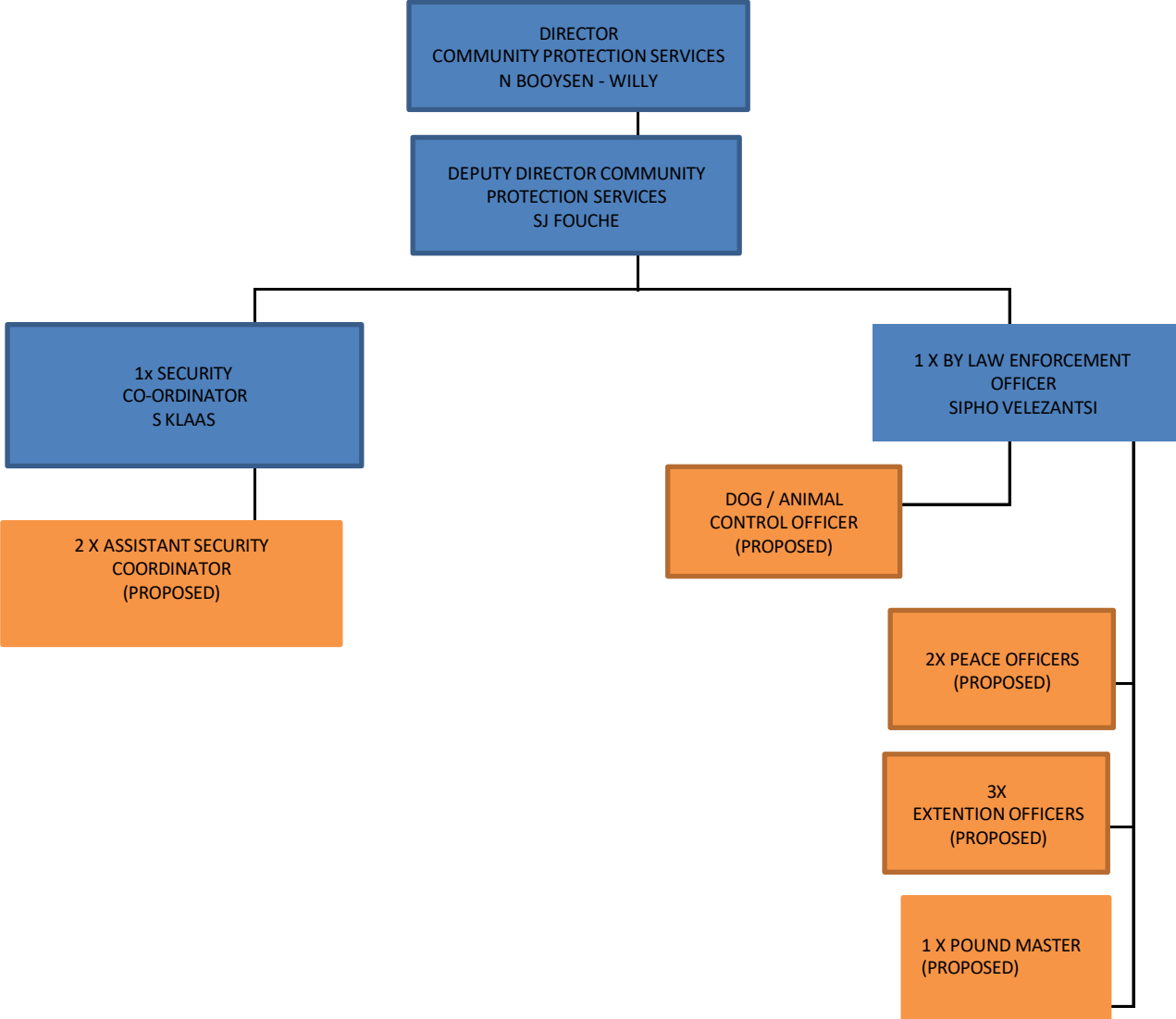




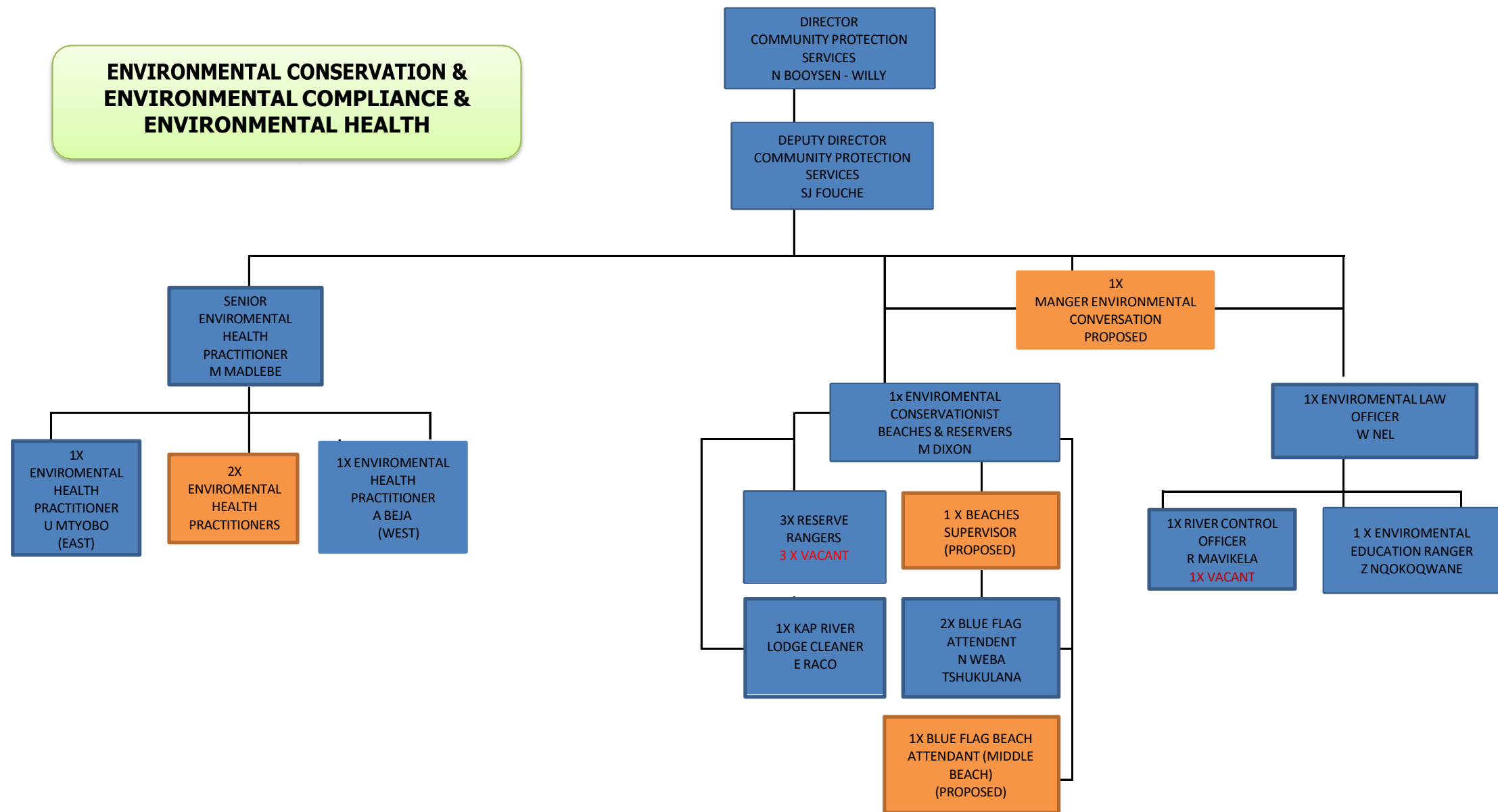
FIRE & EMERGENCY SERVICES



**SECURITY COORDINATOR
&
BYLAW COMPLIANCE OFFICER**

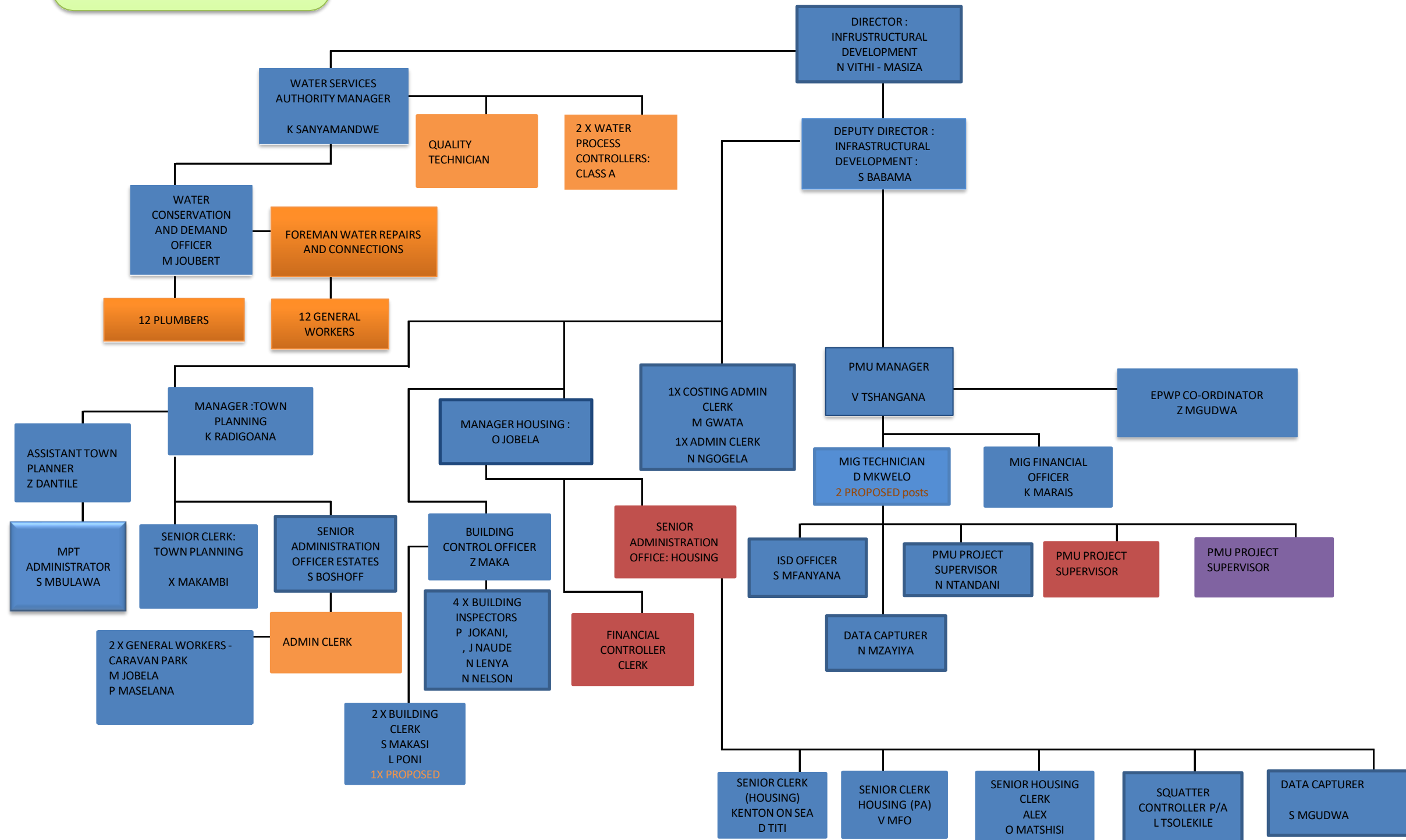


ENVIRONMENTAL CONSERVATION & ENVIRONMENTAL COMPLIANCE & ENVIRONMENTAL HEALTH

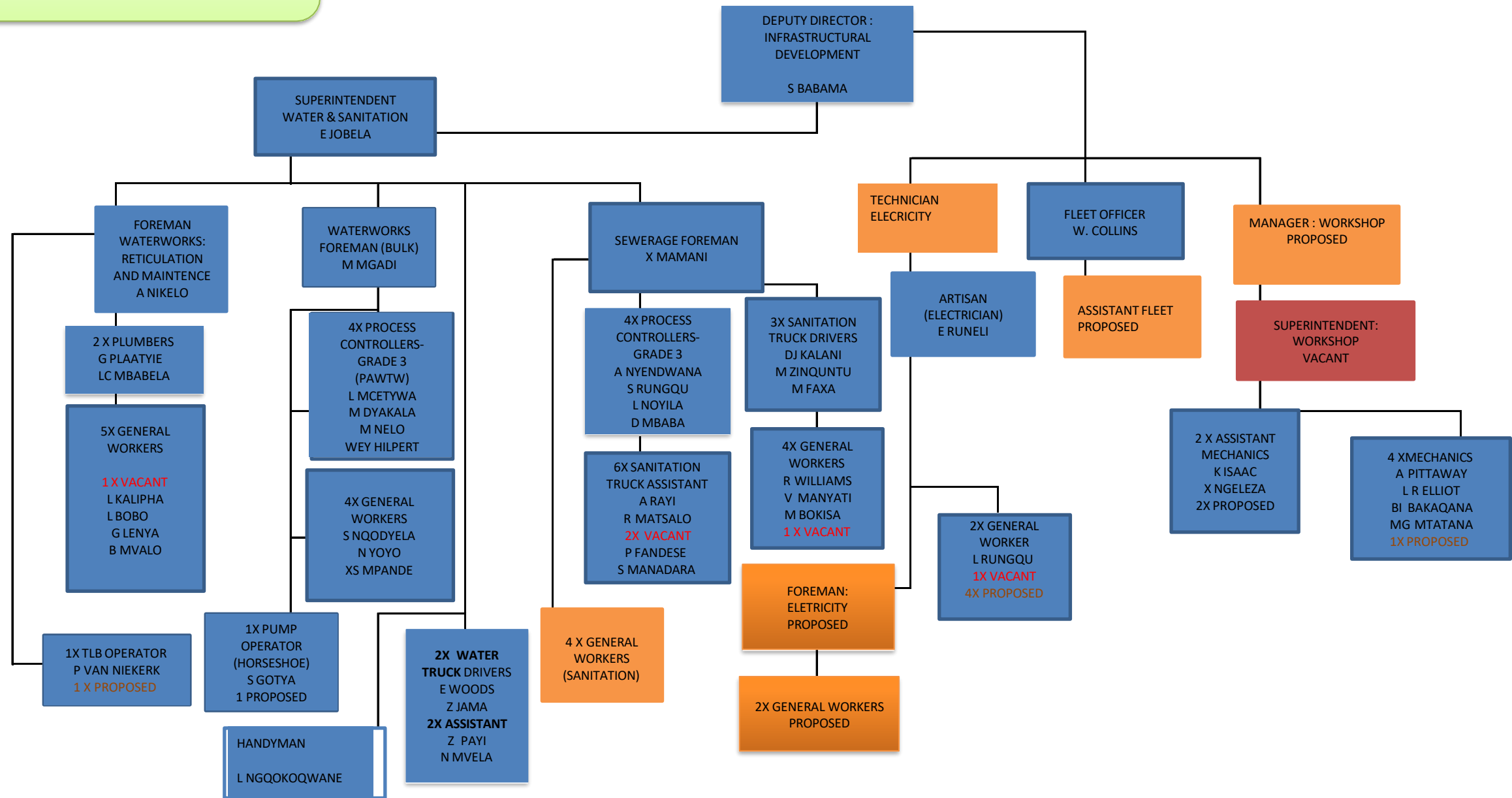


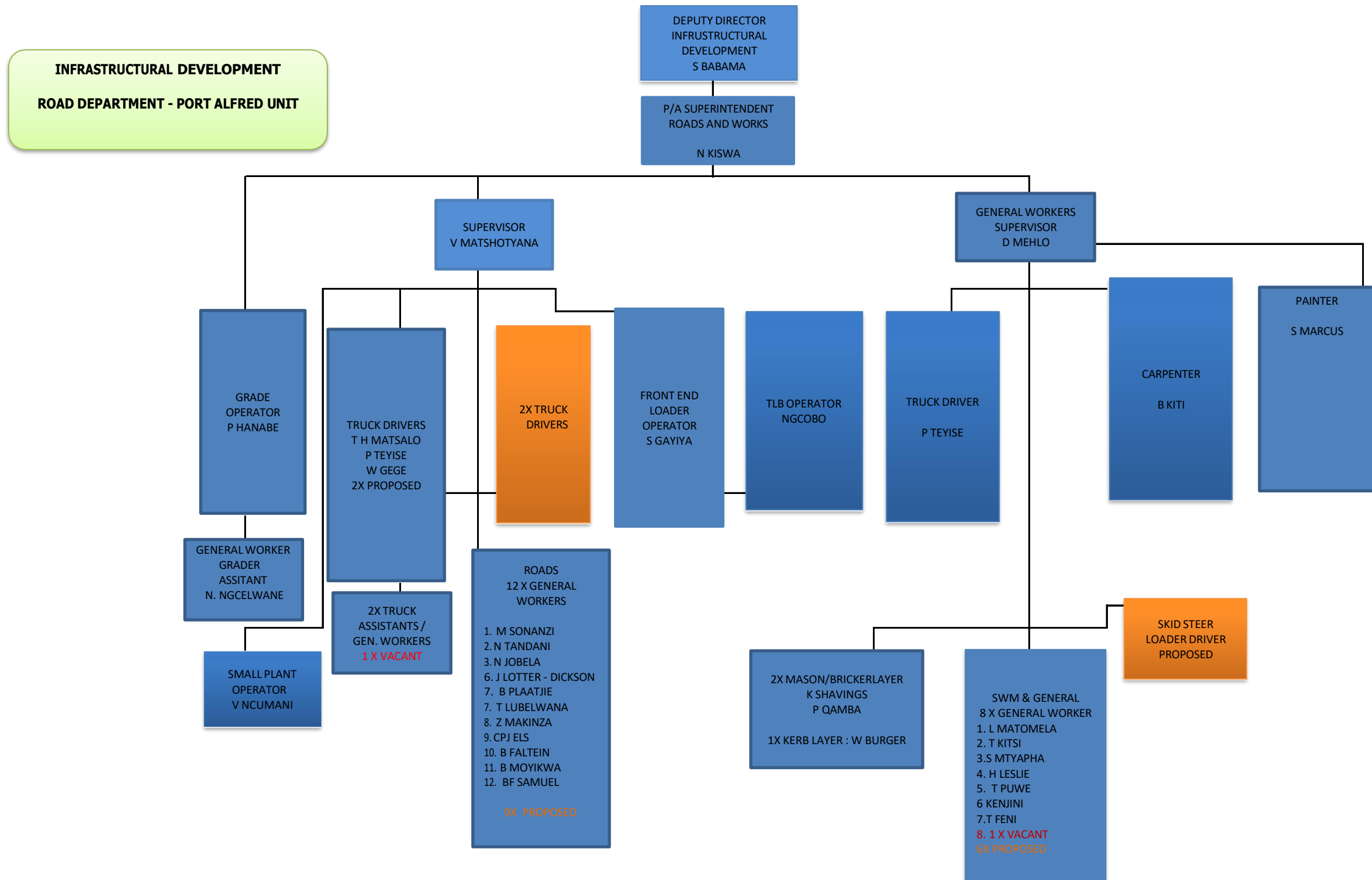
INFRASTRUCTURAL DEVELOPMENT

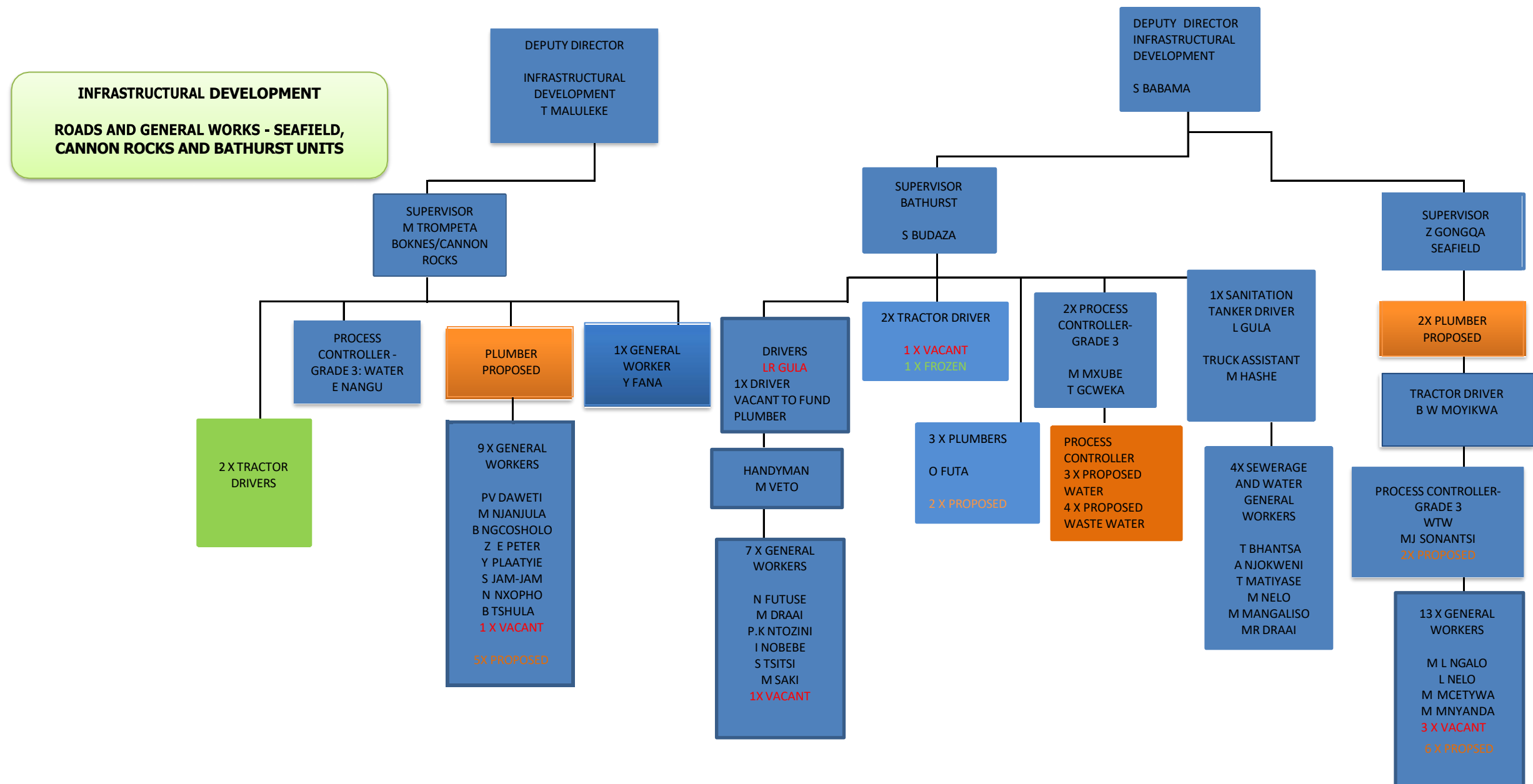
ADMINISTRATION, TOWN PLANNING, HOUSING AND PMU - PORT ALFRED UNIT



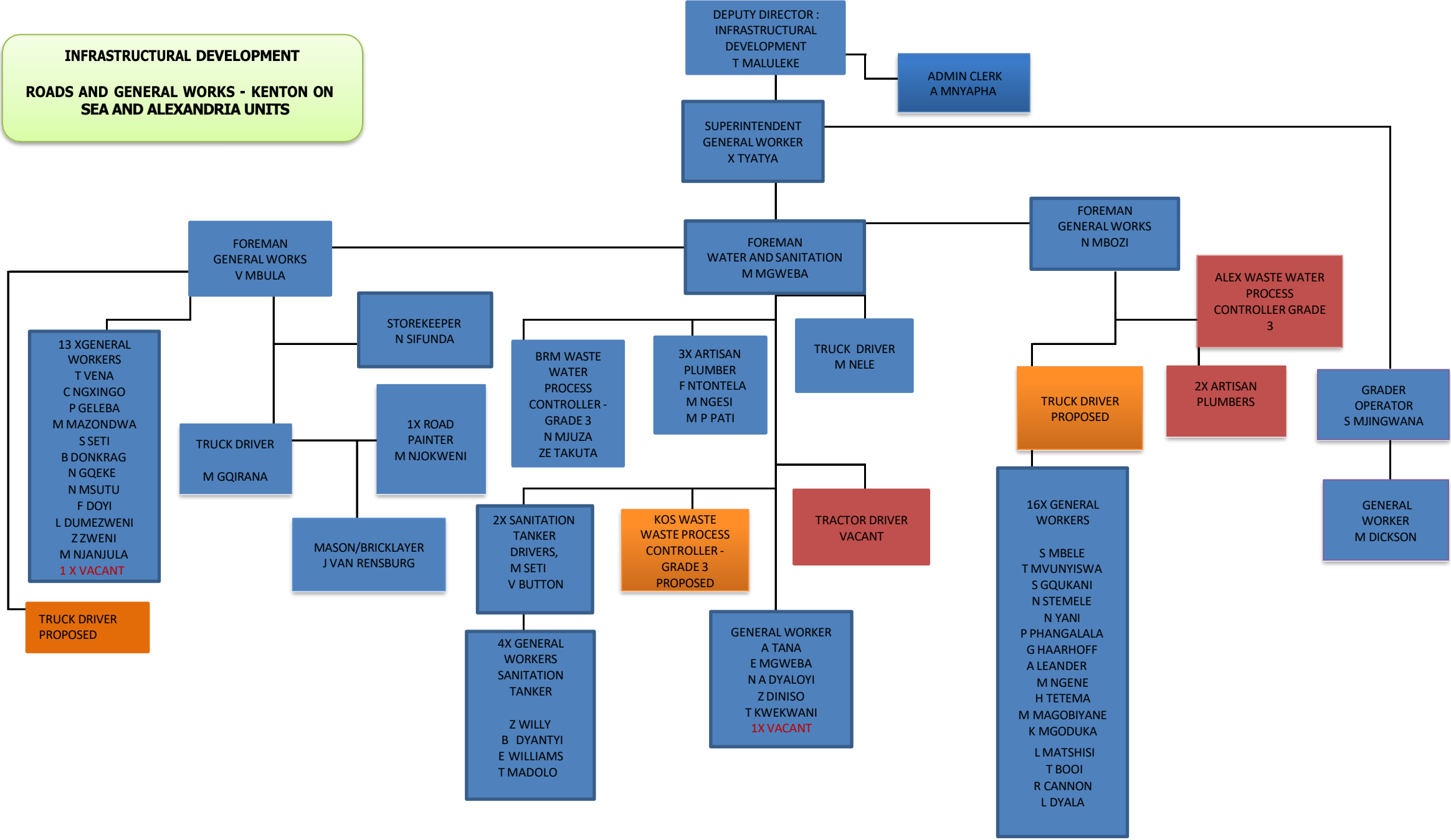
INFRASTRUCTURAL DEVELOPMENT
WATER WORKS, SANITATION, ELECTRICITY,
FLEET AND WORKSHOP







INFRASTRUCTURAL DEVELOPMENT
ROADS AND GENERAL WORKS - KENTON ON
SEA AND ALEXANDRIA UNITS



Annexure B

REPORT OF THE AUDITOR-GENERAL



Report of the auditor-general to the Eastern Cape Provincial Legislature on Ndlambe Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Ndlambe Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Ndlambe Local Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice 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.
7. As disclosed in note 51 to the financial statements, material water losses of R22,6 million (2024: R27,6 million) were incurred, which represents 30,5% (2024: 48,5%) of total water purchased. The losses were predominantly due to physical losses from leaks, burst pipes and reservoir overflows.

8. As disclosed in notes 4 and 5 to the financial statements, impairments of R48,2 million (2024: R51,4 million) relating to receivables from non-exchange transactions and R128,8 million (2024: R149,1 million) relating to receivables from exchange transactions were incurred as a result of irrecoverable debtors.

Other matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.
10. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. The disclosure requirements did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

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

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

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

Report on the annual performance report

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
16. I selected the following material performance indicators related to basic service delivery presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.
- Number of formal households with access to refuse removal as per schedule
 - Number of known informal settlements receiving basic refuse removal services in accordance with the National Environmental Management Waste Act. no. 59 of 2008.
 - Number of sanitation infrastructure project milestones completed (Multi - year)
 - Number of water infrastructure project milestones completed (Multi - year)
 - Number of infrastructure related project milestones completed (Internal Services)
 - Number of informal settlement project milestones completed (Klipfontein, Ezidonkini, Kenton-on-Sea - Ndokwenza and Horseplay, Bathurst, Alexandria-Phola Park, Port Alfred-Potyopayi, Marselle-Ezihagwini) (Multi-year project)
 - Number of formal houses completed in the rectification process (Project 402)
 - Number of housing projects completed (Bathurst - 5 and Kenton-10)
 - Number of stormwater drainages upgraded
 - Percentage of households with access to basic sanitation
 - Percentage of households with access to water supply
 - Percentage of non-revenue water
 - Percentage of wastewater samples compliant to water use license conditions
 - Percentage of households with access to electricity in municipal service areas
 - Percentage of water samples complying to SANS241
 - Metres of new roads completed (Ndokwenza Link Road; Ezidonkini Link Road)
 - Metres of road improved (paving)
 - Percentage registered Indigent households having access to free basic services

17. 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 on its mandate and objectives.

18. 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.

19. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

20. I did not identify any material findings on the reported performance information for the selected indicators.

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

22. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

23. 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

Targets achieved: 68%

Budget spent: 50%

Key service delivery indicator not achieved	Planned target	Reported achievement
Indicators 13 - Number of infrastructure related project milestones completed (Internal Services)	2	1
Indicator 14 – Number of informal settlement project milestones completed (Klipfontein, Ezidonkini, Kenton-on-Sea - Ndokwenza and Horseplay, Bathurst, Alexandria-Phola Park, Port Alfred-Potyopayi, Marselle-Ezihagwini) (Multi-year project)	11	4
Indicator 15 - Number of formal houses completed in the rectification process (Project 402)	297	0
Indicator 16 - Number of housing projects completed (Bathurst - 5 and Kenton-10)	2	1
Indicator 18 - Percentage of households with access to basic sanitation	80%	58.67%
Indicator 19 - Percentage of households with access to water supply	95%	86.56%
Indicator 21 - Percentage of wastewater samples compliant to water use license conditions.	75%	62.09%
Indicator 22 - Percentage of households with access to electricity in municipal service areas	100%	86.52%

Material misstatements

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

Report on compliance with legislation

25. 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.

26. 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.
27. 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.
28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

29. Reasonable steps were not taken to prevent current irregular expenditure incurred amounting to R138,9 million as disclosed in note 48 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by not adequately applying section 36 of the supply chain management (SCM) regulations.
30. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R52,1 million, as disclosed in note 46 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 of the budget per municipal department on non-cash items.

Human resource management

31. The staff members did not enter into a performance agreement within the prescribed period, as required by regulation 35(1) of the Municipal Staff Regulations.

Procurement and contract management

32. Deviations were approved by the accounting officer even though it was not justifiable to deviate from the competitive bids, in contravention of SCM Regulation 36(1).

Strategic planning and performance

33. The performance management system and related controls were inadequate as it did not describe how the performance review processes should be managed, as required by municipal planning and performance management regulation 7(1).

Other information in the annual report

34. The accounting officer is responsible for the other information included in the annual report which includes the directors' report, the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected development priority presented in the annual performance report that have been specifically reported on in this auditor's report.

35. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
36. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
37. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

38. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
39. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
40. Management did not adequately review and monitor compliance with applicable legislation.
41. Management did not implement effective review controls to ensure reported performance achievement per Annual Performance Report (APR) is accurate and agrees with the supporting documents and system generated reports.

Other reports

42. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

43. The municipality opened a case of arson for the traffic department building fire and suspected fraud in the traffic department in the 2022-23 year. As at the date of this report, the investigation is still on going by the Directorate for Priority Crime Investigation (the Hawks).

Auditor-General

East London

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 misstatements. 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), Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
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), Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations: 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), Sections: 54A(1)(a), 56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)

Legislation	Sections or regulations
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
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), Regulations: 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)

Appendice S



NDLAMBE
LOCAL MUNICIPALITY



APPENDIX A: COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

LIST OF ALL COUNCILLORS IN THE NDLAMBE MUNICIPAL COUNCIL (Committee Allocation and Council Attendance):

Political Party	Gender	Name	Surname	Ward Councillors	Portfolio Committees Allocation	Council Meeting Attendance: 01/07/2024 - 30/06/2025
ANC	Male	Asanda	Nyumka	Ward 1 Councillor	Chairperson : MPAC	13/13
ANC	Male	Phumlani	Khungwayo	Ward 2 Councillor	Member: Financial Management	13/13
ANC	Male	Zandisile Welcome	Myali	Ward 3 Councillor	Member: Corporate Services Portfolio Committee	13/13
ANC	Male	Simphiwe	Kolosa	Ward 4 Councillor	Member: Local Labour Forum	13/13
ANC	Male	Mzwandile	Sweli	Ward 5 Councillor	Member : MPAC; Member: Community and Protection Services Portfolio Committee	13/13
DA	Male	Edward Hildreth Keillor	Walker	Ward 6 Councillor	Member: Local Labour Forum	12/13
ANC	Male	Sibusiso	Zweni	Ward 7 Councillor	Member: Infrastructural Development Portfolio Committee	11/13
ANC	Male	Ayanda	Bukani	Ward 8 Councillor	Member : MPAC; Member: Financial Management Portfolio Committee	13/13
ANC	Male	Siyabulela Irvan	Melani	Ward 9 Councillor		13/13
DA	Female	Nadine Enid	Haynes	Ward 10 Councillor	Member: MPAC; Member: Community and Protection Services Portfolio Committee	10/13
ANC	Female	Khululwa	Ncamiso	Mayor	Chairperson: EXCO; Portfolio Head: Corporate Services; Portfolio Head: Local Economic Development	10/13
ANC	Male	Andile	Marasi	Speaker		13/13
ANC	Female	Siphokazi	Dyakala	PR Councillor	Portfolio Head: Infrastructural Development	11/13
DA	Male	Sikhumbuzo	Venene	PR Councillor	Portfolio Head: Financial Management	12/13
EFF	Female	Nokuthula	Memani	PR Councillor	Portfolio Head: Community and Protection Services	9/13
DA	Male	Phil Yedwa	Kani	PR Councillor		12/13
DA	Female	Thunyelwa	Mbekela	PR Councillor		13/13
DA	Male	Watuse	Johannes	PR Councillor		11/13
EFF	Male	Xolisa	Runeli	PR Councillor	Member: Local Labour Forum; Member: Infrastructural Development Portfolio Committee	6/13
EFF	Male	Mzwandile	Mgweba	PR Councillor	Member: MPAC; Member: Corporate Services Portfolio Committee	5/13

APPENDIX B: COMMITTEE AND COMMITTEE PURPOSE

Executive Committee (EXCO)

The powers of the Executive Committee (ExCo) are enlisted in Section 44(2) of the Municipal Structures Act, 1998 as follows:

Section 44(2) of Municipal Structures Act, 1998

- (a) identify the needs of the municipality;
- (b) review and evaluate those needs in order of priority;
- (c) recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and
- (d) recommend or determine the best methods, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.

MEMBERS OF EXCO	PERCENTAGE OF MEETINGS ATTENDED
Mayor KC Ncamiso	100%
Cllr S Dyakala	100%
Cllr N Memani	100%
Cllr S Venene	80%

Municipal Public Accounts Committee

The functions of MPAC:

- Provision of an oversight role in respect of the administration and executive committee of the council;
- Reviewing the municipal / municipal entity's quarterly, mid-year and annual reports and providing an oversight report on the Annual Report for consideration by Council;
- Assisting Council to maintain oversight over the implementation of the Supply Chain Management Policy;
- Examining the financial statements and audit reports of the municipality and municipal entities (considering improvements from previous statements and reports);
- Evaluating the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
- Promoting good governance, transparency and accountability on the use of municipal resources;
- Examining the Mid-Year Review documents in line with the Integrated Development Plan(IDP); and
- Recommending or undertaking any investigation that falls within the scope of this committee's responsibilities/ area of competence.

MEMBERS OF MPAC	PERCENTAGE OF MEETINGS ATTENDED
Cllr A Nyumka [Chairperson]	100%
Cllr A Bukani	100%
Cllr N Haynes	66.66%
Cllr M Mgweba	66.66%
Cllr M Sweli	100%

Portfolio Committees

Corporate Services and LED Portfolio

MEMBER OF PORTFOLIO COMMITTEE	PERCENTAGE OF MEETINGS ATTENDED	FUNCTION
Mayor KC Ncamiso [Chairperson]	100%	Corporate Service, Local Economic Development
Cllr Z Myali	100%	
Cllr M Mgweba	100%	

Financial Management Portfolio

MEMBER OF PORTFOLIO COMMITTEE	PERCENTAGE OF MEETINGS ATTENDED	FUNCTION
Cllr S Venene [Chairperson]	100%	Financial Services / Management
Cllr A Bukani	100%	
Cllr P Kungwayo	75%	

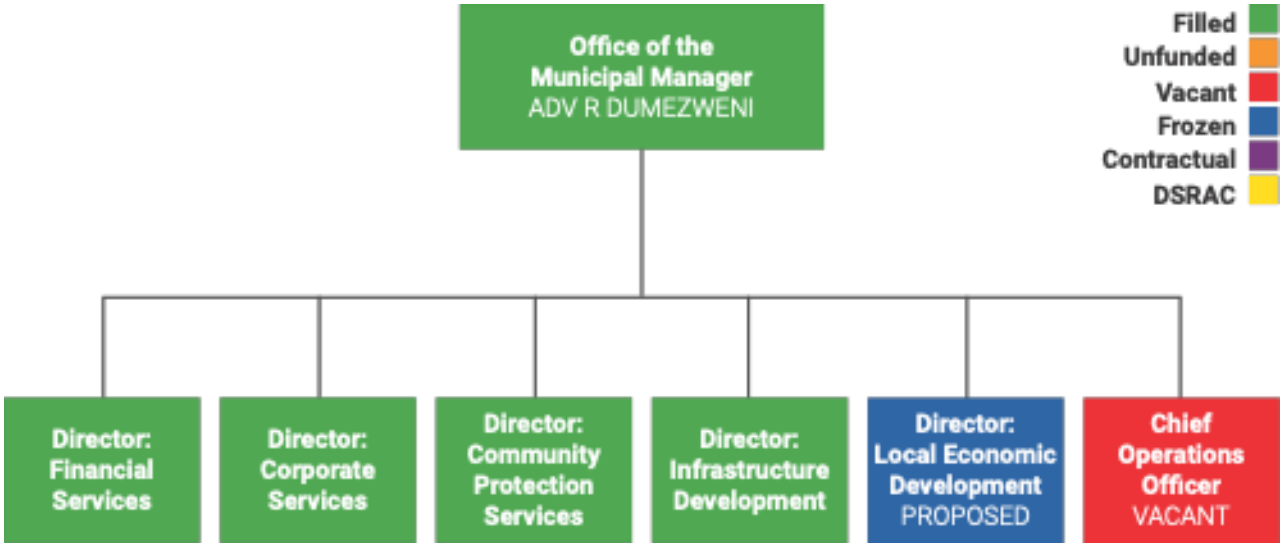
Infrastructural Development Portfolio

MEMBER OF PORTFOLIO COMMITTEE	PERCENTAGE OF MEETINGS ATTENDED	FUNCTION
Cllr S Dyakala [Chairperson]	100%	Infrastructural Development
Cllr S Zweni	100%	
Cllr X Runeli	66.6%	

Community and Protection Services Portfolio

MEMBER OF PORTFOLIO COMMITTEE	PERCENTAGE OF MEETINGS ATTENDED	FUNCTION
Cllr N Memani [Chairperson]	100%	Community and Protection Services
Cllr M Sweli	50%	
Cllr N Haynes	100%	

APPENDIX C: ADMINISTRATIVE STRUCTURE



APPENDIX D: FUNCTIONS OF MUNICIPALITY

Powers and Functions

Air pollution	Water & sanitation services limited to potable water supply systems and domestic waste- water and sewerage disposal systems
Building Regulations	Beaches and Amusement Facilities
Electricity	Billboards and display of advertisements in public places
Fighting Services	Cemeteries and funeral parlours
Local Tourism	Cleansing
Municipal Planning	Control of Public Nuisances
Municipal Health Services	Control of undertaking that sell liquor to the public
Jetties and Piers	Facilities for accommodation, care and burial of animals
Stormwater Management System	Fencing and Fences
Trading Regulations	Traffic and Parking
Licensing and control of undertaking that sell food to the public	Municipal Roads
Local Amenities	Noise pollution
Local Sport Facilities	Public Places
Municipal Parks and Recreation	Pounds
Refuse removal, refuse dumps and solid waste disposal	Street trading
Street lighting	

APPENDIX E: WARD REPORTING

Ward	Ward Councillor	Ward Committee Members	Percentage Of Meetings Reaching Quorum
1	Cllr A Nyumka	Lulu R Jikolo Boyce Wandisile Jonga Sithembele Moko Boyce Stefano Mzolisi Cengani Jan Paul Smit PM Stutt Luyanda Titi Zameka Dlakwe Siphosethu Njoli	100%
2	Cllr P Khungwayo	Nobesuthu Vuso Catherine Coetzee Ian King Trevor Moko Hendrik September Thembisile Ketelo Ziyanda Funani-Magubela Lonwabo Mkhele Nomasomi Lawu Boniswa Kana	100%
3	Cllr Z Myali	Selda Masimla Nomatalake Zozi Akhona Gqupu Nomangesi Tshukulane Lindeka Nela Thembisile Bili Malibongwe Mangele Susan Muirhead	100%
4	Cllr S Kolosa	Dumisa Kinqana Mvulakazi Magopheni Ntobeko Magwaxaza Nomachina Xanise Ntombise Dumezweni Walia Roux Mzwandile Nobadula Adrian Purdon	100%
5	Cllr M Sweli	Xolelani Nyamla Zameka Minyelela Bulelwa Draai X olisile Krala Mtetho Manyathi Sivuyile Memani Simon Blauw C Dewey C Boyd Siphokazi Mkrakra	100%
6	Cllr E Walker	Roslyn Baartjies Bulelwa Ntlokwana Terri Harrewyn Clive Naido Bonilile Hendele	100%

		Lionard Trolip Theodore Willemse Rob James Crothall Raymond Schenk Bandile Nomlomo	
7	Cllr S Zweni	Mila Hoyi Babalwa Vulindlu Thembisa Boo Thembekile George Nomawethu Feni Thembisa Mpoli Linda Makinana Nkosiyethu Madotyeni Zukiswa Bavuma Xolelwa Konza	100%
8	Cllr A Bukani	Anathi Mandilakhe Beja Zikhona Nesi Bongani Qhakamfana Nandipha Precious Sakata Nobendiba Ncumani Xolani Bukani Samkelo Buzani Sinethemba Matyumza Nomaxabiso Ngece	100%
9	Cllr S Melani	Luyanda Tambo Luvuyo Sonanzi Mziwethu Mafani Bonani Gareth Nginase Ntomboxolo Jali Lulama Maduba Bonani Mhomho Sandiswa Tokota Mandlakazi Plaatjie Mbulelo Kiti	100%
10	Cllr N Haynes	Richard Pryce Stuart Boucher Lindsay Ann Luppnow- Burrow Clinton Millard Zweli Nkwinti Antony D. de Bruin Ann Edwards Stuart Furstenburg Daniel Lodewyk Slabbert Dawie van Wyk	100%

APPENDIX F: WARD INFORMATION

APPENDIX G: AUDIT AND PERFORMANCE COMMITTEE

Report from the Audit and Performance Committee (APC) for the ANNUAL REPORT 2024/2025 of Ndlambe LM

DETAILS OF THE REPORT

1. COMPOSITION

The term of the three members started in June 2024 (viz. Mr T Pillay, Prof W Plaatjes and Ms B Nqadolo). In March 2025, Mr T Pillay resigned from the committee as a chairperson and committee member.

The Council, in a meeting held on 30 April 2025, resolved to appoint Ms B Nqadolo as the new APC chairperson and to advertise the filling of the vacancy created by Mr T Pillay.

The committee completed the last quarter of 2024/25 with only 2 members owing to the pending appointment of the new member.

2. MEMBERSHIP AND ATTENDANCE

All members of the APC are external members

Chairperson: DM Pillay (1 July 2024 – resigned 30 March 2025)

Chairperson: B Nqadolo (Appointed 30 April 2025- June2025)

Member: Prof W Plaatjes

Member: Vacant

As per the approved Audit and Performance Committee Charter the APC is required to meet at least four times a year. The Audit and Performance Committee met five (5) times during the 2024/25 financial year on the following occasions:

Meeting date	Apologies	Nature of meeting
23/08/2024	None	Normal
04/10/2024	None	Normal
06/12/2024	None	Special
06/02/2025	None	Normal
04/06/2025	None	Normal

The committee members were in attendance in all 5 meetings.

3. CONFIDENTIALITY, INDEPENDENCE AND CONFLICT OF INTEREST

During the year under review, no member of the Audit & Performance Committee had an interest in the affairs of the municipality that could result in a conflict of interest, impair independence and/or contravene any applicable code of professional conduct. Members were required to declare their interest in each meeting.

4. RESOLUTION AND RECOMMENDATIONS REGISTER SUMMARY

NO.	ITEM (HEADING)	PROGRESS ON COMMITTEE RESOLUTION	Resolved/In progress / Not Resolved	PROGRESS NOTE
1.	6.5. The committee <u>RECOMMENDED</u> that the entire procurement process must be planned backwards from the end date that is in mind, to avoid compliance and risk issues. (The sense from the committee is that the procurement plans are not in place or are not adhered to as there are emergency deviations which could have been avoided). Procurement plans and implementation thereof to be provided to the committee.	Procurement plans are in place and are monitored on a monthly basis, however, the sitting of Bid Evaluation Committees is a challenge resulting in extensions and delayed procurement.	In Progress	The challenge of Bid Evaluation Committee not sitting as planned was discussed in the Audit Action plan session held on 24 Jan 2025. An undertaking was made that Bid Committees, in particular, Evaluation Committee needs to expedite their processes specifically on annual tenders. Timeframes were set for finalisation of annual tenders (See Audit Action plan). In terms of Procurement plan updates, the Committee needs a turnaround plan to ensure that planned procurements are finalised on time.
2.	6.13. The committee <u>RECOMMENDED</u> that the government employee debtors be identified with their amount owing, and that a formal request be made to the Office of the Premier (OTP) for their intervention. The rationale behind would be for OTP to engaging officials from the various departments and arrangements for deductions to be effected through the payroll system and pay over to	6.13 The municipality has engaged SALGA (National) for assistance and support on the debt collection challenges encountered. The first arrear debtor category that was dealt with was the Business debtors, on which SALGA acknowledged that Ndlambe's business debt was under control and they could not provide further assistance. The next	In Progress	The municipality had communicated to OTP and PT for assistance in facilitating salary deductions on government employees; however, there has been no responses from both offices hence considering pursuing a garnishee order route. The committee will be updated on the progress made.

	Ndlambe municipality. The envisaged legal route should be the last resort.	meeting scheduled with SALGA was dated 13 June where the government employee's debt would be discussed.		
3	6.15. The committee was troubled by the long timelapse of the payment arrangements with indebted Councilors and officials who could leave the institution for one reason or another and <u>RECOMMENDED</u> that these be renegotiated for a better repayment arrangement.	6.15With regards to Councilors, only one Councilor that has arrears and there is a payment arrangement in place, however, finance will engage with the Cllr to increase the payment towards arrears. Further, for staff, there are only 12 staff members with arrears that to be settled over a period longer than 24 months. Finance will engage with them and the payroll department to determine net salary and affordability to increase the deductions.	Resolved	For Councilors the current debt repayment term has been re-negotiated to settle the outstanding debt within their term of office. The CFO will update the APC on the progress made in the next meeting
4	5.14. THAT service delivery directors are tasked with reviewing and curbing overtime abuse.	Overtime curbing strategy has been discussed with labour, in particular the affected employees who are said to be above the overtime threshold as determined by the Department of Labour. Going forward overtime will be spread or taken by only eligible task grades. Assessments will be made regarding the effectiveness of the plan on a quarterly basis.	In Progress	Overtime assessment report post the set implementation date agreed with labour will be tabled to the APC in the next meeting.

5	g) <u>Resolution</u> : To eliminate delays on project implementation due to EIA noncompliance, the municipality should anticipate and plan with the funding department in advance. Where possible the municipality should adopt and initiate physical visits to DEDEAT to unlock EIA bottlenecks.	c) The challenges in EIA delays are when the municipality is dealing with projects that have already triggered EIA such as informal settlements. However, with regard to the other applications management will endeavor to work closely with internal engineers to put pressure on the process as service delivery departments. Municipality to engage in advance or at least show evidence of strides towards planning to avoid EIA bottlenecks.	In Progress	Management to report on the progress of institutional EIA application status. The municipality need to plan in advance, as it is no use in accepting grants without business cases and feasibility studies done on time
6	8. RISK <u>Resolution</u> : THAT the municipality commits to terminating the legacy contract with ABSA Property Development and Bigen Afrika Consulting.	The MM held a meeting with the CEO of Bigen in July. MM to present a report on the matter in the next APC in August 2025	In Progress	MM to present a written report on the engagement held with Bigen Afrika CEO an update will be tabled to the APC in the next meeting.
7	TECHNICAL SERVICES 9.1. <u>Resolution</u> : THAT a narrative report for Non-Revenue Water be prepared to assist non-technical readers and should accompany the consultant's Non-Revenue Water report going forward.	Non-revenue water report submitted. The Committee requested a properly costed analysis of the data with clear periods on how to address the non-revenue water losses.	In Progress	Infra Director to presentation progress report on the Costing analysis as requested in the next APC meeting.
8	11. GENERAL THAT a summary of the MPAC report investigating irregular expenditure be provided to the committee.	Once the MPAC has completed its UIF Investigation report, it be presented to APC	In Progress	An update will be given to the APC in the next meeting.

5. REPORTING TO THE COUNCIL

After every APC meeting the APC compiles a report for submission to the Speaker of Council. The Chairperson of the APC is also given an opportunity to present a quarterly report during Council meetings.

One concern that is repeated quite regularly is the difficulty of the Secretariat to obtain reports from the Departments to compile the APC agenda.

The IA function also expressed concern that Departments take too long to provide information to update the Audit Action Plan and Internal Audit findings.

6. ROLES AND RESPONSIBILITIES

6.1 INTERNAL AUDIT

The Audit and Performance Committee has approved a risk-based three-year rolling Strategic Internal Audit Plan and an Annual Internal Audit Plan for the period 1 July 2024 to 30 June 2025.

The municipality appointed accredited external quality assessors to conduct an external quality assurance review of the Internal Audit activity. The outcome of the assessment has an overall rating of **Partially** Conforms which simply mean the Internal Audit Activity of Ndlambe Municipality partially conforms with the Institute of Internal Auditors (IIA) Attributes Standards, Performance Standards and Code of Ethics. The outcome of the assessment came with recommendations that will improve the value of the services provided by the Internal Audit activity, and also improve the implementation of the initiatives already under way, and advance the Internal Audit activity toward its vision. Internal Audit developed and presented the action plan to address the External Quality Review findings. The Audit and Performance Committee approved the action plan for implementation and requested management to support the implementation of the plan. The Audit and Performance Committee will monitor the implementation of the action plan on a quarterly basis.

For the year ended 30 June 2024, the committee noted that the internal audit unit was composed of an Internal Audit Manager who executed the role of Chief Audit Executive, supported by two Internal Auditors. The unit comprised of the following:

- Mr. S Landzela - Internal Audit Manager
- Ms. V Maphaphu – Internal Auditor
- Mrs. P Hanana- Internal Auditor

The Audit and Performance Committee has reviewed the following Internal Audit reports, as presented to the committee in line with the approved Internal Audit Plan for 2024-2025;

Internal Audit Reports	Reviewed
Review of Annual Financial Statements	Yes
AOPI/Performance Management (for all quarters)	Yes
Leave management	Yes
Follow up on Audit Action plan	Yes
ITC Governance audit	Yes
Supply Chain Management	Yes
Conditional Grants Review	Yes

The Audit and Performance Committee does meet separately with the Internal Audit Unit on a quarterly basis.

6.2. EXTERNAL AUDIT

The committee has the External Auditors as standing invitees to the committee meetings.

The committee discussed the 2023/2024 Auditor General Report and noted the improvement in the number of findings compared to the previous year; the Municipality has maintained a unqualified Opinion for the 2023/24 Financial Year.

6.3 REPORTING

The Audit and Performance Committee tabled all its quarterly reports to the Municipal Council, reporting on matters attended to during the relevant quarter.

6.4 ANNUAL FINANCIAL STATEMENTS AND ANNUAL PERFORMANCE REPORT

The Committee reviewed the first set of draft Annual Financial Statements on the 23rd of August 2024. The inputs from the members of the Committee and Provincial Treasury were well received and incorporated where applicable in the final AFS.

6.5 RISK MANAGEMENT

Progress has been made on risk management albeit not at the anticipated pace. These matters are reflected earlier in this report under recommendations and Resolutions. The APC is anticipating all recommendations to be implemented.

The committee recommends the following in order to instil an organisational risk culture:

- The Municipality should use the available resources to ensure that the action plans developed are implemented.
- The departments should be committed to holding monthly meetings so that the challenges relating to the non-implementation of action plans can be identified on time and be dealt with.
- Departments hold monthly meetings to be able to discuss the new risks facing their departments and to develop strategies to address these risks.
- Risk Champions liaise with the Risk Owners regularly to be able to update the Risk Registers and collect Portfolios of Evidence.
- Risk Owners to visit the registers monthly to be aware of the action plans that are not implemented and to follow up on them
- Directors to monitor the implementation of action plans in their departments.

6.5.1 FRAUD AND GOVERNANCE MATTERS

Fraud and corruption are standing items In- Committee meetings and all declarations covered in the minutes.

6.6 INTERNAL CONTROL ENVIRONMENT

The Committee assessed the control environment based on reports submitted by Internal Audit and key control assessments conducted by management on a quarterly basis.

Whilst there is control environment, there are control deficiencies that have been identified that need to be addressed because if not addressed they will affect the performance of the municipality and will lead to a negative audit outcome.

6.6 PERFORMANCE MANAGEMENT

When reviewing Performance Management, we discovered that there is an improvement in performance reporting, however, the following challenges persist:

- Incorrect submission of portfolio of evidence
- Claimed achievement with no valid evidence of target achieved.
- Setting of targets that are not within the municipal control.
- Incomplete projects due to non-compliance to the Environmental Impact Assessments requirements.
- Lack of tracking of remedial actions for non-achievements.

These issues need to be addressed urgently as they may impact negatively on the audit outcomes as well as the overall performance of the municipality.

6.7 IT GOVERNANCE

The Audit and Performance Committee has reviewed the Internal Audit Report with clear recommendations on overall ICT Management. The Audit and Performance Committee raised concerns on the effectiveness of the IT steering committee and implored the management to ensure that this committee is effective. The Committee also recommended the municipality to consider penetration test and remedial strategies to cyber security threats. The Internal Audit unit has been tasked to include penetration tests in its annual audit coverage.

6.8 RELATIONSHIP WITH STAKEHOLDERS

The Audit and Performance Committee has maintained relations with the stakeholders such as Ndlambe Council, MPAC Chairperson, Accounting Officer, Management and Municipal Officials, Internal and External Auditors<COGTA and Provincial Treasury through its interactions in the form of meetings.

6.9 COMPLIANCE WITH LAWS, REGULATIONS, ETHICS, POLICIES AND PROCEDURES

The Audit and Performance Committee has ensured that the Municipality complies with laws and regulations through reviews performed by the Internal Audit Unit and through interaction with management in the Audit and Performance Committee meetings.

7. REVIEW OF THE CHARTER

The Audit and Performance Committee Charter for 2024/25 has been reviewed to align with the new Global Internal Audit Standards.

8. CONCLUSION

It is important that on behalf of the APC that I acknowledge the efforts of the Municipal Manager and his Directors as well as the staff in striving for clean administration. In the midst of competing priorities, the APC recognises the team at Ndlambe Municipality in submitting the various reports for consideration. The APC also extends its appreciation to the Mayor, the Speaker of Council as well as all the councillors for the opportunity granted to the APC to present reports to the Council and being available to the Committee.



B Nqadolo

Date: 29 August 2025

Chairperson: Audit and Performance Committee

Ndlambe Local Municipality

APPENDIX H: LONGTERM CONTRACTS

Ndlambe had the following long term contracts running during 2024/25 financial year:

Service Provider	Service/Goods Supplied	Contract Duration	Contract Value
1. CDR Electrical Services	Maintenance and repairs of Municipal electrical facility	10 year contract, which started in June 2019	The Contract has multiple variable and fixed components. The Monthly fixed service fee is R1,300,000
2. Biggen Africa	Engineering Services	Contract entered into with ABSA DEVCO, No fixed duration, a commitment is for construction of 5000 units in the Thornhill settlement area including all civil construction projects	No upfront value but chargers are determined by ECSA rates
3. Amatola Water board	Water provision Services	No fixed term, service will continue as long as no party has initiated a termination process	The average cost varies depending on volumes supplied, to date the monthly average is R725,000 per month
4. NUWATER – QFS PLANT: Operations management	Water production and plant repairs and maintenance	5 year contract	R725,546 per month
5. NUWATER – NUWATER PLANT	Water provision Services	5 year contract	R378,764 per month
6. PE FUEL	Fuel Supply and delivery services	3 year contract	Average payment of R478,000 per month.
7. MUNSOFT	Financial System Vendor	5 year contract	Monthly Service Fee @ R230,000 per month

APPENDIX I: MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

CONTRACTOR	DESCRIPTION	CONTRACT VALUE	NEW CONTRACT VALUE	START DATE	END DATE	NOTICE/AWARD TYPE
UMHLABA CONSULTING GROUP	IMPLEMENTATION OF THE OVVO SOFTWARE SYSTEM	3 687 283.34	4 722 996.34	2020/11/01	2024/06/30	110/2020
CDR TECHNICAL (MONTHLY FIXED)	PROVISION OF A SERVICE/GOODS FOR THE OPERATION MANAGEMENT MAINTENANCE AND CONSTRUCTION SERVICES IN RESPECT OF THE ELECTRICITY UNDERTAKING OF NDLAMBE	166 081 485.38	169 087 217.42	2020/06/01	2030/05/30	79/2019
ABSA Property Development (Pty)	THORNHILL LINK SANITATION SERVICE PORTION 1	5 325 661.22	5 873 026.50	2021/07/01	2024/08/30	DEVIATION
CDR TECHNICAL (MONTH VARIABLE)	MONTHLY VARIABLE-OPERATION MAINTENANCE AND CONSTRUCTION SERVICES	5 665 374.59	5 930 421.25	2020/06/01	2030/05/31	79/2019
ADIODEX	CRICKETFIELD 130-CONSULTING ENGINEERING SERVICES	951 317.75		2022/04/04	2025/06/30	HOUSING DATABASE
PAYDAY SOFTWARE SY	PAYDAY SOFTWARE	577 670.55		2020/07/01	2024/06/30	N/A
P & S CONSULTING E	BULK WATER SUPPLY MANAGEMENT	RATE BASED	-	2022/06/01	2024/10/31	DEVIATION
NUWATER SYSTEMS	PROVISION OF WATER TREATMENT SERVICES	17 290 509.00		2021/10/05	2026/10/04	DEVIATION
ONIKAMIHLALI TRADING ENTERPRISE	LINK SANITATION SERVICES	3 950 482.44		2022/09/22	2024/08/30	233/2021
MPHELE ENGINEERS AND PROJECT MANAGEMENT	LANDFILL SITES: OPERATION MAINTENANCE AND MANAGEMENT	16 016 004.00		2021/05/31	2024/06/30	02/2021
LUKHOZI CONSULTING	PORT ALFRED SEWERAGE INFRASTRUCTURE	24 324 295.10		2022/07/05	2028/06/30	Deviation
ABSA Property Development (Pty)	THORNHILL LINK SANITATION SERVICES-PUMPING STATION AND PUMPING MAINS	2 711 481.86	2 711 481.86	2022/07/08	2025/07/07	DEVIATION
ABSA Property Development (Pty)	MBABELA AND MSWELA PUMPSTATION	3 711 735.74	3 711 735.74	2022/08/08	2025/08/07	DEVIATION
ABSA Property Development (Pty)	CONSTRUCTION OF CIVIL ENGINEERING SERVICE FOR	3 671 474.30	3 671 474.30	2023/12/04	2025/06/30	DEVIATION
911 Security and cleaning services	NDLAMBE WEST: PHYSICAL GUARDING OF MUNICIPAL	3 486 000.00		2021/11/01	2024/10/30	80/2021
Multi Security Services (Pty) Ltd	PROVISION OF SECURITY SERVICES AT NDLAMBE	1 004 570.00	1 004 570.00	2021/11/01	2024/10/30	80/2021
PURPLE PANSY 101	LINK SANITATION SERVICES: UPGRADES TO MECHANICAL AND ELECTRICAL INSTALLATIONS FOR THE SEWER PUMP STATIONS:	16 207 476.78		2022/11/17	2023/10/23	116/2022
LRC CIVILS CC	WHARF STREET: CONSTRUCTION OF GRAVITY SEWER LINE FROM WHARF STREET PUMP STATION TO THRONHILL PUMP	21 932 836.64	26 275 538.29	2022/11/28	2024/08/30	123/2022
IWONGA ENGINEERING PROJECTS	BATHURST WATER TREATMENT WORKS: REFURBISHMENT	7 468 100.00	8 962 268.00	2022/11/21	2023/07/14	DEVIATION
REVENUE CONSULTING	DEBT COLLECTION SERVICES	5 786 820.00	5 786 820.00	2022/04/01	2025/03/31	010/2022
NJH GROUP	SECURITY- NDLAMBE EAST	6 232 024.60		2023/01/01	2024/10/31	134/2022
RUMAS	INDIGENT VERIFICATION DOCUMENT MANAGEMENT SYSTEM AND BIDDER VETTING SYSTEM	2 526 550.00		2022/11/01	2025/10/31	94/2022
ZKS PROJECTS	SEWERAGE INFRASTRUCTURE: PHASE 1	5 309 401.08	1 830 266.68	2022/12/09	2023/11/26	130/2022
H.P. NEL DRILLING	BULK WATER SUPPLY-GROVE HILL FARM	2 245 568.34		2021/12/18	2023/12/18	DEVIATION
MAILTRONIC DIRECT MARKETING	PRINTING AND POSTING OF MUNICIPAL DEBTORS RATES AND SERVICES ACCOUNTS	1 700 500.00		2022/04/01	2025/03/31	009/2022
PENNY LINDSTROM VA	PROCUREMENT OF PRIVATE PROPERTY VALUERS FOR THE COMPILATION AND MAINTENANCE OF THE PROPERTY GENERAL VALUATION ROLL AND SUPPLEMENTARY VALUATION ROLLS	3 095 000.00	3 095 000.00	2023/06/01	2029/06/30	74/2023
JONATHAN BRADFIELD	BULK WATER SUPPLY-SEAFIELD	511 301.88		2020/10/01	2026/10/01	DEVIATION
Munsoft	EMAIL SERVICES	30 800.00		2023/01/01	2025/06/30	TRANSVERSAL CONTRACT
GIVE ZIYAWA/R.V.CO	NEW REST-UPGRADING OF INFORMAL SETTLEMENT PROGRAM	4 801 689.30	5 657 150.68	2023/04/26	2024/06/30	DATABASE
LRC CIVILS CC	CONSTRUCTION OF SEWER PUMP STATION AND BULK SEWER	10 445 833.46		2023/06/10	2024/08/30	DEVIATION
NORTHFIELD ENGINEERING (PTY) Ltd	PORT ALFRED SEWERAGE PUMP STATION REFURBISHMENT	7 011 378.86	3 505 689.44	2023/06/19	2024/06/29	DEVIATION

Munsoft	SUPPLY MAINTENANCE AND SUPPORT	9 930 134.43	9 930 134.43	2023/01/01	2025/06/30	TRANSVERSAL CONTRACT
PE FUEL DISTRIBUTORS	SUPPLY AND DELIVERY OF DIESEL AND PETROL FUEL	475 380.00		2023/05/01	2026/05/30	229/2022
SKY WINGS	UPGRADING OF MAMITYI GIDANA STADIUM:SOCCER PITCH	2 155 070.53		2023/08/31	2024/09/30	150/2023
Munsoft	SCHEDULE F: METER READING DEVICES	565 323.90		2023/09/20	2024/10/31	TRANSVERSAL CONTRACT
SMEC SOUTH AFRICA	UPDATING AND MAINTENANCE OF IMMOVABLE ASSET	2 660 072.04	3 702 855.24	2023/05/02	2026/04/30	004/2023
MULTILAYER TRADE CORPORATION	HIRE OF ONE TON LDV	126 250.00	126 250.00	2023/09/01	2024/06/30	176/2023
YBI ATTORNEYS	LEGAL SERVICES	331 500.12		2023/08/24	2026/08/24	035/2023
Wheeldon Rushmere and Cole Inc	LEGAL SERVICES-PANEL OF SERVICE PROVIDERS	4 333 056.73		2023/08/24	2026/08/24	035/2023
ROMH CONSULTING	DESIGN IMPLEMENTATION FOR VARIOUS INFRASTRUCTURE PROJECTS IN NDLAMBE MUNICIPALITY	70 358 989.25		2023/02/10	46 022.00	
EKHA YA SEARCH	ARREAR AND UNTRACEABLE DEBTOR CONTRACT DETAILS VERIFICATION SYSTEM	240 000.00		2023/08/01	2025/07/31	076/2023
OKO 1020 TRADING	IMPLEMENTATION FOR RETROFITTING OF EXISTING INLINE ISOLATION VALVE CHAMBERS AND DN300 GRP PIPELINE	10 931 871.94	10 595 944.83	2023/11/07	2024/08/07	DEVIATION
Munsoft	SCHEDULE K (PERFORMANCE MANAGEMENT SOLUTION) SERVICE SCHEDULE RISK ASSIST MODULE	366 839.00		2023/10/01	2025/06/30	TRANSVERSAL CONTRACT
ADIODEX	CONSULTING- NEMATO NEW REST.	923 814.62		2023/11/01	2024/11/01	HOUSING DATABASE
ADIODEX	CONSULTANT-ZIHAGU	2 330 202.82		2021/06/01	2025/06/30	HOUSING DATABASE
ADIODEX	CONSULTING- ALEXANDRIA BRAKFORTEIN IN NDLAMBE	1 172 709.61		2023/11/01	2024/11/01	HOUSING DATABASE
NEAVE STOTTER INC	ACCREDITED LEGAL SERVICE PROVIDERS FOR A PERIOD OF 36	300 000.00		2023/08/24	2026/08/24	035/2023
BOQWANA BURNS	LEGAL SERVICES-PANEL	885 867.00		2023/08/24	2026/08/24	035/2023
MAGQABI SETH ZITHA	LEGAL SERVICES-PANEL	300 000.00		2023/08/24	2026/08/24	035/2023
AURECON SOUTH AFRICA (ZUTARI)	PROFESSIONAL SERVICES FOR CONTRACT 14 & 15 GRP	7 582 140.90	-	2023/05/15	2024/10/15	DEVIATION
ADIODEX	CONSULTING- KLIPFORTEIN	1 779 766.93		2022/06/01	2025/06/30	HOUSING DATABASE
LUTIWELL PTY LTD	KLIPFORTEIN/MARSELLE -REPLACEMENT OF SMALL BORE SEWER SYSTEM TO FULL WATERBORNE SYSTEM	999 965.00		2024/01/26	2024/09/30	DEVIATION
MANDLACHUMA TRADING	REHABILITATION OF LONGDROPS TOILETS	2 949 693.65		2023/04/23	2024/12/31	HOUSING DATABASE
WISPERNET	SUPPLY INSTALL AND COMMISSIONING OF INTERNET CONNECTIONS AND INTERNET BANDWIDTH	767 124.00		2023/11/15	2026/11/15	104/2023
NCESH BULA GENERAL TRADING	BATHURST 5 HOUSING PROJECT	1 064 277.00		2024/02/12	2024/12/31	93A/2021
LILITHA PROJECT MANAGERS	FORENSIC AUDIT AND ASSESSMENT ON THE ALEXANDRIA 402 LOW-COST HOUSING PROJECT	3 381 686.55		2023/04/13	2024/12/31	DEVIATION
Empumalanga Trust	SHREDDING OF GARDEN REFUSE	540 000.00		2023/12/18	2024/12/18	184/2023
NJH GROUP	PACKAGE B2 UPGRADING OF PROTEA CRESCENT IN STATION	4 153 822.77		2024/03/27	2024/12/31	11/2324
LUKHOZI CONSULTING	MARSELLE 500 HOUSING PROJECT	3 187 250.00		2023/12/23	2024/12/23	DEVIATION
NDLAMBE SECURITY	FIXED: TRANSPORTATION OF STRAY LIVESTOCK	594 972.00		2024/01/01	2024/12/31	083/2023
NDLAMBE SECURITY	VARIABLE: TRANSPORTATION OF STRAY LIVESTOCK	35 805.00		2024/01/01	2024/12/31	083/2023
LRC CIVILS CC	COMPLETION OF CONSTRUCTION OF 2.6ML THORNHILL ELEVATED TOWER SEWER PUMP STATION AND PUMPING MAIN	11 497 321.87	9 569 743.60	2024/02/15	2024/09/24	143/2023
NOKONGO HOLDINGS P	EZIDONKINI-UPGRADING OF GRAVEL ROADS TO BLOCK PAVING ROADS-LINKED 1 ROADS	6 354 107.18		2024/03/18	2024/08/18	HOUSING DATABASE
ABSA Property Development (Pty	GRAVITY SEWER LINE FROM WHARF STREET	3 651 716.37	3 651 716.37	2022/08/08	2025/08/07	DEVIATION
ECO Chemical Solutions	SUPPLY AND DELIVERY OF UNIFORM	1 954 509.18		2024/04/01	2025/03/31	T4/2324
Ezulweni Construction PTY(LTD)	MARSELLE 500 HOUSING PROJECT INTERNAL SERVICES	28 788 143.53	31 764 666.98	2024/02/29	2025/02/28	T05/2324

Amlo Trading (PTY) LTD	COMPLETION OF PORT ALFRED SEWERAGE INFRASTRUCTURE PHASE 1-RETICULATION	25 491 563.76	23 143 326.44	2024/04/19	2025/04/19	T01/2324
Munsoft	SCHEDULE N : MSCOA BUDGET COMPLIANCE CONSULTING SERVICES	402 500.00		2023/02/01	2025/06/30	TRANSVERSAL CONTRACT
IBALA Consulting	UPGRADING OF MAGONGO STREET MBABELA STREET NTINI STREET SAGWITYI AND DANIEL SCHEEPERS STREET ROAD BASE LAYER AND STORMWATER	7 086 155.56		2024/05/30	2024/10/30	T12/2324
MNYANI CIVILS AND GENERAL	UPGRADING OF GRAVEL ROADS TO BLOCK PAVING ROADS AT KENTON-ON-SEA NDOKWENZA LINKED ROADS	3 431 756.71		2024/06/06	2024/11/06	HOUSING DATABASE
SHOLINE PROJECTS	Mansfield Raw and Clear Water Pump Station	1 208 130.00	1 179 282.94	45 458.00	45 626.00	DEVIATION
SHOLINE PROJECTS	Bathurst Lushington Raw Water Pump Station	820 600.00	794 420.00	15/06/2024	30/11/2024	DEVIATION
ADIODEX	HORSEPLAY-CONSULTING ENGINEERING SERVICES	1 468 504.75		2024/05/01	2025/06/30	DATABASE
KHANGELA SATELLITE	VEHICLE TRACKING	71 250.00		2024/07/01	2024/09/30	DEVIATION
MINENTLE GENERAL T	UPGRADING OF WESTBOURNE ROAD PHASE 2 IN KENTON ON	1 698 040.00	1 298 007.38	2024/07/18	2025/05/31	74/2024 - Package H
INTSINDE HOLDINGS	UPGRADING OF ATHERSTONE ROAD	9 248 065.29	7 853 790.14	2024/07/18	2025/08/31	
DMZ TRADING CC	UPGRADING OF ATHERSTONE ROAD	1 828 100.30	-	2024/07/18	2024/12/18	T15
HLOMELANG MARKETING	SUPPLY AND DELIVERY OF GEL STOVES AND GEL FUEL	8 541 188.00		2024/08/05	2025/06/30	16 & 17/2324
EAST LONDON INDUSTRIAL DEVELOPMENT ZONE	PROVIDING SAMPLING LABORATORY TESTING AND LOGISTICAL SERVICES	296 584.53	329 208.83	2024/08/01	2025/07/31	s110 of MFMA Appointment
KOPANO INCORPORATE	FINANCIAL STATEMENTS	RATE BASED		2024/07/01	2026/06/30	DEVIATION
ADIODEX	CONSULTING ENGINEERING SERVICES FOR THE UPGRADING OF INFORMAL SETTLEMENTS PROGRAM NEMATO POTYIPAYIA	741 456.48		2024/03/01	2027/02/28	263/2018
ADIODEX	CONSULTING ENGINEERING SERVICES OF INFORMAL SETTLEMENTS PROGRAM BATHURST INFILL AREAS	7 239 634.12	7 239 634.12	2024/03/01	2027/02/28	263/2018
ADIODEX	CONSULTING ENGINEERING SERVICES FOR THE UPGRADING OF INFORMAL SETTLEMENTS PROGRAM ALEXANDRIA: BOKNES	7 025 451.36		2024/03/01	2027/02/28	263/2018
ADIODEX	CONSULTING ENGINEERING SERVICES FOR THE UPGRADING OF INFORMAL SETTLEMENT PROGRAM AT NLM-KOS-	4 880 322.00	-	2024/03/01	2027/02/28	263/2018
KLEINEMONDE TRADING	KLEINEMONDE WATER INFRASTRUCTURE AND SUPPLY	RATE BASED		2024/07/01	2025/06/30	DEVIATION
	SUPPLIER DATABASE FOR BUILDING WORK CATEGORY 3 - 1GB	10 000 000.00		2022/11/23		T 186-2023
NORTHFIELD ENGINEE	PORT ALFRED SEWERAGE PUMP STATION UPGRADES: PHASE 2	8 606 007.98		2024/09/27	2025/09/27	NOTICE 109/2024
KHANGELA SATELLITE	VEHICLE TRACKING	216 000.00		2024/10/01	2025/06/30	DEVIATION - RFQ 95/2324
MPHELE ENGINEERS AND PROJECT MANAGEMENT	OPERATION MAINTENANCE AND MANAGEMENT OF LANDFILL SITES	23 064 400.00		2024/10/02	2027/11/30	14/2024
WINDEED	DATABASE PROPERTY SEARCHES - VALUATION SERVICE			2024/09/01	2025/06/30	DEVIATION
Munsoft	SCHEDULE K1 - RISK MANAGEMENT	512 344.50		2023/01/01	2025/06/30	SNCM001/11/2016
ARENA HOLDINGS	PUBLICATION OF NOTICES IN THE TALK OF THE TOWN; DAILY DISPATCH AND THE HERALD			2024/10/18	2026/06/30	DEVIATION
NJH GROUP	SECURITY TENDER: NDLAMBE EAST (PORT ALFRED TO KAP RIVER) PHYSICAL GUARDING OF MUNICIPAL PREMISES	617 207.12		2024/11/01	2025/03/31	134/2022 DEVIATION
NETCOVISION	PROVISION OF SECURITY SERVICES AT NDLAMBE MUNICIPALITY AREAS - NDLAMBE WEST	203 184.00		2024/11/01	2025/09/30	80/2021
Multi Security Services (Pty) Ltd	SAFEGUARDING AND SECURITY TENDER DEV 56/2425/CPS	50 040.00		2024/11/01	2025/06/30	DEVIATION
BONTIFOR	CONSTRUCTION OF CIVIL ENGINEERING SERVICES FOR THORNHILL PHASE 1B1	33 820 406.11	33 820 406.11	2024/10/09	2025/09/01	T2/2324
Munsoft	SCHEDULE O - MUNSOFT TRAININGS (SLA)			2023/01/01	2025/06/30	
YBI ATTORNEYS	LEGAL SERVICES			2023/08/24	2026/08/24	035/2023

NDLAMBE COMMUNITY RADIO FORUM	PROVISION OF RADIO BROADCASTING SERVICES	110 801.24		2024/11/22	2025/06/30	RFQ NO.38/2425
BEE 123	INTERGRATED EMPLOYMENT EQUITY REPORTING SYSTEM			2024/10/20	2025/05/31	RFQ 19/2425 AND NOTICE 176/2024
GOLDEN RIDGE DAM	BULK WATER SUPPLY- GOLDEN RIDGE FARM	RATE BASED		2024/06/12	2025/06/30	DEVIATION
PULLEN BROS	ALEXANDRIA BULK WATER SUPPLY	RATE BASED		2024/10/01	2025/09/30	DEVIATION
O AND O ENTITY	MAINTENANCE OF TITI JONAS HALL (MATERIAL AND LABOUR)	23 904.00		2025/01/01	2025/01/31	QUOTE 02
Empumalanga Trust	SHREDDING OF GARDEN REFUSE	555 660.00		2025/01/01	2026/12/31	184/2023
NDLAMBE SECURITY	FIXED TRANSPORTATION OF STRAY LIVESTOCK	612 226.18		2025/01/01	2026/12/31	82/2023
NDLAMBE SECURITY	VARIABLE TRANSPORTATION OF STRAY LIVESTOCK	64 945.33		2025/01/01	2026/12/31	82/2023
SIYANCEDA TRADING ENTERPRISE	SUPPLY AND DELIVERY OF 2400L WATER TANKS AND CONSTRUCTION OF TANKS- NDOKWENZA	494 500.00		2025/02/14	2025/06/30	RFQ 35/2425
VS NDUMDUM CONSTRUCTION	SUPPLY AND DELIVERY OF 2400L WATER TANKS AND CONSTRUCTION OF TANKS STANDS-NDOKWENZA	568 675.00		2025/02/14	2025/06/30	35/2425
MVR BUILDERS	SUPPLY AND DELIVERY OF 2400L WATER TANKS AND CONSTRUCTION OF TANKS STANDS-ALEX BOKNESS ROAD	568 675.00		2025/02/14	2025/06/30	RFQ 35/2425
NGXALA GENERAL TRA	SUPPLY AND DELIVERY OF 2400L WATER TANKS AND CONSTRUCTION OF TANIK STANDS- ALEX BOKNESS	494 500.00		2025/02/14	2025/07/31	RFQ35/2425
ALMECODE PTY LTD	SUPPLY AND DELIVERY OF 2400L WATER TANKS AND CONSTRUCTION OF TANK STANDS-ALEX BOKNESS	568 675.00		2025/02/14	2025/06/30	RFQ35/2425
TYUKA GENERAL TRADING	SUPPLY AND DELIVERY OF 2400L WATER TANKS AND CONSTRUCTION OF TANKS-NDOKWENZA	494 500.00		2025/02/14	2025/06/30	RFQ 35/2425
KHANDISISA TRADING ENTERPRISE	SUPPLY AND DELIVERY OF 2400L WATER TANKS AND CONSTRUCTION OF TANKS STANDS-NDOKWENZA	494 500.00		2025/02/14	2025/06/30	RFQ 35/2425
AMISILE MEDIA	DEVELOPMENT PRINTING AND DISDTIBUTION OF MUNICIPAL NEWSLETTER- 04 FEBRUARY 2025 TO 30JUNE 2025	110 000.00		2025/02/04	2025/06/30	RFQ 56/2425
IMIBONO YAMALAWU GENERAL TRADING	SUPPLY AND DELIVERY OF DRUMS (200L) CATIONIC SPRAY 65% DELIVERED TO ALEXANDRIA	24 300.00		2025/02/12	2025/03/12	QU-1243
KWAYI AND KWAYI 749 ENTERPRISES	SUPPLY AND DELIVERY OF 2400L WATER TANKS AND CONSTRUCTION OF TANKS STANDS-BOKNESS ROAD	494 500.00		2025/02/17	2025/06/30	RFQ35/2425
LLU GROUP	SUPPLY AND DELIVERY AND INSTALLATION OF GALVANIZED RAZOR MESH BARBED WIRE FENCING AT WILLOWS CARAVAN	150 449.75		2025/02/18	2025/03/18	RFQ 39/2425
IMIBONO YAMALAWU GENERAL TRADING	SUPPLY AND DELIVERY OF 30KG (250 BAGS) COLDMIX ASPHALT DELIVERED TO ALEXANDRIA	29 700.00		2025/02/12	2025/03/12	QU 001038
PORT BIZCONNECTION	SUPPLY AND DELIVERY OF 2400L WATER TANKS AND CONSTRUCTION OF TANKS - HORSEPLAY	494 500.00		2025/02/14	2025/06/30	35/2425
OLIGO GROUP	SUPPLY & DELIVERY OF 2400L WATER TANKS AND CONSTRUCTION OF TANKS - HORSEPLAY	494 500.00		2025/02/14	2025/06/30	35/2425
TOWER OF PROSPERITY	SUPPLY & DELIVERY OF L WATER TANKS AND CONSTRUCTION OF TANKS - HORSEPLAY	494 500.00		2025/02/14	2025/07/31	35/2425
KUNGAWO HOLDINGS (	SUPPLY DELIVERY AND INSTALLATION OF LOW FLUSH PEDESTAL TOILETS WITH 2500L REINFORCED POLYMER TANKS-	5 940 236.84		2025/03/01	2025/07/31	36/2425
AMAQOCWA CIVILS	SUPPLY DELIVERY AND INSTALLATION OF LOW FLUSH OEDESTAL TOILETS WITH 2500L REINFORCED POLYMER TANKS -	6 000 000.00		2025/03/01	2025/07/31	36/2425
MANDLACHUMA TRADING	SUPPLY DELIVERY AND INSTALLATION OF LOW FLUSH OEDESTAL TOILETS WITH 2500L REINFORCED POLYMER TANKS -	2 920 118.42		2025/03/01	2025/06/30	36/2425

Poppiez trading Cc	SUPPLY AND DELIVERY AND INSTALLATION OF LOW FLUSH PEDESTAL TOILETS WITH 2500L REINFORCED POLYMER TANKS	1 000 000.00		2025/03/06	2025/06/30	208/2024
INDLUVO TRADING	SUPPLY AND DELIVERY AND INSTALLATION OF LOW FLUSH PEDESTAL TOILET WITH 2500L REINFORCE POLYMER TANKS	1 000 000.00		2025/03/06	2025/06/30	208/2024 OR RFQ 36/2425
NAMEVA TRADING ENTERPRISE	SUPPLY AND DELIVERY AND INSTALLATION OF LOW FLUSH PEDESTAL TOILET WITH 2500L REINFORCE POLYMER TANKS:	1 000 000.00		2025/03/06	2025/06/30	208/2024 OR RFQ36/2425
IMVU CONSTRUCTION GROUP	SUPPLY DELIVERY AND INSTALLATION OF LOW FLUSHPEDESTAL TOILETS WITH 2500L REINFORCED POLYMER	20 000 000.00		2025/03/06	2025/07/31	36/2425
NJH GROUP	UPGRADING OF PROTEA CRESCENT ROAD IN STATION HILL	507 052.25		2025/03/13	2025/06/30	DEVIATION 68/2425
KNIGHT NDINISA AND MATOMELA	UGRADING OF ROADS:TANA SQUARE	4 708 750.00		2024/08/01	2025/03/31	T15/2324
ULULO TRADING	UPGRADING OF ROAD: MBUNDWINI ROAD	1 379 232.84		2024/07/31	2025/03/31	T15/2324
TRUVELO MANUFACTUR	PROVISION OF TRAFFIC FINE MANAGEMENT SYSTEM	65 000.00	-	2024/10/08	2025/10/08	25/2425
MDJ CONSTRUCTION	UPGRADING OF KOTI STREET IN BATHURST	1 903 853.75		2024/07/18	2025/03/31	DEVIATION
MNYANI CIVILS AND GENERAL	UPGRADE OF KENTON ON SEA (SGAQA / NDOKWENZA)LINK	1 384 372.35		2025/03/17	2025/05/17	183/2023
Sky Alarms	PROVISION OF SECURITY SERVICES AT NDLAMBE MUNICIPALITY AREAS	663 262.50	-	2025/03/10	2025/06/30	134/2022 / DEVIATION 71/2425
ALOE CONSULTING	MARSELE 500 HOUSING PROJECT CONSTRUCTION MONITORING FOR CONSTRUCTION OF 500 TOP STRUCTURES	7 198 080.00		2024/08/01	2027/07/31	
PROXA SOUTH AFRICA	COMPLETION OF THE PORT ALFRED REVERSE OSMOSIS PLANT	105 608 687.38	105 608 687.38	2024/11/05	2026/03/30	297/2023
KASABIAN PROJECTS	SUPPLY AND DELIVERY OF 1400 X WHEELIE BINS	938 630.00	-	2025/03/25	2025/05/31	04/2425
LRC CIVILS CC	THORNHILL MINISTERIAL HOUSING PROJECT PHASE 2 LINK SANITATION SERVICES: PUMPING MAIN GRAVITY LINE FROM MBABELA AND MSWELA PUMP STATION	4 628 761.00		2024/10/01	2025/06/30	DEVIATION
WORKING ON FIRE	FIRE PROTECTION SERVICES	495 689.19		2025/04/01	2026/03/30	REQ S5079
GOSANI ENTERPRISE	ROOF REPLACEMENT AND BEAM FILLING	29 860.50		2025/04/07	2025/05/31	PO
FATHER AN SON GENERAL TRADING	UPGRADING OF CONCRETE V-DRAIN FOR STORMWATER DRAINAGE CONTROL AT MARSELLE ZIHAGU 500	982 826.00		2024/09/01	2025/06/30	
MAILTRONIC DIRECT MARKETING	PRINTING AND POSTING OF MUNICIPAL SERVICES DEBTORS	269 100.00		2025/04/02	2025/06/30	DEV 76/2425
MATHORI GENERAL CO-OPERATIVE LIMITED	SUPPLY & DELIVERY OF 2400L WATER TANKS AND CONSTRUCTION OF TANKS -NDOKWENZA	494 500.00	-	2025/03/31	2025/07/31	35/2425
Cinywa General Trading	UPGRADING OF CONCRETE V-DRAIN FOR STORMWATER DRAINAGE CONTROL AT MARSELLE ZIHAGU 500	1 721 505.95		2024/07/02	2025/08/31	
MPIYAKHE04 CONSTRUCTION AND TRAFFIC SERVICES	DISMANTILE RE-ERECTION REMOVAL AND TRANSPORTATION OF 50 TEMPORARY SHELTER IN KWANONKQUBELA ALEXANDRIA	1 638 750.00		2025/04/22	2025/12/22	186/2023
	REHABILITATION OF EXISTING LONGDROPS TOILETS/PIT LANTRINES ? TREATMENT AND DISPOSAL OF TOILETS FOR THE INFORMAL SETTLEMENT TO BE UPGRADED AT NDLAMBE			2025/05/22	2026/05/28	87/2425
BVI BORDER	PROFESSIONAL AND CONSULTING ENGINEERING SERVICES: UPGRADING OF CRESCENT RIVERVIEW MPANGELE KEYE AND VAN RIEBEECK TO HENRY STREETS	1 219 422.05		2025/04/01	2026/03/31	46/2025
LAND INFORMATION PROFESSIONAL LAND SURVEYORS	MUNICIPAL PROPERTIES LAND AUDIT AND APPLICATIONS	180 000.00		2023/06/06	2026/05/31	NOTICE 065/2023
AYA.JR TRADING	PROVISION OF FIRE SERVICE PROTECTIVE WEAR	199 713.75		2025/05/29	2025/08/30	RFQ 78/2425 OR NOTICE 70/2025
NEWGROUND PROJECTS	PROFESSIONAL SERVICES RELATED TO UPGRADING OF BATHURST BULK SEWER	8 589 416.21		2025/06/04	2026/06/30	
LATITHA SOLAR	SUPPLY AND DELIVERY OF A TOYOTA HILUX SINGLE CAB 2.4 GD	528 430.00		2025/06/23	2025/07/31	TENDER 24/2425

NGCE	PROFESSIONAL AND CONSULTING ENGINEERING SERVICES: UPGRADING OF VAN DER STEL HERTZOG DANIEL SCHEEPERS GALJOEN AND BUIE STREETS	1 264 553.80		2025/04/01	2026/02/28	45/2025
HLALISTO TRADING ENTERPRISE	ASBESTOS TEMPORAL STRUCTURE DEMOLITION	210 000.00		2025/05/26	2025/09/30	NOTICE 147/2025
LE DUKE CLEANING AND SECURITY CO	PROVISION OF SECURITY SERVICES - ON A MONTH - TO - MONTH BASIS	795 053.27		2025/06/16	2025/08/30	DEV 72/2425
RHEOCHEM	SUPPLY AND DELIVERY OF WATER AND WASTEWATER TREATMENT CHEMICALS FOR A PERIOD OF TWELVE MONTHS	RATE BASED		2025/06/24	2026/06/30	TENDER 212/2024
NOMTY TRADING	REHABILITATION OF EXISTING LONG DROPS TOILET-PIT LANTRINES-TREATMENT AND DISPOSAL OF TOILET FOR THE			2025/06/27	2025/09/30	RFQ 87/2425 NOTICE 123/2025
MAILTRONIC DIRECT MARKETING	PRINTING AND POSTING OF MUNICIPAL SERVICES DEBTORS	273 376.62		2025/07/01	2025/09/30	DEV 04/2526
	HIRING PLANT AND EQUIPMENT FOR THE PERIOD OF 12 MONTHS - PACKAGE B - WATER TRUCK			2025/07/01	2026/06/30	TENDER 9/2425
	HIRING PLANT AND EQUIPMENT FOR A PERIOD OF 12 MONTHS - PACKAGE A: SANITATION TRUCK			2025/07/01	2026/06/30	TENDER 9/2425
KHANGELA SATELLITE	VEHICLE TRACKING SYSTEM	285 000.00		2025/07/22	2026/06/30	RFQ 001/2526 OR NOTICE 150/2025
Munsoft	SUPPLY MAINTENANCE AND SUPPORT OF THE SYSTEM - ANNUAL MAINTENANCE FEE	1 781 770.27		2025/07/01	2028/06/30	CONTRAVERSAL CONTRACT
SULTER M E H	SURVEY AND SETTING OUT OF 293 SITE EVERN - BOKNESS ROAD PORTION 14 AND 10 OF FARM NO.249 IN ALEXANDRIA	186 231.00		2025/07/01	2026/06/30	DEVIATION
Munsoft	SCHEDULE K (PERFORMANCE MANAGEMENT SOLUTION) SERVICE SCHEDULE RISK ASSIST MODULE			2025/07/01	2026/06/30	SNCM001/11/2016
Munsoft	SCHEDULE F METER READING SERVICES	323 472.63		2025/07/01	2026/06/30	SNCM001/11/2016
Munsoft	SUPPLY MAINTENANCE AND SUPPORT FOR THE INTEGRATED FINANCIAL MANAGEMENT AND INTERNAL CONTROL SYSTEM	3 351 586.92		2025/07/01	2026/06/30	SNCM001/11/2016
SIYANCEDA TRADING ENTERPRISE	PROVISION OF CATERING SERVICES FOR GRADE 12 LEARNERS	180 380.00		2025/08/01	2025/08/31	DEV 06/2526 CORP SERVE
SHOLINE PROJECTS	MAINTENANCE OF HORSESHOE PUMPSTATION NO:1	140 289.50	-	2025/07/30	2025/09/10	NOTICE 111/2025 OR RFQ 82/2425
SKY WINGS	UPGRADING OF DISASTER ROADS IN NDLAMBE EAST(CRESCENT STREET RIVERVIEW CRESCENT VAN RIEBEECK & HENRY STREET KEYEY STREET AND MPANGELE	16 981 729.98	-	2025/07/02	2026/02/28	Tender 25/2425
NJH GROUP	UPGRADING OF ROADS: PACKAGE C : MSWELA ROAD	3 649 381.25		2025/07/22	2025/12/31	TENDER 27/2425 NOTICE 132/2025
	PANEL APPOINTMENT FOR HIRING PLANT AND EQUIPMENT FOR A PERIOD OF 12 MONTHS - PACKAGE D: TRACTOR LOAD			2025/07/01	2026/06/30	TENDER 9/2425 : NOTICE 235/2024
COALITION TRADING	UPGRADING OF DISASTER ROADS IN NDLAMBE WEST (VAN DER STEL HERTZOG DANIEL SCHEEPERS GALJOEN AND BUIE STREETS) FOR THE PERIOD OF EIGHT MONTHS	15 500 000.00		2025/07/02	2026/02/28	TENDER 29/2425 : NOTICE 143/2025
DMZ TRADING CC	UPGRADING OF ROADS: PACKAGE A: PORT ALFRED MBUNDWINI ROAD PHASE 2	3 449 375.98		2025/07/22	2025/12/30	TENDER 27/2425 : NOTICE 132/2025
MANTISHE CONSTRUCTION	UPGRADING OF ROADS: PACKAGE B - PORT ALFRED PARK ROAD	5 782 280.04		2025/07/22	2025/12/31	TENDER 27/2425 - NOTICE 132/2025
QUE N QUE TRADING	CONSTRUCTION OF STORMWATER IN BATHURST	1 250 464.06		2025/07/22	2025/12/31	131/2025
MANAGED INTEGRITY	PROVISION OF EMPLOYMENT VERIFICATION SERVICES	300 000.00		2025/08/06	2026/07/31	RFQ 004/2526 : NOTICE 153/2025

SINCEDE CONSULTING SERVICES	UPGRADING OF ROADS : PACAKGE E : ALEXANDRIA ROADS (GLADIOLA; RETIEF; HEUWEL; HOF AND DE WET STREET)	6 545 767.00		2025/07/22	2025/12/31	TENDER 27/2425 : NOTICE 132/2025
Poppiez trading Cc	UPGRADING OF ROADS : PACKAGE D - PORT ALFRED PHANDLE STREET	5 007 007.70		2025/07/22	2025/12/31	TENDER 27/2425 - NOTICE 132/2025
AURECON SOUTH AFRICA (ZUTARI)	CALCULATION OF REHABILITATION OF LANDFILL SITE	155 940.00	-	2025/07/01	2025/08/31	RFQ 81/2425 : NOTICE 109/2025
Munsoft	EMAIL SERVICES : POSTAGE/STAMPS/FRANKING MACHINES	37 961.40	-	2025/07/01	2026/06/30	TRANSVERSAL
EAST LONDON INDUSTRIAL DEVELOPMENT ZONE	PROVIDING SAMPLING LABORATORY TESTING AND LOGISTICAL SERVICES	804 969.11	804 969.11	2025/08/01	2027/06/30	s110 of MFMA Appointment
SHOLINE PROJECTS	EMERGENCY REPAIRS TO KENTON-ON-SEA WWTW	449 914.50		2025/07/01	2025/09/30	DEV 79/2425
BONTIFOR	Port Alfred Sewerage Infrastructure System Phase 1 Reticulation	5 653 336.18	5 653 336.18	45 782.00	46 203.00	DEVIATION
ROMH CONSULTING	Bulk Infrastructure Refurbishment of Water Treatment Works and Package Plant Port alfred		19 670 114.90	2023/02/10	46 022.00	DEVIATION
ROMH CONSULTING	Ndlambe Bulk Infrastructure: Alexandria Brakfontein Pump		858 355.01	2023/02/10	46 022.00	DEVIATION
ROMH CONSULTING	Ndlambe Bulk InfrastructureAlexandria Brakfontein Pump		2 148 774.26	2023/02/10	46 022.00	DEVIATION
ROMH CONSULTING	Ndlambe Bulk InfrastructureAlexandria Brakfontein Pump		1 108 640.29	2023/02/10	46 022.00	DEVIATION
ROMH CONSULTING	Ndlambe Bulk Infrastructure: Alexandria Brakfontein Pump		8 154 729.83	2023/02/10	46 022.00	DEVIATION
ROMH CONSULTING	Ndlambe Bulk InfrastructureAlexandria Brakfontein Oxidation		9 133 185.00	2023/02/10	46 022.00	DEVIATION
ROMH CONSULTING	Ndlambe Bulk Infrastructure KlipfonteinPump Station 1		1 667 701.22	2023/02/10	46 022.00	DEVIATION
ROMH CONSULTING	Ndlambe Bulk Infrastructure KlipfonteinPump Station 2		1 676 485.50	2023/02/10	46 022.00	DEVIATION
SIZWE AMANSI INVESTMENTS	Work in progress PA Refurbishment of WTW & New Package	13 865 054.00	13 865 054.00	28/10/2024	46 022.00	DEVIATION
SIZWE AMANSI INVESTMENTS	Work in progress Refurbishment Alex Pump Station 1	4 725 703.50	4 725 703.50	28/10/2024	46 022.00	DEVIATION
SIZWE AMANSI INVESTMENTS	Work in progress Alex upgrading pump station 2	3 051 328.68	3 051 328.68	07/11/2024	46 022.00	DEVIATION
SIZWE AMANSI INVESTMENTS	Work in progress Alex Upgrading pump station 3	3 347 716.67	3 347 716.67		46 022.00	DEVIATION
SIZWE AMANSI INVESTMENTS	Work in progress Alex Upgrading Pump Station4	1 837 943.61	1 837 943.61	28/10/2024	46 022.00	DEVIATION
SIZWE AMANSI INVESTMENTS	Work in progress Klipfontein Upgrading pump station 1	1 321 716.16	1 321 716.16		46 022.00	DEVIATION
SIZWE AMANSI INVESTMENTS	Work in progress Alex Upgrading pump station 2	3 290 123.12	3 290 123.12	25/11/2024	46 022.00	DEVIATION

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST

The following Senior Managers have disclosed and signed their declaration of financial/business interests' form:

Declaration of Financial Interest

INITIALS AND SURNAME	POSITION	SIGNED DECLARATION FORM? (Y/N)
Adv R Dumezweni	Municipal Manager	Y
Mr MM Klaas	Chief Financial Officer	Y
Mrs L Maneli-Payi	Director: Corporate Services	Y
Dr N Vithi-Masiza	Director: Infrastructural Development	Y
Mrs NC Booyesen-Willy	Director: Community and Protection Services	Y

APPENDIX K: REVENUE COLLECTION PERFORMANCE

SOURCE OF INCOME	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Rates	11,493,913	18,468,444	11,628,669	10,590,504	12,601,636	11,633,325	12,152,621	12,149,011	12,146,488	10,951,928	12,143,960	12,188,720
Services												
Billed Electricity	5,587,404	6,729,688	5,713,520	5,128,953	5,121,701	6,893,936	3,971,777	6,258,216	5,784,921	7,579,919	3,488,889	4,769,599
Prepaid Electricity	-	-	-	-	-	-	-	-	-	-	-	-
Refuse Removal	1,520,363	2,180,696	1,784,696	1,528,379	1,782,801	1,792,208	1,830,552	1,834,818	1,831,026	1,368,011	1,814,196	1,813,252
Sewerage / Sanitation	1,205,225	1,683,191	1,411,610	1,218,496	1,504,197	1,509,371	1,703,928	1,718,754	1,541,675	901,003	1,583,244	1,541,029
Water	5,216,304	5,853,438	5,145,797	3,284,243	6,372,678	14,169,265	4,106,454	6,085,653	4,194,033	2,163,310	3,082,135	3,987,297
Other (Specify) e.g.												
Encroachment	-	2,267	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Housing Rental/Rentals & Lease Municipal	40,250	110,389	65,021	82,160	82,160	81,660	82,360	82,360	82,360	70,101	82,360	82,360
Legal fees	-4,690	-	-	-4,084	-	-	-	-	-	-7,418	-	-
Sundries	73,786	58,601	165,432	230,909	411,584	167,484	65,774	216,596	243,028	174,571	531,435	205,587
Insurance	3,384	3,219	3,219	3,219	3,219	3,219	3,219	3,466	3,466	3,466	3,466	3,466
Medical Aid	119,113	112,727	114,296	114,296	114,296	114,296	111,315	127,287	126,999	136,344	137,143	332
Final Readings	2,776	895	6,578	5,482	2,193	1,462	1,827	3,289	2,193	1,462	2,924	4,020
Environmental Levy	428,750	619,068	499,785	431,834	499,076	501,647	511,408	512,025	511,131	379,484	507,091	506,506
Payment Advance	-	-	-	-	-	-	-	-	-	-	-	-
VAT	2,062,850	2,576,526	2,287,493	1,810,743	2,313,320	3,757,161	622,377	2,529,129	2,041,901	1,962,608	1,608,283	1,925,016
Receipts	-	-	-4,841	-	-	-	-	-2,000	-	-	-	-
Interest	1,159,909	1,239,237	945,210	1,153,220	1,270,087	1,249,802	1,338,199	1,379,361	1,411,158	1,418,346	1,422,226	1,481,994
Deposits	8,898	7,315	21,266	16,352	15,076	16,891	4,191	17,073	26,666	6,684	12,934	31,077
Service charge (no rateable properties)	112,062	171,763	173,412	131,101	172,917	172,917	179,840	179,511	178,027	36,111	172,423	127,421
TOTAL	29,030,299.98	39,817,464.04	29,962,658.55	25,727,301.01	32,268,435.36	42,066,139.06	18,474,430.06	33,096,042.06	30,126,567.23	27,147,425.51	26,594,203.89	28,668,507.08
Billing YTD	29,030,299.98	68,847,764.02	98,810,422.57	124,537,723.58	156,806,158.94	198,872,298.00	217,346,728.06	250,442,770.12	280,569,337.35	307,716,762.86	334,310,966.75	362,979,473.83
Nett debtor days	29,030,299.98	39,817,464.04	69,780,122.59	95,507,423.60	127,775,858.96	169,841,998.02	188,316,428.08	221,412,470.14	251,539,037.37	278,686,462.88	305,280,666.77	333,949,173.85

Total Monthly Receipts	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Rates	- 11,064,044	-12,847,166	-10,879,155	-11,569,427	-13,256,308	-10,674,486	-11,394,691	-10,917,713	-11,441,472	-12,072,861	-11,065,051	-10,682,870
Services												
Billed Electricity	-4,720,525	-5,544,798	-6,210,252	-5,538,909	-5,199,521	-5,359,060	-4,931,228	-5,663,256	-5,144,263	-5,350,602	-5,766,581	-4,639,485
Prepaid Electricity	0	0	0	0	0	0	0	0	0			0
Refuse Removal	-1,126,458	-1,254,675	-1,190,568	-1,252,149	-1,231,842	-1,137,342	-1,230,220	-1,157,382	-1,182,840	-1,257,700	-1,151,196	-1,121,543
Sewerage / Sanitation	-825,385	-847,089	-788,731	-955,014	-992,544	-868,414	-918,283	-899,920	-1,004,239	-929,131	-922,778	-838,149
Water	-2,707,075	-2,716,421	-2,598,981	-2,864,967	-2,751,650	-2,696,264	-2,579,682	-2,538,405	-2,551,768	-2,734,575	-2,550,691	-2,049,448
Other (Specify) e.g.												
Encroachment	0	0	-499	0	0	0	0	0	0	0	0	0
Housing Rental/Rentals & Lease Municipal	-35,460	-274,749	-302,167	-35,998	-43,397	-33,721	-33,662	-26,939	-25,787	-48,738	-32,676	-32,185
Legal fees	-492	-92	-35	-1,329	0	-1,090	0	-193	-2,183	-138	0	0
Sundries	-90,155	-123,758	-40,992	-41,592	-39,049	-29,976	-131,441	-115,497	-67,459	-264,595	-16,023	-6,915
Insurance	-2,101	-3,124	-2,421	-2,956	-2,885	-3,016	-2,397	-2,625	-3,342	-3,555	-3,715	-3,122
Medical Aid	-83,752	-89,652	-80,286	-94,666	-91,270	-80,980	-96,797	-87,858	-78,920	-104,790	-114,184	-96,233
Final Readings	-2,577	-3,353	-1,419	-955	-1,672	-2,341	-731	-1,462	-782	-731	-879	-322
Environmental Levey	-318,883	-359,075	-330,401	-351,275	-359,739	-313,853	-346,470	-329,653	-334,567	-370,773	-329,646	-316,490
Payment Advance	-253,580	-130,384	-165,403	-182,498	-188,173	-369,643	-382,495	-574,003	-665,870	-888,081	-942,456	-856,270
VAT	-1,468,731	-1,649,158	-1,717,001	-1,661,414	-1,585,633	-1,542,039	-1,490,533	-1,580,871	-1,534,386	-1,610,626	-1,609,459	-1,349,716
Receipts	60,819	-205,450	17,070	20,055	149,252	-24,047	86,999	-62,748	52,634	181,744	60,181	41,216
Interest	-383,979	-566,375	-328,605	-360,096	-400,037	-281,425	-336,748	-260,992	-359,783	-498,510	-289,896	-330,422
Deposits	-20,295	-28,667	-21,420	-23,212	-27,665	-22,282	-16,264	-12,819	-32,306	-28,019	-27,083	-31,290
Service charge (no ratable properties)	-9,629	-10,788	-11,802	-12,228	-10,907	-8,385	-9,954	-13,033	-9,140	-10,918	-10,602	-9,798
TOTAL	-23,052,302	-26,654,776	-24,653,067	-24,928,627	-26,033,039	-23,448,361	-23,814,595	-24,245,371	-24,386,471	-25,992,601	-24,772,737	-22,323,045
Billing YTD	-23,052,302	-26,654,776	-24,653,067	-24,928,627	-26,033,039	-23,448,361	-23,814,595	-24,245,371	-24,386,471	-25,992,601	-24,772,737	-22,323,045
Collection Rate	-79%	-67%	-82%	-97%	-81%	-56%	-129%	-73%	-81%	-96%	-93%	-78%
Collection Rate Quarterly			-76%			-78%			-94%			-89%

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

	TOTAL	DSRAC	FMG	FIRE - Public Safety	EPWP	MIG	DISASTER GRANT-COGTA	RBIG	Water Services Infrastructure	BULK USIDG
OPENING BALANCE	(14 567 G42,74)	(1 166 953,00)	-	(1 109 845,00)	0,00	(0,00)	-	-	(12 291 144,78)	-
RECEIPTS	(13G 336 280,6G)	(2 750 000,00)	(2 650 000,00)	(1 082 000,00)	(1 486 000,00)	(29 819 000,00)	- 11 250 000,00	- 3 784 408,51	(26 962 000,00)	(59 552 872,18)
PAYMENTS	123 207 183,86	2 821 311,97	2 650 000,00	2 191 845,00	1 486 000,00	29 819 000,00	1 223 869,63	4 760 508,49	39 253 144,78	39 001 504,00
RELEASED	-									
TREASURY WITHHELD PORTION	-									
CLOSING BALANCE 2024	(30 667 03G,56)	(1 065 641,03)	0,00	-	0,00	0,00	(10 026 130,40)	676 066,68	-	(20 551 368,18)

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

Project	Total Budget	Total Actual	Variance	Variance %
Capital:Infrastructure:Existing: Upgrading: Roads Infrastructure: Roads: Upgrading of Anglers Way Kenton-on-Sea	90 074,00	78 325, 63	11 748,37	13,04%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Magongo Street	1 325 932,00	1 325 931,04	0,96	0%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbabela Street	1 213 605,00	1 213 604,28	0,72	0%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbabela Street	370 667,00	106 425,91	264 241,09	71,29%
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Fencing of Municipal Buildings: Phase 4	225 500,00	206 060,30	19 439,70	8,62%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Hertzog Street Bushmens	2 782 609,00	861 088,44	1 921 520,56	69,05%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Galjoen Street Cannon Rocks	2 608 696,00	-	2 608 696,00	100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Daniel Scheepers Street Boknes	1 130 435,00	-	1 130 435,00	100%
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Fencing of Willows Caravan Park	-	140 424,73	(140 424,73)	-
Capital:Non-infrastructure:New:Other Assets:Operational Buildings:Municipal Offices:Fencing of municipal properties	2 500 000,00	(447 821,96)	2 947 821,96	117,91%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbabela Street	-	(1 320 030,17)	1 320 030,17	-
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbundwini Road	1 726 129,00	1 919 416,32	-193 287,32	-11,20%
Capital:Infrastructure:New:Sanitation Infrastructure:Waste Water Treatment Works:Waste Water Treatment Works and Bulk Sewer Reticulation in Bathurst	864 402,00	863 686,48	715,52	0,08%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Atherstone Road	9 987 298,00	10 606 671,07	-619 373,07	-6,20%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mjuza Street in Marselle	157 631 ,00	157 630,78	0,22	0.00%
Capital:Infrastructure:New:Sanitation Infrastructure:Outfall Sewers:Thornhill Link Sanitation Services - Portion 1: Pump station and pumping mains	4 583 684,00	5 313 720,05	(730 036,05)	-15,93%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Ntini Street	879 699,00	879 698,83	0.17	0%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Sagwityi Street	968 197,00	968 196,36	0,64	0%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Protea Crescent in Station Hill	4 605 957,00	3 922 388,62	683 568,38	14,84%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Sagwityi Street	320 369,00	278 581,65	41 787,35	13,04%

Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Contract 3: Pumping Main and Gravity line from Mbabela and Mswela Pumpstation	5 638 761,00	6 022 929,99	-384 168,99	-6,81%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Contract 4&5: Gravity sewer line from Wharf Street and overflow pump at 350,00 new pump station	1 253	1 252 349,82	1 000,18	0,08%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure Klipfontein: Pump Station 1	-	1 283 818,40	-1 283 818,40	-
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk 184,00 Infrastructure Klipfontein: Pump Station 2	3 901	2 952 936,63	948 247,37	24,31%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Kleinemonde 087,00 Riverview Crescent	1 826	-	1 826 087,00	100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Van Riebeeck to 478,00 Henry Street Port Alfred	3 043	-	3 043 478,00	100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Keey Street Port 217,00 Alfred	1 565	-	1 565 217,00	100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mlangeni Street 17,00 Port Alfred	1 391 304,00	-	1 391 304,00	100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Alexandria Road 17,00 Port Alfred	1 739 130,00	-	1 739 130,00	100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Westbourne Road: 000,00 Phase 2	1 347	1 283 955,40	63 044,60	4,68%
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Upgrading of Municipal Buildings: Offices	-	(137 072,99)	137 072,99	-
Capital:Non-infrastructure:Existing:Renewal:Community Facilities:Kelly's Beach Restoration Project; Port Alfred 750,00	475	475 750,00	-	-
Capital:Infrastructure:New:Sanitation Infrastructure:Reticulation:Port Alfred Sewerage 17,00 Infrastructure:Roads:Upgrading of Grand Street	14 123	14 716 277,72	-592 900,52	-4,20%
Capital:Infrastructure:Existing:Upgrading:Roads	-	80 791,74	(80 791,74)	-
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Van Der Stel Street 090,00 Kenton-on-Sea	2 514	-	2 514 090,00	100%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk 580,00 Ponds	2 037	-	2 037 580, 00	100%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk 464,00 Infrastructure: Alexandria Brakfontein Pump Station 1	3 203	4 109 307,39	-905 843,39	-28,28%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk 833,00 Infrastructure: Alexandria Brakfontein Pump Station 2	2 839	2 653 329,29	186 503,71	6,57%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk	2 000 185,00	2 044 057,00	43 872,00	2,19%

Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure: Pump Station:Ndlambe Bulk 724,00 Infrastructure: Alexandria Brakfontein Pump Station 4	2 162	1 598 211, 84	564 512, 16	26,10%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Reticulation:Upgrading of Internal Bulk 325,00 Sewer Reticulation in Marselle (500 houses)	34 013	22 263 778,58	11 749 546,42	34,54%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Westbourne Road: 000,00 Phase 2	1 347	1 283 955,40	63 044,60	4,68%
Capital:Infrastructure:New:Water Supply Infrastructure:Reservoirs:Construction of Reservoirs 483,00 in Thornhill	6 987	4 595 087,38	2 392 395,62	34,24%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Anglers Way 525,00 Kenton-on-Sea	2 493	2 493 524,47	0,53	0%
Capital:Infrastructure:Existing:Upgrading:Water Works:Auxiliary Reticulation and Connectivity Port Supply Infrastructure:Water Treatment 000,00 Alfred	2 500	2 342 804,96	157 195,04	6,29%
Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Refurbishment of Water Treatment Works:Water Treatment Works: Bulk 000,00 Works and Package Plant Port Alfred	12 800	12 962 287,74	-162 287,74	1,27%
Capital:Infrastructure:New:Sanitation Infrastructure:Outfall Sewers:Daniel Scheepers Street 226,00 Outfall Stormwater Drainage Infrastructure:Roads:Upgrading of Bathurst Crescent	602	567 640,56	34 585,44	5,74%
Capital:Infrastructure:Existing:Upgrading:Roads	7 391 304, 00	610 460,45	6 780 843, 55	91,74%
Capital:Sport and Recreation Facilities:Outdoor infrastructure:Existing:Upgrading:Community 694,00 Facilities:Upgrading of Mamityi Gidana Sportsfield	858	-	858 694, 00	100%
Capital:Infrastructure:New:Electrical Infrastructure:Capital Spares:Installation of High Voltage Fuses:Upgrading of Mbabela Street	-	527 008,70	(527 008,70)	-
Capital:Infrastructure:Existing:Upgrading:Roads	-	(1 320 030,17)	(1 320 030,17)	-
Capital:Infrastructure:New:Water Supply Infrastructure:Capital Spares:Water tank pump:Blue 000,00 Flag Beaches	3		3 000,00	100%
Services - Portion 1: Pump station and pumping Capital:Infrastructure:New:Sanitation Infrastructure:Outfall Sewers:Thornhill Link Sanitation 0528,00 mains	1 172	1 172 527,69	0,31	0%
Capital:Infrastructure:New:Sanitation Infrastructure: Pump Station:Bathurst Lushington Raw 420,00 Water Pump Station	687	687 420,00,00	-	-
Capital:Infrastructure:New:Sanitation Infrastructure: Pump Station:Mansfield Raw and Clear 386,00 Water Pump Station	823	820 151,13	3 234,87	0,39%
Capital:Infrastructure:New:Sanitation Infrastructure:Reticulation:Construction of Civil 854,00 Engineering Services for Thornhill	23 380	9 765 302,04	13 615 551,96	58,23%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure: Pump Station:Upgrading of Port Alfred 480,00 Sewage Pump Stations	7 096	5 923 827,39	1 172 652,61	16,52%
Capital:Infrastructure:New:Water Supply Infrastructure:Capital Spares:Modfontein		59 875,49	-59 875,49	-

Capital:Infrastructure:Existing:Renewal:Water Supply Infrastructure:Distribution:Installation of membrains 868,00 in Cannon Rocks RO Plant	1 035	998 190,78	37 677,22	3,64%
Capital:Infrastructure:New:Sanitation Infrastructure:Pump Station:Mansfield Raw and Clear Water Pump Station	-	(1 208 129,89)	1 208 129,89	-
Capital:Infrastructure:New:Water Supply Infrastructure:Reservoirs:Construction of Reservoirs 956,00 in Thornhill	3 903	2 431 365,81	1 472 590,19	37,72%
Capital:Infrastructure:New:Water Supply Infrastructure:Water Treatment Works:Ndlambe Bulk 286,00 Water Supply: Quick wins	9 016	10 304 111,62	1 287 825, 62	14,28%
Capital:Infrastructure:New:Water Supply Infrastructure:Water Treatment Works:Ndlambe Bulk Water Supply: Quick wins	4 000 000,00	9 068 031 ,64	-5 061 031,64	-126,70%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Main Square	4 733 650, 00	4 734 084,78	-434,78	0.01%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Long Street	3 466 379,00	3 587 400,72	121 021,72	3,49%
Capital:Non- infrastructure:Existing:Upgrading:Community Assets:Sport and Recreation Facilities:Outdoor Facilities:Upgrading of Mamityi Gidana Sportsfield		858 693,97	(858 693,97)	
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal 100,00 Offices:Upgrading of Municipal buildings	48	48 100,00	-	-
Equipment:Computer Equipment Capital:Non-Infrastructure:New:Computer	250 000,00	228 998,60	21 001,40	8.40%
Equipment:Establishment of Asset Management Capital:Non-Infrastructure:New:Computer	20 000,00	(88 895,00)	108 895,00	544,48%
Equipment:Computer Equipment Capital:Non-Infrastructure:New:Computer	45 000,00	55 000,00	(10 000)	-22,22%
Equipment:Computer Equipment Capital:Non-Infrastructure:New:Computer	33 000,00	38 519,19	(5 519,19)	-16,72%
Equipment:Computer Equipment Capital:Non-Infrastructure:New:Computer	-	21 880,00	(21 800,00)	-
Equipment:Computer Equipment Capital:Non-Infrastructure:New:Computer	82 000,00	77 278,59	4 721,41	5,76%
Equipment:Computer Equipment Capital:Non-Infrastructure:New:Computer	15 000,00	11 999,00	3 001,00	20,01%
Equipment:Computer Equipment Capital:Non-Infrastructure:New:Computer	4 400,00	3 598,00	802,00	18,23%
Equipment:Computer Equipment Capital:Non-Infrastructure:New:Computer	-	25 144,00	(25 144,00)	-
Equipment:Computer Equipment Capital:Non-Infrastructure:New:Computer	-	539 698,24	(539 698,24)	-
Equipment:Computer Equipment Capital:Non-Infrastructure:New:Computer	50 000,00	46 863,44	3 136,56	6,27%
Capital:Non-infrastructure:New:Computer Equipment:Furniture and Office Equipment	-	7 195,65	(7 195,65)	-
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	48 000,00	30 591,54	17 408,46	36,27%
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	-	1 469,57	(1 469,57)	-
Capital:Non-infrastructure:New:Furniture and Office	12 000,00	-	12 000,00	100%

Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	206 000,00	25 950,00	180 050,00	87,40%
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	22 000,00	17 146,67	4 853,33	22,06%
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	-	17 520,00	(17 520,00)	-
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	39 000,00	-	39 000,00	100%
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	-	76 390,50	(76 390,50)	-
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	24 000,00	-	24 000,00	100
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	30 000,00	21 894,78	8 105,22	27,02%
Capital:Non-infrastructure:New:Machinery and Equipment:Machinery and Equipment	-	29 085,96	(29 085,96)	-
Capital:Non-infrastructure:New:Machinery and Equipment:Machinery and Equipment	-	1 173,91	(1 173,91)	-
Capital:Non-infrastructure:New:Machinery and Equipment:Machinery and Equipment	10 000,00	-	10 000,00	100
Capital:Non-infrastructure:New:Machinery and Equipment:Machinery and Equipment	35 000,00	-	35 000,00	100%
Capital:Non-infrastructure:New:Machinery and Equipment:Machinery and Equipment	60 000,00	35 517,59	24 482,41	40,80%
Assets:Vehicle Acquisition	1 310 683,00	2 666 539,68	(1 355 856,68)	-103,45%
Capital:Non-infrastructure:New:Transport	-	824 243,85	(824 243,85)	-
Assets:Vehicle	488 067,00	488 066,96	0,04	0%
Capital:Non-infrastructure:New:Transport	7 290,00	-	7 290,00	100%
Assets:Vehicle	685 000,00	474 018,78	210 981,22	30,80%
Capital:Non-infrastructure:New:Transport	580 000,00	641 305,23	(61 305,23)	-10,57%
Assets:Vehicle	335 000,00	-	335 000,00	100%
Capital:Non-infrastructure:New:Transport	19 692,00	-	19 692,00	100%
Assets:Vehicle				
Acquisition				
Assets:Vehicle Acquisition				
Assets:Vehicle Acquisition				
Grand Total	219 522 934,00	168 746 656,82	50 776 277,18	2 854,41%

APPENDIX N: CAPITAL PROGRAMME BY PROJECT CURRENT YEAR

Project	Total Budget	Total Actual	Variance	Variance %
Capital:Infrastructure:Existing:Upgrading: Roads Infrastructure:Roads:Upgrading of Anglers Way Kenton-on-Sea	90 074,00	78 325, 63	11 748,37	13,04%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbabela Street	1 213 605,00	1 213 604,28	0,72	0%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbabela Street	370 667,00	106 425,91	264 241,09	74,29%
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Fencing of Municipal Buildings: Phase 4	225 500,00	206 060,30	19 439,70	8,62%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Hertzog Street Bushmens	2 782 609,00	861 088,44	1 921 520,56	69,05%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Galjoen Street Cannon Rocks	2 608 696,00	-	2 608 696,00	100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Daniel Scheepers Street Boknes	1 130 435,00	-	1 130 435,00	100%
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Fencing of Willows Caravan Park	-	140 424,72	(140 424,72)	-
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbabela Street	-	(1 320 030,17)	1 320 030,17	-
Capital:Non-infrastructure:New:Other Assets:Operational Buildings:Municipal Offices:Fencing of municipal properties	2 500 000,00	(447 821,96)	-2 947 821,96	-117,91%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Magongo Street	1 325 932,00	1 325 931,04	0,96	0%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbundwini Road	1 726 129,00	1 919 416,32	(193 287,32)	(11,20%)
Capital:Infrastructure:New:Sanitation Infrastructure:Waste Water Treatment Works:Waste Water Treatment Works and Bulk Sewer Reticulation in Bathurst	864 402,00	863 686,48	715,52	0,08%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Atherstone Road	9 987 298,00	10 606 671,07	(619 373,07)	(6,20%)
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mjuza Street in Marselle	157 631,00	157 630,78	0,22	0%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Ntini Street	879 699,00	879 698,83	0,17	0%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Sagwityi Street	968 197,00	968 196,36	0,64	0%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Protea Crescent in Station Hill	4 605 957,00	3 922 388,62	683 568,38	14,84%

Capital:Infrastructure:Existing:Upgrading:Roads	320 369,00	278 581,65	41 787,35	13,04%
Infrastructure:Roads:Upgrading of Sagwityi Street				

Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Contract 3: Pumping Main and Gravity line from Mbabela and Mswela Pumpstation	5 638 761,00	6 022 929,99	-384 168,99	-6,81%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Contract 4&5: Gravity sewer line from Wharf Street and overflow pump at new pump station	1 253 350,00	1 253 349,82	1 000, 18	0,08%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure Klipfontein: Pump Station 1	-	1 283 818,40	-1 283 818,40	-
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk 184,00 Infrastructure Klipfontein: Pump Station 2	3 901	2 952 936,63	948 247,37	24,31%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Kleinemonde 087,00 Riverview Crescent	1 826	-	1 826 087,00	100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Van Riebeeck to 478,00 Henry Street Port Alfred	3 043	-	3 043 478,00	100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Keey Street Port 217,00 Alfred	1 565	-	1 565 217,00	100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mlangeni Road 090,00 Kenton-on-Sea	1 319 304,00	-	1 319 304,00	100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Alexandria Road 090,00 Kenton-on-Sea	1 739 130,00	-	1 739 130,00	100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Westbourne Road: 000,00 Phase 2	1 347	1 283 955,40	63 044,60	4,68%
Capital:Infrastructure:New:Water Supply Infrastructure:Reservoirs:Construction of Reserviors 483,00 in Thornhill	6 987	4 595 087,38	2 392 395,62	34,24%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Anglers Way 525,00 Kenton-on-Sea	2 493	2 493 524,47	0,53	0%
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal 900,00 Offices:Upgrading of Municipal Buildings: Offices Assets: Sport and Recreation Facilities:Outdoor Capital:Non- infrastructure:Existing:Renewal:Community 750,00 Facilities:Kelly's Beach Restoration Project; Port Alfred	53	137 073,00	-83 173,00	-154,31%
Capital:Infrastructure:New:Sanitation Infrastructure:Reticulation:Port Alfred Sewerage 377,00 Infrastructure Phase 1 Reticulation	475	475 750,00	-	-
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Grand Street	14 123	14 716 277,72	-592 900,52	-4,20%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Van Der Stel Street 090,00 Kenton-on-Sea	2 514	-	2 514 090,00	100%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk 580,00 Ponds Infrastructure: Alexandria Brakfontein Pump Station 1	2 037	-	2 037 580,00	100%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk	2 222 464,00	4 400 227,00	2 222 464,00	22,22%

Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk 833,00 Infrastructure: Alexandria Brakfontein Pump Station 2	2 839	2 653 329,29	186 503,71	6,57%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk 186,00 Infrastructure: Alexandria Brakfontein Pump Station 3	2 060	2 911 057,98	-850 872,98	-41,30%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk 724,00 Infrastructure: Alexandria Brakfontein Pump Station 4	2 162	1 598 211,84	564 512,16	26,10%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Upgrading of Port Alfred 480,00 Sewage Pump Stations	7 096	5 923 827,39	1 172 652,61	16,52%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Reticulation:Upgrading of Internal Bulk 325,00 Sewer Reticulation in Marselle (500 houses)	34 013	22 263 778,58	11 749 546,42	34,5%
Capital:Infrastructure:Existing:Upgrading:Water Supply:Infrastructure:Water Treatment Works:Auxiliary Reticulation and Connectivity Port Alfred 000,00	2 500	2 342 804,96	157 195,04	6,29%
Capital:Infrastructure:Existing:Upgrading:Water Supply:Infrastructure:Water Treatment Works:Return Water Treatment Works Bulk 000,00 Works and Package Plant Port Alfred	12 800	12 962 287,74	(162 287,74)	-1,27%
Capital:Infrastructure:New:Sanitation Infrastructure:Outfall Sewers:Port Alfred Sanitation mains	4 583 684	5 313 720,05	(730 036,05)	-15,93%
Capital:Infrastructure:New:Sanitation Infrastructure:Outfall Sewers:Daniel Scheepers Street 226,00 Outfall Stormwater Drainage	602	567 640,56	34 585,44	5,74%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Bathurst Crescent	7 391 304, 00	610 460,45	6 780 843, 55	91,74%
Capital:Non- Assets:Sport and Recreation Facilities:Outdoor Infrastructure:Existing:Upgrading:Community Facilities:Upgrading of Mamityi Gidana Sportsfield 694,00	858	-	858 694,00	100%
Capital:Infrastructure:New:Sanitation Services - Portion 1: Pump station and pumping Infrastructure:Outfall Sewers:Thornhill Link Sanitation mains 528,00	1 172	1 172 527,69	0,31	0%
Capital:Infrastructure:New:Sanitation Infrastructure:Pump Station:Bathurst Lushington Raw 420,00 Water Pump Station	687	687 420,00,00	-	-
Capital:Infrastructure:New:Sanitation Infrastructure:Pump Station:Mansfield Raw and Clear 386,00 Water Pump Station	823	820 151,13	3 234,87	0,39%
Capital:Infrastructure:New:Sanitation Infrastructure:Reticulation:Construction of Civil 854,00 Engineering Services for Thornhill	23 380	9 765 302,04	13 615 551,96	58,23%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Upgrading of Port Alfred 480,00 Sewage Pump Stations	7 096	5 923 827,39	1 172 652,61	16,52%
Capital:Infrastructure:New:Water Supply Infrastructure:Distribution:Installation of membrains 868,00 in Cannon Rocks RO Plant	-	59 875,49	(59 875,49)	-
Capital:Infrastructure:Existing:Renewal:Water Supply Infrastructure:Distribution:Installation of membrains 868,00 in Cannon Rocks RO Plant	1 035	998 190,78	37 677,22	3,64%
Capital:Infrastructure:New:Water Supply	3 903 956,00	2 431 365,81	1 472 590,19	37,72%

Infrastructure:Reservoirs:Construction of Reservoirs in Thornhill				
Capital:Infrastructure:New:Water Supply Infrastructure:Water Treatment Works:Ndlambe Bulk 286,00 Water Supply: Quick wins	9 016	10 304 111,62	(1 287 825,62)	-14,28%
Capital:Infrastructure:New:Water Supply Infrastructure:Water Treatment Works:Ndlambe Bulk 000,00 Water Supply: Quick wins	4 000	9 068 031,64	(5 068 031,64)	-126,70%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Tana Square 650,00	7 433	4 734 084,78	(434,78)	0,01%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Koti Street 379,00	3 466	3 587 400,72	121 021,72	3,49%
Capital:Non-Infrastructure:Existing:Upgrading:Community Assets:Sport and Recreation Facilities:Outdoor Facilities:Upgrading of Mamityi Gidana Sportsfield	-	858 693,97	-858 693,97	-
Capital:Non-Infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal 100,00 Offices:Upgrading of Municipal buildings	48	48 100,00	-	-
Capital:Non-Infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Upgrading of Municipal Buildings: Offices	-	(137 072,99)	137 072,99	-
Capital:Non-Infrastructure:New:Computer Equipment:Establishment of Asset Management	250 000,00	228 998,60	21 001,40	8,40%
Capital:Non-Infrastructure:New:Computer Equipment:Computer Equipment	20 000,00	(88 895,00)	108 895,00	544,48%
Capital:Non-Infrastructure:New:Computer Equipment:Computer Equipment	33 000,00	38 519,19	(5 519,19)	-16,72%
Capital:Non-Infrastructure:New:Computer Equipment:Computer Equipment	-	21 880,00	(21 800,00)	-
Capital:Non-Infrastructure:New:Computer Equipment:Computer Equipment	82 000,00	77 278,59	4 721,41	5,76%
Capital:Non-Infrastructure:New:Computer Equipment:Computer Equipment	45 000,00	55 000,00	(10 000)	-22,22%
Capital:Non-Infrastructure:New:Computer Equipment:Computer Equipment	15 000,00	11 999,00	3 001,00	20,01%
Capital:Non-Infrastructure:New:Computer Equipment:Computer Equipment	4 400,00	3 598,00	802,00	18,23%
Capital:Non-Infrastructure:New:Computer Equipment:Computer Equipment	-	25 144,00	(25 144,00)	-
Capital:Non-Infrastructure:New:Computer Equipment:Computer Equipment	-	539 698,24	(539 698,24)	-
Capital:Non-Infrastructure:New:Computer Equipment:Computer Equipment	50 000,00	46 863,44	3 136,56	6,27%
Capital:Non-Infrastructure:New:Computer Equipment:Computer Equipment	-	7 195,65	(7 195,65)	-
Capital:Infrastructure:New:Electrical Infrastructure:Capital Spares:Installation of High Voltage and Office	-	527 008,70	(527 008,70)	
Capital:Non-Infrastructure:New:Furniture and Office Equipment Equipment:Furniture and	48 000,00	30 591,54	17 408,46	36,27%
Capital:Non-Infrastructure:New:Furniture and Office Equipment Equipment:Furniture	-	1 469,57	(1 469,57)	-
Capital:Non-Infrastructure:New:Furniture and Office and Office Equipment	12 000,00	-	12 000,00	100%

Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	206 000,00	25 950,00	180 050,00	87,40%
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	22 000,00	17 146,67	4 853,33	22,06%
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	-	17 520,00	(17 520,00)	-
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	39 000,00	-	39 000,00	100%
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	-	76 390,50	(76 390,50)	-
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	24 000,00	-	24 000,00	100
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	30 000,00	21 894,78	8 105,22	27,02%
Capital:Non-infrastructure:New:Machinery and Equipment:Machinery and Equipment	-	29 085,96	(29 085,96)	-
Capital:Non-infrastructure:New:Machinery and Equipment:Machinery and Equipment	-	1 173,91	(1 173,91)	-
Capital:Non-infrastructure:New:Machinery and Equipment:Machinery and Equipment	10 000,00	-	10 000,00	100
Capital:Non-infrastructure:New:Machinery and Equipment:Machinery and Equipment	35 000,00	-	35 000,00	100%
Capital:Non-infrastructure:New:Machinery and Equipment:Machinery and Equipment	60 000,00	35 517,59	24 482,41	40,80%
Capital:Non-infrastructure:New:Transport	1 310 683,00	2 666 539,68	(1 355 856,68)	-103,45%
Capital:Non-infrastructure:New:Transport	-	824 243,85	(824 243,85)	-
Capital:Non-infrastructure:New:Transport	488 067,00	488 066,96	0,04	0%
Capital:Non-infrastructure:New:Transport	7 290,00	-	7 290,00	100%
Capital:Non-infrastructure:New:Transport	685 000,00	474 018,78	210 981,22	30,80%
Capital:Non-infrastructure:New:Transport	580 000,00	641 305,23	(61 305,23)	-10,57%
Capital:Non-infrastructure:New:Transport	335 000,00	-	335 000,00	100%
Capital:Non-infrastructure:New:Transport	19 692,00	-	19 692,00	100
Capital:Infrastructure:New:Water Supply Infrastructure:Capital Spares:Water tank pump:Blue 000,00 Flag Beaches	3	-	3 000,00	100%
Capital:Infrastructure:New:Sanitation Infrastructure:Pump Station:Mansfield Raw and Clear	-	(1 208 129,89)	(1 208 129,89)	-
Assets:Vehicle Acquisition				
Assets:Vehicle Acquisition				
Water Pump Station				
Grand Total	219 522 934,00	168 746 656,82	50 776 277,18	2 854,41

APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR

Row Labels	Sum of Total Budget	Sum of YTD Actual	Sum of TYD Variance	Sum of YTD
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Anglers Way Kenton-on-Sea: Ward 4	90 074,00	78 325,63	11 748,37	13,04
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Magongo Street: Ward 8	1 325 932,00	1 325 931,04	0,96	0,00
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbabela Street: Ward 8	1 213 605,00	1 213 604,28	0,72	0,00
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbabela Street: Ward 8	370 667,00	106 425,91	264 241,09	71,29
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbabela Street: Ward 8	-	(1 320 030,17)	1 320 030,17	-
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Fencing of Municipal Buildings: Phase 4: Administrative or Head Office (Including Satellite Offices)	225 500,00	206 060,30	19 439,70	8,62
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Hertzog Street Bushmens: Ward 3	2 782 609,00	861 088,44	1 921 520,56	69,05
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Galjoen Street Cannon Rocks: Ward 3	2 608 696,00	-	2 608 696,00	100,00
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Daniel Scheepers Street Boknes: Ward 3	1 130 435,00	-	1 130 435,00	100,00
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Fencing of Willows Caravan Park	-	140 424,73	(140 424,73)	-
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbundwini Road: Ward 8	1 726 129,00	1 919 416,32	(193 287,32)	(11,20)
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mjuza Street in Marselle: Ward 3	157 631,00	157 630,78	0,22	0,00
Capital:Infrastructure :New: Sanitation Infrastructure:Outfall Sewers: Thornhill Link Sanitation Services - Portion 1: Pump station and pumping mains: Ward 6	1 172 528,00	1 172 527,69	0,31	0,00
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Ntini Street: Ward 8	879 699,00	879 698,83	0,17	0,00
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Sagwityi Street: Ward 8	968 197,00	968 196,36	0,64	0,00
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Protea Crescent in Station Hill: Ward 6	4 605 957,00	3 922 388,62	683 568,38	14,84
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Sagwityi Street: Ward 8	320 369,00	278 581,65	41 787,35	13,04

Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Upgrading of Westbourne 040,00 Roads: Phase 2: Ward 4	381	361 906,43	19 133,57	5,02
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Upgrading of Westbourne 000,00 Road :Phase 2: Ward 4	1 347	1 283 955,40	63 044,60	4,68
Capital: Infrastructure: Existing: Upgrading: Sanitation Infrastructure: Pump Station: Mcebisi Ndlela 761,00 Pumpstation : Ward 6	5 638	6 022 929,99	(384 168,99)	(6,81)
Capital: Infrastructure: Existing: Upgrading: Sanitation Infrastructure: Pump Station: Contract 4&5: Gravity 350,00 new pump station: Ward 10	1 253	1 252 349,82	1 000,18	0,08%
Capital: Infrastructure: Existing: Upgrading: Sanitation Infrastructure: Pump Station: Ndlambe Bulk Infrastructure Klipfontein: Pump Station 1: Ward 3	-	1 283 818,40	(1 283 818,40)	-
Capital: Infrastructure: Existing: Upgrading: Sanitation Infrastructure: Pump Station: Ndlambe Bulk 184,00 Infrastructure Klipfontein: Pump Station 2: Ward 3	3 901	2 952 936,63	948 247,37	24,31
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Upgrading of Kleinemonde 087,00 Riverview Crescent: Ward 6	1 826	-	1 826 087,00	100,00
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Upgrading of Van Riebeeck to 478,00 Henry Street Port Alfred: Ward 10	3 043	-	3 043 478,00	100,00
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Upgrading of Keey Street Port 217,00 Alfred: Ward 10	1 565	-	1 565 217,00	100,00
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Upgrading of Mpangele 304,00 Street: Ward 8	1 319	-	1 319 304,00	100,00
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Upgrading of Alexandria 130,00 Road: Ward 1	1 739	-	1 739 130,00	100,00
Capital: Infrastructure: Existing: Upgrading: Sanitation Infrastructure: Pump Station: Ndlambe Bulk 580,00 Ponds: Ward 1	2 037	-	2 037 580,00	100,00
Capital: Infrastructure: Existing: Upgrading: Sanitation Infrastructure: Pump Station: Ndlambe Bulk 464,00 Station: Ward 1	3 203	4 109 307,39	(905 843,39)	(28,28)
Capital: Infrastructure: Existing: Upgrading: Sanitation Infrastructure: Pump Station: Ndlambe Bulk 833,00 Infrastructure: Alexandria Brakfontein Pump Station 2: Ward 1	2 839	2 653 329,29	186 503,71	6,57
Capital: Infrastructure: Existing: Upgrading: Sanitation Infrastructure: Pump Station: Ndlambe Bulk 186,00 Sewage Pump Stations: Ward 10 Station 3	2 060	2 911 057,98	(850 872,98)	(41,30)

Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Reticulation:Upgrading of Internal Bulk Sewer Reticulation in Marselle (500 houses) Internal Services: Ward 4	34 031 325,00	22 263 778,58	11 749 546,42	34,54
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Anglers Way Kenton-on-Sea: Ward 4	2 493 525,00	2 493 524,47	0,53	0,00
Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Water Treatment Works:Auxiliary Recticulation and Connectivity Port Alfred: Ward 8	2 500 000,00	2 342 804,96	157 195,04	6,29
Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Water Treatment Works:Bulk Infrastructure Refurbishment of Water Treatment Works and Package Plant Port Alfred: Ward 8	12 800 000,00	12 962 287, 74	-162 287,74	-1,27%
Capital:Infrastructure:New:Electrical Infrastructure:Capital Spares:Installation of High Mast/ Flood Lights: Ward 4	-	527 008,70	(527 008,70)	-
Capital:Infrastructure :New:Sanitation Infrastructure :Outfall Sewers:Daniel Scheepers 226,00 Street Outfall Stormwater Drainage: Ward 3	602	567 640,56	34 585,44	5,74
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Bathurst 00 Crescent: Ward 5	7 391 304,	610 460,45	6 780 843, 55	91,74
Capital:Non- infrastructure:Existing:Upgrading:Community Facilities:Upgrading of Main Facility:Sportsfield: 694,00 ~~Ward 8~~	858	-	858 694,00	100,00
Capital:Infrastructure :New: Sanitation Sanitation Services : Porton P. Pump station and Infrastructure:Outfall Sewers: Thornhill Link 684,00 pumping mains: Ward 6	4 583	5 313 720,00	(730 036 .05)	(15.93)
Capital:Infrastructure:New:Sanitation Infrastructure: Pump Station:Bathurst Lushington 420,00 Raw Water Pump Station: Ward 5	687	687 420,00	-	-
Capital:Infrastructure:New:Sanitation Infrastructure: Pump Station:Mansfield Raw and 386,00 Clear Water Pump Station: Ward 7	823	820 151,13	3 234,87	0,39%
Capital:Infrastructure:New:Sanitation Infrastructure:Reticulation:Construction of Civil 854,00 Engineering Services for Thornhill: Ward 10	23 380	9 765 302,04	13 615 551,96	58.23
Capital:Infrastructure:New:Water Supply Infrastructure:Capital Spares:Mooifontein Boreholes:Ward 6	-	59 875,49	(59 875,49)	-
Capital:Infrastructure:Existing:Renewal:Water Supply Infrastructure:Distribution:Installation of 664,00 Water Pumps in Cannon Rocks RO Plant	1 035	998 190,78	37 677,22	3,64
Capital:Infrastructure:New:Sanitation Infrastructure: Pump Station:Mansfield Raw and	-	(1 208 1229,89)	1 208 129,89	-
Capital:Infrastructure:New:Water Supply				

Capital:Infrastructure:New:Water Supply Infrastructure:Water Treatment Works:Ndlambe 286,00 Bulk Water Supply: Quick wins: Ward 1	9 016	10 304 111,62	(1 287 825,62)	14,28
Capital:Infrastructure:New:Water Supply Infrastructure:Water Treatment Works:Ndlambe 000,00 Bulk Water Supply: Quick wins: Ward 6	4 000	9 068 031,62	(5 068 031,62)	126,70
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Tana Square: Ward 4	4 733 650,00	4 734 084,78	(434,78)	(0,01)
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Koti Street: 379,00 Ward 5	3 466	3 587 400,72	(121 021,72)	(3,49)
Capital:Infrastructure:New:Sanitation Works:Waste Water Treatment Works and Bulk Infrastructure:Waste Water Treatment Sewer Reticulation in Bathurst: Ward 5 402,00	864	863 686,48	715,52	0,08
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Atherstone Road: Ward 10	9 987 298,00	10 606 671,07	(619 373,07)	(6,20)
Capital:Non- infrastructure:Existing:Upgrading:Community Assets:Sport and Recreation Facilities:Outdoor Facilities:Upgrading of Mamityi Gidana Sportsfield: Ward 8	-	858 693,97	(856 693,97)	-
Capital:Non-Infrastructure:Existing:Upgrading:Other Assets: Operational Buildings: Municipal Offices: Head Office (Including Satellite Offices) 100,00	48	48 100,00	-	-
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Upgrading of Municipal Buildings: Offices: Whole of the Municipality	-	(137 072,29)	137 072,29	-
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Fencing of Willows Caravan Park:Ward 10	-	(140 424,72)	140 424,72	-
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Fencing of Municipal Properties: Ward 10	2 500 000,00	(447 821,96)	2 947 821,96	117,91
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Upgrading of Municipal Buildings: Offices: Whole of the Municipality	53 900,00	137 073,00	(83 173,00)	(154,31)
Capital:Non- infrastructure:Existing:Renewal:Community Assets:Sport and Recreation Facilities:Outdoor Facilities:Kelly's Beach Restoration Project; Port Alfred: Ward 10	475 750,00	475 750,00	-	-
Capital:Infrastructure:New:Sanitation Infrastructure:Reticulation:Port Alfred Sewerage Infrastructure Phase 1 Reticulation: Ward 10	14 123 377,00	14 716 277,72	(592 900,52)	(4,20)
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Grand Street: Ward 10	-	80 791,74	(80 791,74)	-
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Van Der Stel Street:Kenton on Sea: Ward 4	2 514 090,00	-	2 514 090,00	100,00

Capital:Non-infrastructure:New:Computer Equipment:Computer Equipment: Administrative or 000,00 Head Office(Including Satellite Offices)	250	228 998,60	21 001,40	8,40
Capital:Non-infrastructure:New:Computer Equipment:Computer Equipment:Administrative or Head Office(Including Satellite offices)	45 000,00	55 000,00	(10 000,00)	(22,22)
Capital:Non-infrastructure:New:Computer Equipment:Computer Equipment: Administrative or Head Office(Including Satellite Offices)	33 000,00	38 519 ,19	(5 519,19)	(16,72)
Capital:Non-infrastructure:New:Computer Equipment:Computer Equipment: Administrative or Head Office(Including Satellite Offices)	-	21 800,00	(21 800,00)	-
Capital:Non-infrastructure:New:Computer Equipment:Computer Equipment: Administrative or Head Office(Including Satellite Offices)	82 000,00	77 278,59	4 721,41	5,76
Capital:Non-infrastructure:New:Computer Equipment:Computer Equipment: Administrative or Head Office(Including Satellite Offices)	15 000,00	11 999,00	3 001,00	20,01
Capital:Non-infrastructure:New:Computer Equipment:Computer Equipment: Administrative or Head Office(Including Satellite Offices)	199 000,00	178 800,00	20 200,00	10,15
Capital:Non-infrastructure:New:Computer Equipment:Computer Equipment: Administrative or Head Office(Including Satellite Offices)	4 400,00	3 598,00	802,00	18,23
Capital:Non-infrastructure:New:Computer Equipment:Computer Equipment: Administrative or Head Office(Including Satellite Offices)	-	25 144,00	(25 144,00)	-
Capital:Non-infrastructure:New:Computer Equipment:Computer Equipment: Administrative or Head Office(Including Satellite Offices)	-	539 698,24	(539 698,24)	-
Capital:Non-infrastructure:New:Computer Equipment:Computer Equipment: Administrative or Head Office(Including Satellite Offices)	50 000,00	46 863,44	3 136,56	6,27
Capital:Non-infrastructure:New:Computer Equipment:Computer Equipment: Administrative or Head Office(Including Satellite Offices)	-	7 195,65	(7 195 ,65)	-
Capital:Non-infrastructure:New:Furniture and Office Equipment: Administrative or Head Office(Including Satellite Offices)	48 000,00	30 591,54	17 408,46	36,27
Capital:Non-infrastructure:New:Furniture and Office Equipment: Administrative or Head Office(Including Satellite Offices)	-	1 469,57	(1 469,57)	-
Capital:Non-infrastructure:New:Furniture and Office Equipment: Administrative or Head Office(Including Satellite Offices)	12 000,00	-	12 000,00	100.00
Capital:Non-infrastructure:New:Furniture and Office Equipment: Administrative or Head Office(Including Satellite Offices)	206 000,00	25 950,00	180 050,00	87,40
Capital:Non-infrastructure:New:Furniture and Office Equipment: Administrative or Head Office(Including Satellite Offices)	22 000,00	17 146,67	4 853,00	22,06
Capital:Non-infrastructure:New:Furniture and Office Equipment: Administrative or Head Office(Including Satellite Offices)	-	17 520,00	(17 520,00)	-
Capital:Non-infrastructure:New:Furniture and Office Equipment: Administrative or Head Office(Including Satellite Offices)	39 000,00	-	39 000,00	100,00

Capital:Non-infrastructure:New:Furniture and Office Equipment: Administrative or Head Office(Including Satellite Offices)	-	76 390,50	(76 390,50)	-
Capital:Non-infrastructure:New:Furniture and Office Equipment: Whole of the Municipality	24 000,00	-	24 000,00	100,00
Capital:Non-infrastructure:New:Furniture and Office Equipment:Whole of the Municipality	30 000,00	21 894,78	8 105,22	27,02
Capital:Non-infrastructure:New:Machinery and Equipment: Furniture and Office Equipment: Administrative or Head Office(Including Satellite Offices)	-	29 085 96	(29 085,96)	100,00
Capital:Non-infrastructure:New:Machinery and Equipment:Whole of the Municipality	-	1 173,91	(1 173,91)	-
Capital:Non-infrastructure:New:Machinery and Equipment:Whole of the Municipality	10 000,00	-	10 000,00	100,00
Capital:Non-infrastructure:New:Machinery and Equipment:: Plant and Machinery:Whole of the Municipality	60 000,00	35 517 ,59	24 482,41	40,80
Capital:Non-infrastructure:New:Machinery and Equipment:Administrative or Head Office(Including Satellite Offices)	35 000,00	-	35 000,00	100,00
Capital:Non-infrastructure:New:Computer Equipment:Establishment of Asset Management: Administrative or Head Office(Including Satellite Offices)	20 000,00	(88 895,00)	108 895,00	544,48
Capital:Non-infrastructure:New:Transport Assets:Vehicle Acquisition: Whole of the 683,00 Municipality	1 310	2 666 539,68	(1 355 856,68)	(103,45)
Capital:Non-infrastructure:New:Transport Assets:Vehicle Acquisition: Whole of the Municipality	-	824 243,85	(823 243,85)	-
Capital:Non-infrastructure:New:Transport Assets:Vehicle Acquisition: Whole of the Municipality	488 067,00	488 066,96	0,04	0,00
Capital:Non-infrastructure:New:Transport Assets:Vehicle Acquisition: Whole of the Municipality	19 692,00	-	19692,00	100,00
Capital:Infrastructure:New:Water Supply Infrastructure:Capital Spares:Water tank pump:Blue Flag Beaches: Whole of the Municipality	3 000,00	-	3000,00	100,00
Capital:Non-infrastructure:New:Transport Assets:Vehicle Acquisition: Whole of the Municipality	7 290,00	-	7 290,00	100,00
Capital:Non-infrastructure:New:Transport Assets:Vehicle Acquisition:e:Administrative or Head Office (Including Satellite Offices)	685 000,00	474 018,78	210 981,22	30,80
Capital:Non-infrastructure:New:Transport Assets:Vehicle Acquisition:e:Administrative or Head Office (Including Satellite Offices)	580 000,00	641 305,23	(61 305,23)	(10,57)

Capital:Non-infrastructure:New:Transport Assets:Vehicle Acquisition:e:Administrative or Head Office (Including Satellite Offices)	335 000,00	-	335 000,00	100,00
Grand Total	219 522 934,00	168 746 656,82	50 776 277,18	

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

There are no service connection backlogs at schools and clinics – all service connections are done as a matter of priority if and when the need arises. Currently, the municipality does not have any service connection backlogs.

APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Ward	Issues Raised	Relevant Sector Department/State Agency
1	New application for a 24-hour Clinic	Department of Health
1	Meter Box connections	Eskom
1	Expansion of R72 road at KwaNonkqubela entrance	SANRAL
1	Sassa should make weekly visits to service residents of Alexandria	SASSA (South African Social Services Authority)
2	The building previously used for social development programmes needs to be considered for 24-hour clinic	Department of Health
2	Department of Transport beneficiaries need an update	Department of Transport
2	CWP stipends to be paid on the 25th of every month	COGTA
2	Sideway paving near R72 towards KwaNonkqubela	SANRAL
2	Electricity is expensive	NERSA
3	Upgrading of fire hydrants	Sarah Baartman District Municipality
8	Street light from the CBD to Thornhill to be erected	Department of Transport

APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

DONATIONS MADE BY THE MUNICIPALITY AS AT 30 JUNE 2024

Function	Segment Description/Activity	Total Budget	Total Actual	Year To Date Budget	% Utilised on Incurred Expenditure	Variance	Variance %
ADMIN COMMUNITY PROTECTION	Anti Crime	140 000,00	67 563,00	140 000,00	48,26	72 437,00	51,74
ENVIRONMENTAL : HEALTH	Greenest Town Award	-	20 000,00	-	0,00	20 000,00	0,00
PARKS, RECREATION AND CEMETERIES	Donations	250 000,00	255 000,00	250 000,00	102,00	5 000,00	2,00
SMALL ANIMAL POUND	Cash Donations	40 000,00	-	40 000,00	0,00	40 000,00	0,00
INFORMATION TECHNOLOGY	Alex Victim Support Center: Donations	29 000,00	14 056,55	29 000,00	48,47	14 943,45	51,53
HUMAN RESOURCES	Other Transfers Bursaries (Non Employee)	500 000,00	345 603,40	500 000,00	69,12	154 396,60	30,88
LIBRARY	Grade 12 Intervention: Donations	240 000,00	210 904,00	240 000,00	87,88	29 096,00	12,12
COUNCIL GENERAL	Social Assistance Grants in Aid	140 000,00	132 483,04	140 000,00	94,63	7 516,96	5,37
LOCAL ECONOMIC DEVELOPMENT	Rural Development Sustainable Economical Opportunity	675 000,00	537 846,73	675 000,00	79,68	137 153,27	20,32
LOCAL ECONOMIC DEVELOPMENT	SMME Support: Donations	175 000,00	172 957,20	175 000,00	98,83	2 042,80	1,17
LOCAL ECONOMIC DEVELOPMENT	Social assistance Poverty Relief	383 000,00	379 169,75	383 000,00	99,00	3 830,25	1,00
LOCAL ECONOMIC DEVELOPMENT	Grants and Transfers Tourism	900 000,00	900 000,00	900 000,00	100,00	0,00	0,00
SPECIAL PROGRAMS UNIT	Sport Donations Cash Donations	200 000,00	358 070,00	200 000,00	179,04	158 070,00	79,04
SPECIAL PROGRAMS UNIT	Mayoral Cup: Cash Donations	30 000,00	40 350,00	30 000,00	134,50	10 350,00	34,50
SPECIAL PROGRAMS UNIT	Disability: Casual Day: Donations	10 000,00	3 186,47	10 000,00	31,86	6 813,53	68,14
SPECIAL PROGRAMS UNIT	Youth Day Donations	50 000,00	50 000,00	50 000,00	100,00	0,00	0,00
SPECIAL PROGRAMS UNIT	Development of Children: Donations	100 000,00	99 882,00	100 000,00	99,88	118,00	0,12
SPECIAL PROGRAMS UNIT	GBV: Cash Donations	100 000,00	99 783,00	100 000,00	99,78	217,00	0,22
SPECIAL PROGRAMS UNIT	Men's Forum: Cash Donations	25 000,00	18 200,00	25 000,00	72,80	6 800,00	27,20
SPECIAL PROGRAMS UNIT	Soup Kitchen Cash Donations	240 000,00	240 000,00	240 000,00	100,00	0,00	0,00
SPECIAL PROGRAMS UNIT	Donations Cash Donations	130 000,00	309 371,57	130 000,00	237,98	179 371,57	137,98
SPEAKER	Cash Donations	50 000,00	50 000,00	50 000,00	100,00	0,00	0,00
TOTAL		6 106 863,00	5 195 818,00	6 106 863,00		911 044,52	

APPENDIX S: DECLARATION OF SECTION 71 MFMA RETURNS NOT MADE

All MFMA S71 monthly budget statements were submitted within the prescribed timeframe within the 2022/2023 financial year.

APPENDIX T: NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

All the information that can be used by National and/or Provincial Government to monitor and evaluate service delivery performance is provided in the body of the Annual Report. There is no additional information that can be provided under this Appendix with regard to the above mentioned.



NDLAMBE
LOCAL MUNICIPALITY
(EC 105)

VOLUME 2

ANNUAL FINANCIAL STATEMENTS (AUDITED)

Year Ending 30 June 25





Ndlambe Local Municipality

Annual Financial Statements
for the year ended 30 June 2025

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

General Information

Legal form of entity

Ndlambe Municipality (EC 105) is a local municipality performing the functions as set out in the Constitution. (Act no 108 of 1996)

Grading of local authority

Grade 3

Nature of business and principal activities

Municipal Services

Executive committee

Mayor

Councillor KC Ncamiso - Corporate Services Portfolio

Speaker

Councillor AL Marasi

Executive Councillors

Councillor ST Dyakala - Infrastructure Portfolio

Councillor NF Memani - Community Protection Portfolio

Councillor S Venene - Finance Portfolio

Councillor A Nyumka - MPAC Chairperson

Councillor S Kolosa - Chief Whip

Councillor A Bukani

Councillor N Sweli

Councillor EHK Walker

Councillor NE Haynes

Councillor P Khungwayo

Councillor SI Melani

Councillor S Zweni

Councillor MW Mgweba

Councillor PY Kani

Councillor ZW Myali

Councillor WG Johannes

Councillor T Mbekela

Councillor X Runeli

Councillors

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

General Information

Primary legislation governing the municipality's operations

Local Government Municipal Finance Management Act (Act No 56 of 2003)
Local Government: Municipal Systems Act (Act 32 of 2000)
Local Government: Municipal Structures Act (Act 117 of 1998)
Constitution of the Republic of South Africa (Act 108 of 1998)
Municipal Property Rates Act (Act 6 of 2004)

Accounting Officer

R Dumezweni
rdumezweni@ndlambe.gov.za

Chief Finance Officer (CFO)

M Klaas
mklaas@ndlambe.gov.za

Business address

47 Campbell Street
Port Alfred
6170

Postal address

P O Box 13
Port Alfred
6170

Bankers

First National Bank

Auditors

Auditor General

Jurisdiction

The Ndlambe Local Municipality includes the following areas:
Port Alfred
Bathurst
Alexandria
Kenton-on-Sea
Cannon-Rocks
Seafeld
Marselle

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

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Abbreviations used:

DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
LED	Local Economic Development
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MSIG	Municipal Systems Improvement Grant
FMG	Financial Management Grant
ECSRAC	Eastern Cape Department of Sports, Recreation, Arts and Culture
DME	Department of Minerals and Energy
INEP	Integrated National Electrification Programme
DWAF	Department of Water and Forestry
DoRA	Division of Revenue Act
DME	Department of Minerals and Energy
DWS	Department of Water and Sanitation
SBDM	Sarah Baartman District Municipality
CoGTA	Department of Co-operative Governance and Traditional Affairs
VAT	Value Added Tax
SARS	South African Revenue Service

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2026 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 5 to 104, 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:



R Dumezweni
Accounting Officer

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	3	2 909 114	1 438 947
Receivables from non-exchange transactions	4	75 766 427	25 784 778
Receivables from exchange transactions	5	40 903 712	37 354 309
VAT receivable	6	13 224 517	10 449 239
Cash and cash equivalents	7	66 432 760	140 308 928
Operating lease asset	8	116 353	12 899
		199 352 883	215 349 100
Non-Current Assets			
Investment property	9	233 069 059	242 890 547
Property, plant and equipment	10	1 406 820 819	1 287 018 846
Intangible assets	11	40 171	47 606
Heritage assets	12	16	16
Other financial assets	13	44 210	46 305
		1 639 974 275	1 530 003 320
Total Assets		1 839 327 158	1 745 352 420
Liabilities			
Current Liabilities			
Consumer deposits	15	2 891 281	2 827 601
Payables from exchange transactions	16	120 531 076	147 418 222
Unspent conditional grants and receipts	17	30 119 015	31 673 139
Financial liabilities - DBSA	18	-	973 082
VAT payable	19	5 172 316	3 492 771
Employee benefit obligation	20	23 470 978	22 085 561
Provisions	21	13 464 808	13 068 766
		195 649 474	221 539 142
Non-Current Liabilities			
Employee benefit obligation	20	78 989 300	69 743 000
Provisions	21	70 685 610	65 659 948
		149 674 910	135 402 948
Total Liabilities		345 324 384	356 942 090
Net Assets		1 494 002 774	1 388 410 330
Accumulated surplus		1 494 002 774	1 388 410 330
Total Net Assets		1 494 002 774	1 388 410 330

* See Note 46

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	23	235 511 307	192 624 513
Rendering of services		3 977 871	3 657 024
Rental of facilities and equipment		1 121 344	1 079 721
Interest received - Trade and other receivables		14 254 954	9 655 942
Management Fees	32	1 978 139	94 968
Licences and permits		3 698 291	1 821 353
Housing debtor income		-	2 014 510
Other income	24	1 390 374	2 099 736
Interest received - investment	25	10 540 353	12 243 894
Total revenue from exchange transactions		272 472 633	225 291 661
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	26	170 174 377	146 671 842
Licences and Permits - Non-exchange		1 165 805	1 313 532
Environmental levies		6 614 429	6 197 418
Interest received - Non-exchange receivables		6 665 461	4 603 953
Transfer revenue			
Government grants & subsidies	27	320 290 615	257 301 171
Public contributions and donations	28	1 168 241	517 370
Fines, Penalties and Forfeits		484 590	401 108
Total revenue from non-exchange transactions		506 563 518	417 006 394
Total revenue	22	779 036 151	642 298 055
Expenditure			
Employee related costs	29	(214 912 679)	(197 969 930)
Remuneration of councillors	30	(8 681 779)	(8 481 513)
Depreciation and amortisation	31	(43 907 001)	(43 683 082)
Finance costs	33	(8 498 192)	(8 294 637)
Lease rentals on operating lease		(1 108 094)	(991 905)
Debt Impairment	34	(84 384 403)	(58 357 952)
Alternative Energy Programmes		(7 427 120)	(5 932 564)
Bulk purchases	35	(105 847 340)	(95 172 935)
Contracted Services	36	(91 043 495)	(89 790 542)
Transfers and Subsidies		(5 195 820)	(4 304 426)
General Expenses	37	(95 430 564)	(92 153 354)
Total expenditure		(666 436 487)	(605 132 840)
Operating surplus		112 599 664	37 165 215
Loss on disposal of assets and liabilities		(7 419 797)	(4 329 638)
Fair value adjustments	38	3 006 131	2 193 160
Actuarial gains/(losses)	20	809 338	688 135
Impairment loss	39	(8 856 254)	(10 920 774)
Surplus from derecognition of liability	40	5 453 361	-
Surplus for the year		105 592 443	24 796 098

* See Note 46

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	1 330 940 993	1 330 940 993
Adjustments		
Correction of errors 46	32 673 239	32 673 239
Balance at 01 July 2023 as restated*	1 363 614 232	1 363 614 232
Changes in net assets		
Surplus for the year	24 796 098	24 796 098
Total changes	24 796 098	24 796 098
Restated* Balance at 01 July 2024	1 388 410 331	1 388 410 331
Changes in net assets		
Surplus for the year	105 592 443	105 592 443
Total changes	105 592 443	105 592 443
Balance at 30 June 2025	1 494 002 774	1 494 002 774
Note(s)		

* See Note 46

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Rates and services		345 080 622	300 951 925
Government Grants and Subsidies		270 411 674	273 430 268
Interest income		18 900 710	15 753 982
Other receipts		3 853 103	4 610 322
		<u>638 246 109</u>	<u>594 746 497</u>
Payments			
Employee costs		(212 153 403)	(196 553 995)
Suppliers		(333 114 148)	(205 278 703)
Finance costs		(59 272)	(183 514)
Grants and subsidies		(5 195 820)	(4 304 426)
		<u>(550 522 643)</u>	<u>(406 320 638)</u>
Net cash flows from operating activities	42	<u>87 723 466</u>	<u>188 425 859</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(162 625 743)	(114 257 418)
Proceeds from sale of property, plant and equipment	10	1 999 191	382 553
Net cash flows from investing activities		<u>(160 626 552)</u>	<u>(113 874 865)</u>
Cash flows from financing activities			
Repayment of financial liabilities - DBSA		(973 082)	(1 477 432)
Net cash flows from financing activities		<u>(973 082)</u>	<u>(1 477 432)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(73 876 168)</u>	<u>73 073 562</u>
Cash and cash equivalents at the beginning of the year		140 308 928	67 235 366
Cash and cash equivalents at the end of the year	7	<u>66 432 760</u>	<u>140 308 928</u>

* See Note 46

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges	226 197 000	-	226 197 000	235 511 307	9 314 307	56.1
Rendering of services	3 743 000	-	3 743 000	3 977 871	234 871	56.2
Rental of facilities and equipment	1 150 000	-	1 150 000	1 121 344	(28 656)	56.3
Interest received	9 222 000	-	9 222 000	14 254 954	5 032 954	56.4
Management fees	-	-	-	1 978 139	1 978 139	56.4i
Licences and permits	4 323 000	-	4 323 000	3 698 291	(624 709)	56.5
Other income	1 448 000	-	1 448 000	1 390 374	(57 626)	56.6
Interest received - investment	10 858 000	-	10 858 000	10 540 353	(317 647)	56.7
Total revenue from exchange transactions	256 941 000	-	256 941 000	272 472 633	15 531 633	

Revenue from non-exchange transactions

Taxation revenue

Property rates	177 996 000	-	177 996 000	170 174 377	(7 821 623)	56.8
Licences and Permits (Non-exchange)	1 991 000	-	1 991 000	1 165 805	(825 195)	56.9
Environmental Levies	7 287 000	-	7 287 000	6 614 429	(672 571)	56.10
Interest received - non-exchange receivables	7 437 000	-	7 437 000	6 665 461	(771 539)	56.11

Transfer revenue

Government grants & subsidies	353 100 000	140 602 000	493 702 000	320 290 615	(173 411 385)	56.12
Public contributions and donations	-	-	-	1 168 241	1 168 241	56.13
Fines, Penalties and Forfeits	418 000	-	418 000	484 590	66 590	56.14
Total revenue from non-exchange transactions	548 229 000	140 602 000	688 831 000	506 563 518	(182 267 482)	
Total revenue	805 170 000	140 602 000	945 772 000	779 036 151	(166 735 849)	

Expenditure

Employee related costs	(204 080 000)	(370 000)	(204 450 000)	(214 912 679)	(10 462 679)	56.15
Remuneration of councillors	(8 573 000)	(115 000)	(8 688 000)	(8 681 779)	6 221	56.16
Depreciation and amortisation	(51 434 000)	-	(51 434 000)	(43 907 001)	7 526 999	56.17
Impairment loss	-	-	-	(8 856 254)	(8 856 254)	56.18
Finance costs	(9 501 000)	-	(9 501 000)	(8 498 192)	1 002 808	56.19
Lease rentals on operating lease	(769 000)	(947 000)	(1 716 000)	(1 108 094)	607 906	56.20
Debt Impairment	(32 563 000)	-	(32 563 000)	(84 384 403)	(51 821 403)	56.21
Alternative Energy Programmes	(8 652 000)	-	(8 652 000)	(7 427 120)	1 224 880	56.22
Bulk purchases	(88 969 000)	(2 927 000)	(91 896 000)	(105 847 340)	(13 951 340)	56.23
Contracted Services	(174 514 000)	(50 594 000)	(225 108 000)	(91 043 495)	134 064 505	56.24
Transfers and Subsidies	(5 368 000)	(739 000)	(6 107 000)	(5 195 820)	911 180	56.25
General Expenses	(105 015 000)	4 354 000	(100 661 000)	(95 430 564)	5 230 436	56.26
Total expenditure	(689 438 000)	(51 338 000)	(740 776 000)	(675 292 741)	65 483 259	
Operating surplus	115 732 000	89 264 000	204 996 000	103 743 410	(101 252 590)	

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Loss on disposal of assets and liabilities	-	-	-	(7 419 797)	(7 419 797)	56.27
Fair value adjustments	-	-	-	3 006 131	3 006 131	56.28
Actuarial gains/losses	-	-	-	809 338	809 338	56.29
Surplus from derecognition of liability	-	-	-	5 453 361	5 453 361	56.30
	-	-	-	1 849 033	1 849 033	
Surplus before taxation	115 732 000	89 264 000	204 996 000	105 592 443	(99 403 557)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	115 732 000	89 264 000	204 996 000	105 592 443	(99 403 557)	

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Figures in Rand

Statement of Financial Position

Assets

Current Assets

Inventories	1 537 000	151 000	1 688 000	2 909 114	1 221 114	56.31
Operating lease asset	17 000	(4 000)	13 000	116 353	103 353	56.32
Receivables from non-exchange transactions	45 084 000	6 470 000	51 554 000	75 766 427	24 212 427	56.33
VAT receivable	149 579 000	20 266 000	169 845 000	13 224 517	(156 620 483)	56.34
Receivables from exchange transactions	54 095 000	(7 942 000)	46 153 000	40 903 712	(5 249 288)	56.33
Other current asset	848 000	658 000	1 506 000	-	(1 506 000)	56.35
Cash and cash equivalents	132 403 000	(4 774 000)	127 629 000	66 432 760	(61 196 240)	56.36
	383 563 000	14 825 000	398 388 000	199 352 883	(199 035 117)	

Non-Current Assets

Investment property	258 541 000	(16 830 000)	241 711 000	233 069 059	(8 641 941)	56.37
Property, plant and equipment	1 275 464 000	148 760 000	1 424 224 000	1 406 820 819	(17 403 181)	56.38
Intangible assets	91 000	(56 000)	35 000	40 171	5 171	56.39
Heritage assets	-	-	-	16	16	56.40
Other financial assets	45 000	1 000	46 000	44 210	(1 790)	56.41
	1 534 141 000	131 875 000	1 666 016 000	1 639 974 275	(26 041 725)	

Total Assets

1 917 704 000 146 700 000 2 064 404 000 1 839 974 275 (225 076 842)

Liabilities

Current Liabilities

Payables from exchange transactions	67 212 000	13 690 000	80 902 000	120 531 076	39 629 076	56.42
Taxes and transfers payable (non-exchange)	-	569 500	569 500	-	(569 500)	
VAT payable	145 481 000	28 389 000	173 870 000	5 172 316	(168 697 684)	56.34
Consumer deposits	2 877 000	166 000	3 043 000	2 891 281	(151 719)	56.43
Employee benefit obligation	2 418 000	567 000	2 985 000	23 470 978	20 485 978	56.44
Unspent conditional grants and receipts	79 963 000	923 000	80 886 000	30 119 015	(50 766 985)	56.45
Provisions	13 728 000	1 323 000	15 051 000	13 464 808	(1 586 192)	56.46
	311 679 000	45 627 500	357 306 500	195 649 474	(161 657 026)	

Non-Current Liabilities

Employee benefit obligation	55 221 000	6 862 000	62 083 000	78 989 300	16 906 300	56.44
Provisions	77 465 000	5 268 000	82 733 000	70 685 610	(12 047 390)	56.46
	132 686 000	12 130 000	144 816 000	149 674 910	4 858 910	

Total Liabilities

444 365 000 57 757 500 502 122 500 345 324 384 (156 798 116)

Net Assets

1 473 339 000 88 942 500 1 562 281 500 1 494 002 774 (68 278 726)

Net Assets

Reserves

Accumulated surplus	1 473 339 000	88 942 500	1 562 281 500	1 494 002 774	(68 278 726)	56.47

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Figures in Rand

Cash Flow Statement

Cash flows from operating activities

Receipts

Rates and Services	369 351 000	14 973 000	384 324 000	345 080 622	(39 243 378)	56.48
Government Grants and subsidies	353 100 000	108 929 000	462 029 000	270 411 674	(191 617 326)	56.49
Interest income	10 858 000	8 424 000	19 282 000	18 900 710	(381 290)	56.50
Other receipts	48 807 000	21 708 000	70 515 000	3 853 103	(66 661 897)	56.51
	782 116 000	154 034 000	936 150 000	638 246 109	(297 903 891)	

Payments

Supplier and Employee costs	(642 908 000)	(58 377 000)	(701 285 000)	(545 267 551)	156 017 449	56.52
Finance costs	(89 000)	-	(89 000)	(59 272)	29 728	56.53
Grants and subsidies paid	(5 168 000)	(169 000)	(5 337 000)	(5 195 820)	141 180	56.54
	(648 165 000)	(58 546 000)	(706 711 000)	(550 522 643)	156 188 357	

Net cash flows from operating activities	133 951 000	95 488 000	229 439 000	87 723 466	(141 715 534)	

Cash flows from investing activities

Purchase of property, plant and equipment	(148 425 000)	(91 952 000)	(240 377 000)	(162 625 743)	77 751 257	56.55
Proceeds from sale of property, plant and equipment	215 000	-	215 000	1 999 191	1 784 191	56.56
Net cash flows from investing activities	(148 210 000)	(91 952 000)	(240 162 000)	(160 626 552)	79 535 448	

Cash flows from financing activities

Repayment of financial liabilities - DBSA	-	-	-	(973 082)	(973 082)	56.57
Net cash flows from financing activities	-	-	-	(973 082)	(973 082)	

Net increase/(decrease) in cash and cash equivalents	(14 259 000)	3 536 000	(10 723 000)	(73 876 168)	(63 153 168)	
Cash and cash equivalents at the beginning of the year	139 410 000	115 000	139 525 000	140 308 928	783 928	56.58
Cash and cash equivalents at the end of the year	125 151 000	3 651 000	128 802 000	66 432 760	(62 369 240)	

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

Figures in Rand	Note(s)	2025	2024

1. Significant account policies

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

1.1 Basis of preparations

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.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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. All amounts are rounded to the nearest Rand.

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

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

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.

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes. Significant judgements include:

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including [list entity specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

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 21 - Provisions.

Useful lives of waste and water network and other assets

The municipality's management, through the use of an external service provider, determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 20.

Effective interest rate

The municipality used the prime+1% interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Accounting by principals and agent

The municipality makes assessments on whether it is the principal or agent in principal-agent relationships. Significant judgements applied are as follows -

The municipality considers the nature of the agreements entered into between itself and other entities. 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).

Should it render a service on behalf of another entity or vice versa, it will trigger the need to the related disclosure in terms of GRAP 109.

The municipality has identified that it acts as an agent for the collection of motor vehicle licence fees on behalf of the department of Transport.

Additional information is disclosed in Note 55.

Impairment of statutory receivables

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

1.6 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.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.6 Investment property (continued)

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.

Cost model

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

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite
Property - buildings	30 years

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

The nature OR type of properties classified as held for strategic purposes are as follows:

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note).

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

1.7 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.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.7 Property, plant and equipment (continued)

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

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

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

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

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

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

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

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:

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight-line	50 Years
Plant and machinery	Straight-line	5 - 15 Years
Motor vehicles	Straight-line	5 - 15 Years
Office equipment	Straight-line	5 - 15 Years
IT equipment	Straight-line	5 - 15 Years
Community	Straight-line	10 - 30 Years
Electricity Network	Straight-line	15 - 80 Years
Roads	Straight-line	15 - 80 Years
Wastewater Network	Straight-line	15 - 60 Years
Water Network	Straight-line	15 -100 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.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.7 Property, plant and equipment (continued)

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 note 10).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

1.8 Intangible assets

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.

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.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.8 Intangible assets (continued)

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
Computer software, other	Straight-line	5 - 15 Years

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

1.9 Heritage assets

Assets are resources controlled by a municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

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1.9 Heritage assets (continued)

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

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.

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.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

1.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

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.

Accounting Policies

1.10 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.

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 unissued 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.

Ndlambe Local Municipality

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Accounting Policies

1.10 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.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class

Receivables from exchange transactions
Receivables from non-exchange transactions
Cash and cash equivalents
Other financial asset

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at fair value

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

Class

Payables from exchange transactions
DBSA Loans

Category

Financial liability measured at amortised cost
Financial liability measured at amortised cost

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Ndlambe Local Municipality

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Accounting Policies

1.10 Financial instruments (continued)

Initial measurement of financial assets and financial liabilities

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

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Ndlambe Local Municipality

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Accounting Policies

1.10 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

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

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

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

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.10 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

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

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

Ndlambe Local Municipality

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Accounting Policies

1.10 Financial instruments (continued)

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.11 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

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

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

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.

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.

Ndlambe Local Municipality

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Accounting Policies

1.11 Statutory receivables (continued)

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

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

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

In estimating the future cash flows, a municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

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

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

1.12 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.

Ndlambe Local Municipality

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Accounting Policies

1.12 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.

1.13 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.14 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.

Ndlambe Local Municipality

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Accounting Policies

1.14 Impairment of cash-generating assets (continued)

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.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

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Accounting Policies

1.14 Impairment of cash-generating assets (continued)

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

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Accounting Policies

1.14 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.15 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

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 managed 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 service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

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1.15 Impairment of non-cash-generating assets (continued)

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.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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1.15 Impairment of non-cash-generating assets (continued)

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.16 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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Accounting Policies

1.16 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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 entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

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Accounting Policies

1.16 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.16 Employee benefits (continued)

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Ndlambe Local Municipality

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Accounting Policies

1.16 Employee benefits (continued)

Other post retirement obligations

The municipality 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. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.17 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

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.

Ndlambe Local Municipality

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Accounting Policies

1.17 Provisions and contingencies (continued)

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 44.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, 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.

Accounting Policies

1.17 Provisions and contingencies (continued)

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.14 and 1.15.

If the related asset is measured using the revaluation model:

- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
 - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;
- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit;
- a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit and net assets. If a revaluation is necessary, all assets of that class is revalued; and
- the Standard of GRAP on Presentation of Financial Statements requires disclosure on the face of the statement of changes in net assets of each item of revenue or expense that is recognised directly in net assets. In complying with this requirement, the change in the revaluation surplus arising from a change in the liability is separately identified and disclosed as such.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

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Accounting Policies

1.18 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.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

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 the proportion that costs incurred to date bear to the total estimated costs of the transaction.

Interest, royalties and dividends

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

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

Ndlambe Local Municipality

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Accounting Policies

1.18 Revenue from exchange transactions (continued)

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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Accounting Policies

1.19 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.19 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.

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.20 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.21 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.22 Accounting by principals and agents

Identification

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

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

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.22 Accounting by principals and agents (continued)

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

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

1.23 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

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

1.25 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.

1.26 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.27 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.

1.28 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.

The approved budget covers the fiscal period from 2023/07/01 to 2024/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

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

1.29 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

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

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

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.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.30 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.

1.31 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash. A commitment is disclosed to the extent that it has not already been recognised elsewhere in the financial statements.

At the end of the financial period the municipality determined commitments in respect of capital expenditure in terms of GRAP 17 that has been approved and contracted for.

1.32 Material Losses (Water and Electricity)

Water and electricity losses are required to be disclosed as part of the material loss disclosure of the MFMA Section 125. Losses are calculated on the following basis -

Nr of units of lost supply, being the difference between what was supplied and what has been sold at the per unit tariff rate.

The unit tariff rate, in the case of electricity being the lower rate of Kwh as charged per council and the case of water the lowest rate per Kl (incl VAT).

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
2. New standards and interpretations		
2.1 Standards and interpretations issued, but not yet effective		
The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2025 or later periods:		
Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 2023 Improvements to the Standards of GRAP 2023	01 April 2099	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	01 April 2099	Unlikely there will be a material impact
• GRAP 103 (amended): Heritage Assets	01 April 2099	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
3. Inventories		
Water for distribution	78 774	102 347
Stores, materials and fuels	2 830 340	1 336 600
	2 909 114	1 438 947
Inventories recognised as an expense during the year	49 327 725	47 997 608
4. Receivables from non-exchange transactions		
Consumer debtors - Rates	63 985 619	63 880 396
Environmental Levies	10 112 210	11 642 330
Schedule 6B - RBIG receivable	7 009 450	976 100
Traffic & Finance department cases under investigation	576 945	609 812
Deposits	85 500	85 500
EC Human Settlements receivable	42 291 467	-
Provision for doubtful debts - Environmental Levies	(8 827 657)	(10 285 142)
Provision for doubtful debts - Consumer debtors - Rates	(39 467 107)	(41 124 218)
	75 766 427	25 784 778
Statutory receivables included in receivables from non-exchange transactions above are as follows:		
Consumer debtors - Rates	63 985 619	63 880 396
Environmental Levies	10 112 210	11 642 330
Provision for doubtful debts - Receivables from Non-Exchange transactions	(48 294 764)	(51 409 360)
	25 803 065	24 113 366
Financial asset receivables included in receivables from non-exchange transactions above	49 963 362	1 671 412
Total receivables from non-exchange transactions	75 766 427	25 784 778

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

4. Receivables from non-exchange transactions (continued)

Statutory receivables general information

Statutory receivables past due but not impaired

Statutory receivables which are less than 3 months past due are not considered to be impaired. At 30 June 2025, R 9 149 794 (2024: R 8 749 921) were past due but not impaired.

Factors the entity considered in assessing statutory receivables past due but not impaired

The municipality has adopted a policy for the determination of the provision for doubtful debts based on the national treasury principles. These principles are used to rate debtors based on various risk criteria associated with the type and status of their accounts. Furthermore an analysis is undertaken to accumulate the risk associated with the long outstanding nature of each account. These factors produce an overall risk factor which is utilised to prepare an impaired amount. The collectable cashflow is therefore determined and present valued based on the average days outstanding on each account. The overall impairment is thereafter pro-rata'ed per non-exchange and exchange portions of each debtors' account. Lastly, this is accumulated to produce the provision for impairment as raised at year end. Refer to the municipal policy for full details.

Statutory receivables impaired

As of 30 June 2025, Statutory receivables of R 48 294 765 (2024: R 51 409 360) were impaired and provided for.

Reconciliation of provision for impairment for statutory receivables

Opening balance	(51 409 360)	(50 397 221)
Provision for impairment	(11 580 593)	(8 709 201)
Amounts written off as uncollectible	14 695 188	7 697 062
	(48 294 765)	(51 409 360)

Receivables from non-exchange transactions past due but not impaired

Other receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. At 30 June 2025, R 576 945 (2024: R 609 812) were past due but not impaired.

5. Receivables from exchange transactions

Gross balances

Electricity	35 600 142	31 179 219
Water	63 880 481	74 192 680
Waste water	25 054 299	28 739 751
Refuse	31 639 839	35 325 822
Prepayment	-	14 500
Prepaid Electricity Sales - Vendors	648 121	539 320
Housing rental	1 191 403	1 271 541
Service charges and other	11 787 731	15 254 893
	169 802 016	186 517 726

Less: Allowance for impairment

Provision for Doubtful debts - Electricity	(16 350 897)	(16 395 787)
Provision for Doubtful debts - Water	(51 985 712)	(60 065 228)
Provision for Doubtful debts - Waste water	(20 823 168)	(25 374 934)
Provision for Doubtful debts - Refuse	(27 275 556)	(31 272 575)
Provision for Doubtful debts - Housing rental	(1 125 303)	(1 206 453)
Provision for Doubtful debts - Service charges and other	(11 337 668)	(14 848 440)
	(128 898 304)	(149 163 417)

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
5. Receivables from exchange transactions (continued)		
Net balance		
Electricity	19 249 245	14 783 432
Water	11 894 769	14 127 452
Waste water	4 231 131	3 364 817
Refuse	4 364 283	4 053 247
Prepayment	-	14 500
Prepaid electricity sales - Vendors	648 121	539 320
Housing rental	66 100	65 088
Service charges and other	450 063	406 453
	40 903 712	37 354 309
Electricity		
Current (0 -30 days)	10 928 302	8 926 840
31 - 60 days	3 878 386	2 252 719
61 - 90 days	1 601 572	1 452 082
91 - 120 days	1 178 119	1 061 196
121 - 365 days	5 770 047	4 262 101
> 365 days	12 243 716	13 224 281
	35 600 142	31 179 219
Water		
Current (0 -30 days)	7 035 273	7 549 374
31 - 60 days	2 994 094	2 744 194
61 - 90 days	2 250 457	2 535 544
91 - 120 days	2 015 528	2 206 602
121 - 365 days	13 628 905	16 330 205
> 365 days	35 956 224	42 826 761
	63 880 481	74 192 680
Waste water		
Current (0 -30 days)	2 243 769	2 021 604
31 - 60 days	1 497 039	1 175 512
61 - 90 days	811 963	1 032 004
91 - 120 days	776 068	950 939
121 - 365 days	5 518 067	6 412 181
> 365 days	14 207 393	17 147 511
	25 054 299	28 739 751
Refuse		
Current (0 -30 days)	2 338 969	2 266 793
31 - 60 days	1 266 630	1 316 696
61 - 90 days	1 011 392	1 104 721
91 - 120 days	925 035	1 018 197
121 - 365 days	6 401 832	6 887 713
> 365 days	19 695 981	22 731 702
	31 639 839	35 325 822
Prepayment		
Current (0 -30 days)	-	14 500
Prepaid electricity sales - Vendors		
Current (0 -30 days)	648 121	539 320

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
5. Receivables from exchange transactions (continued)		
Housing rental		
Current (0 -30 days)	77 364	97 353
31 - 60 days	49 496	67 621
61 - 90 days	49 253	63 281
91 - 120 days	48 404	58 480
121 - 365 days	310 730	356 531
> 365 days	656 156	628 275
	1 191 403	1 271 541
Service charges and other		
Current (0 -30 days)	67 059	249 436
31 - 60 days	75 531	220 515
61 - 90 days	68 445	258 738
91 - 120 days	69 151	255 544
121 - 365 days	751 345	1 952 137
> 365 days	10 756 200	12 318 523
	11 787 731	15 254 893
Reconciliation of allowance for impairment		
Balance at beginning of the year	(149 163 417)	(127 614 911)
Contributions to allowance	(82 026 080)	(56 339 343)
Debt impairment written off against allowance	102 291 193	34 790 837
	(128 898 304)	(149 163 417)

Consumer debtors past due but not impaired

Consumer debtors which are less than 3 months past due are not considered to be impaired. At 30 June 2025, R 13 895 027 (2024: R 14 623 691) were past due but not impaired.

Consumer debtors impairment process

The municipality has adopted a policy for the determination of the provision for doubtful debts based on the national treasury principles. These principles are used to rate debtors based on various risk criteria associated with the type and status of their accounts. Furthermore an analysis is undertaken to accumulate the risk associated with the long outstanding nature of each account. These factors produce an overall risk factor which is utilised to prepare an impaired amount. The collectable cashflow is therefore determined and present valued based on the average days outstanding on each account. The overall impairment is thereafter pro-rata'd per non-exchange and exchange portions of each debtors' account. Lastly, this is accumulated to produce the provision for impairment as raised at year end. This process is similar to the process undertaken for the provision of doubtful debts as documented under note 4. Refer to the municipal policy for full details.

6. VAT receivable

VAT Control	2 864 702	2 072 522
VAT Input Accrual	10 359 815	8 376 717
	13 224 517	10 449 239

VAT Control represents the amount of refunds outstanding from SARS.
The Input VAT Accrual represents the amounts yet to be claimed once payment is made and declared on creditors balances.
VAT Control is considered a statutory receivable whereas, VAT input accrual is accounted for as a receivable.

This is as a result of the differences between the cash basis of declarations to SARS and the Accrual basis of accounting for the GRAP annual financial statements.

The VAT Control amount is classified as statutory receivables.

Statutory receivables past due but not impaired

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

6. VAT receivable (continued)

No VAT Control - Statutory receivables are currently assessed as being past due.

Factors the entity considered in assessing statutory receivables past due but not impaired

The municipality has adopted a policy for the determination of the provision for doubtful debts based on the national treasury principles. These principles are used to rate debtors based on various risk criteria associated with the type and status of their accounts. Furthermore an analysis is undertaken to accumulate the risk associated with the long outstanding nature of each account. These factors produce an overall risk factor which is utilised to prepare an impaired amount. The collectable cashflow is therefore determined and present valued based on the average days outstanding on each account. The overall impairment is thereafter pro-rata'ed per non-exchange and exchange portions of each debtors' account. Lastly, this is accumulated to produce the provision for impairment as raised at year end. Refer to the municipal policy for full details.

The amount of impairment on the amounts in suspense and receivable from SARS is not considered impaired as refunds from SARS are received without significant delay.

Statutory receivables impaired

As of 30 June 2025, VAT receivable - Statutory receivables were not required to be impaired.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	5 511	5 511
Bank balances	8 445 075	5 327 400
Short-term deposits	57 982 174	134 976 017
	66 432 760	140 308 928

Ndlambe Municipality also holds four bank accounts with the New Republic Bank Limited. These accounts related to bank investments made by Port Alfred TLC. New Republic Bank Limited went into liquidation in 1999. These accounts do not show any withdrawable funds/balances and are not active on bank confirmation searches. The liquidation process is still ongoing and during the 2021/2022 financial year distributions were made in accordance with the liquidation process.

Cash and cash equivalents pledged as collateral

Total financial assets ceded to DBSA	-	1 300 000
There is a cession recorded against the account (FNB-71078484865) to this value. Refer to note regarding DBSA loans. - The cession was release in 2025 due to settling the DBSA loan during the year.		
Total financial assets pledged as guarantee to ESKOM	10 378 790	10 378 790
There is a guarantee recorded against the FNB bank accounts in favour of ESKOM.		

Ndlambe Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024

7. 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
	7 964 520	8 262 819	7 479 844	8 445 075	5 327 588	7 533 278
FIRST NATIONAL BANK	6 795 755	6 997 758	6 848 150	7 276 310	4 062 527	6 901 584
General Account-Current						
FIRST NATIONAL BANK	308 960	417 401	13 352	308 960	417 401	13 352
Current Account-Housing						
FIRST NATIONAL BANK	859 805	847 660	618 342	859 805	847 660	618 342
Current Account - Revolving						
	14 966 548	16 404 249	22 216 453	14 966 548	16 404 249	22 216 453
FIRST NATIONAL BANK	1 247	1 406 353	5 372 699	1 247	1 406 353	5 372 699
CRR Call Accounts						
FIRST NATIONAL BANK	3 142 671	3 148 595	3 149 305	3 142 671	3 148 595	3 149 305
Fixed Deposit Account DBSA						
FIRST NATIONAL BANK	1 300 000	1 310 051	3 164 582	1 300 000	1 310 051	3 164 582
Call Account - Eskom						
FIRST NATIONAL BANK	10 522 630	10 539 250	10 529 867	10 522 630	10 539 250	10 529 867
Call Account - Eskom						
Guarantee						
	28 613 577	50 915 740	12 303 392	28 613 577	50 915 740	12 303 392
STANDARD BANK	260 897	244 694	228 382	260 897	244 694	228 382
Notice Bank - Alex						
STANDARD BANK	999 085	170 085	32 691	999 085	170 085	32 691
Call Account - Fire Officer 008						
STANDARD BANK	1 033 647	1 456 583	-	1 033 647	1 456 583	-
Bathurst Water 011						
STANDARD BANK	-	-	358 052	-	-	358 052
EPWP 019						
STANDARD BANK	77 495	77 573	78 646	77 495	77 573	78 646
Water Service Infrastructure 023						
STANDARD BANK	346	754 117	1 313 558	346	754 117	1 313 558
EC Sports 025						
STANDARD BANK	-	-	-	-	-	-
Ndlambe Building Acc's 026						
STANDARD BANK	612 607	613 134	609 017	612 607	613 134	609 017
COGTA Retention 027						
STANDARD BANK	2 022 746	1 615 900	2 538 944	2 022 746	1 615 900	2 538 944
OTP 028						
STANDARD BANK	321	319	168 661	321	319	168 661
Wentzel Park 029						
STANDARD BANK	16 917	16 921	19 021	16 917	16 921	19 021
Wentzel Park Retention 030						
STANDARD BANK	23 550	23 881	153 751	23 550	23 881	153 751
Klipfontein 031						
STANDARD BANK	1 569	178 579	101 167	1 569	178 579	101 167
Nemato Bayso 032						
STANDARD BANK	2 426	2 429	32 082	2 426	2 429	32 082
Nemato Ezidonkini 033						
STANDARD BANK	-	1 314 510	2 000 346	-	1 314 510	2 000 346
Nemato New Rest 034						
STANDARD BANK	-	201 774	1 781 127	-	201 774	1 781 127
MMarselle Zihagu 500 035						

Ndlambe Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand				2025	2024
7. Cash and cash equivalents (continued)					
STANDARD BANK	947 730	948 910	940 838	947 730	948 910
Cogta Retention 036					
STANDARD BANK	40 240	73 278	292 218	40 240	73 278
Nemato Cricket field 037					
STANDARD BANK	-	907 549	713 347	-	907 549
Alex Brakfontein 038					
STANDARD BANK	861 112	58	925 120	861 112	58
Kenton-on-Sea 039					
STANDARD BANK	16 368	16 385	16 424	16 368	16 385
Kos ISBT 10 Retention 040					
STANDARD BANK	5 551	13 196 758	-	5 551	13 196 758
Housing Bathurst Infill					
STANDARD BANK	142 732	12 937 508	-	142 732	12 937 508
Housing Kenton Ndokwenza					
STANDARD BANK	39 194	8 132 665	-	39 194	8 132 665
Housing Kenton Horseplay					
STANDARD BANK	407 141	8 032 130	-	407 141	8 032 130
Housing Alexandria Boknes Roads					
STANDARD BANK	-	-	-	-	-
Housing Bathurst 5(450) 045					
STANDARD BANK	-	-	-	-	-
Housing Marselle Internal Services 500 046					
STANDARD BANK	608 619	-	-	608 619	-
Housing Alex 403 (297 Project) 047					
STANDARD BANK	20 493 284	-	-	20 493 284	-
Disaster Response 048					
	6 630 707	12 678 040	24 402 936	6 630 707	12 678 040
INVESTEC BANK	1 457 612	1 161 384	851 675	1 457 612	1 161 384
Call Account -LG Seta 512					
INVESTEC BANK	75 275	2 243 274	2 175 490	75 275	2 243 274
Call Account-PrepwaterMete523					
INVESTEC BANK Call	1 110 450	1 111 356	1 828 917	1 110 450	1 111 356
Account-Retention 526					
INVESTEC BANK	-	393 196	1 460 527	-	393 196
Call Account-MIG Roads 532					
INVESTEC BANK	80 369	580 190	31 466	80 369	580 190
Call Ac-MIG Bulk Sewerage 533					
INVESTEC BANK	-	-	5 283	-	-
Call Acc-Integrated Elec 534					
INVESTEC BANK	-	-	22 563	-	-
Call Account-MIG PMU 535					
INVESTEC BANK	-	2 212 293	1 246 886	-	2 212 293
Call Acc-Financial Man. 536					
INVESTEC BANK	-	1 361 890	16 231 923	-	1 361 890
Call Account-WSIG 537					
INVESTEC BANK	7 876	-	346 534	7 876	-
Call Acc-Ndlambe Capital Res.538					
INVESTEC BANK	311 528	-	427	311 528	-
Call Acc-MIG Sportfield 539					
INVESTEC BANK	218 297	217 092	201 245	218 297	217 092
Call Acc-Greenest Town 540					
INVESTEC BANK	3 282 804	3 285 483	-	3 282 804	3 285 483
WSIG Retention					

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand				2025		2024	
7. Cash and cash equivalents (continued)							
INVESTEC BANK	86 496	111 882	-	86 496	111 882	-	
EPWP							
	7 771 528	54 978 175	947 123	7 771 528	54 978 175	947 123	
ABSA BANK	-	-	-	-	-	-	
Call Account - Roads 0651							
ABSA BANK	-	700	869 031	-	700	869 031	
Call Account - Councillors							
Equitable Share 3669							
ABSA BANK	-	1 362	48 511	-	1 362	48 511	
Call Account - Revolving 9340							
ABSA BANK	-	-	29 581	-	-	29 581	
Call Account -071							
ABSA BANK	981 798	38 253 975	-	981 798	38 253 975	-	
Housing Land Acquisition 3248							
ABSA BANK	64 303	9 489 672	-	64 303	9 489 672	-	
Municipality Disaster Fund 3379							
ABSA BANK	2 477 581	1 079 195	-	2 477 581	1 079 195	-	
MIG Roads 3939							
ABSA BANK	-	586 071	-	-	586 071	-	
WSIG (R30Million) 5231							
ABSA BANK	31 908	2 701 479	-	31 908	2 701 479	-	
Housing Bulk Infrastructure							
Retention 7325							
ABSA BANK	1 029 167	229 547	-	1 029 167	229 547	-	
Councillors Equitable Share							
0900							
ABSA BANK	4 951	2 636 174	-	4 951	2 636 174	-	
Housing Bulk Infrastructure							
9194							
ABSA BANK	-	-	-	-	-	-	
MIG Sewerage 0189							
ABSA BANK	37 080	-	-	37 080	-	-	
WSIG 1521							
ABSA BANK	398 278	-	-	398 278	-	-	
FMG 1673							
ABSA BANK	590 762	-	-	590 762	-	-	
RBIG 3035							
ABSA BANK	2 155 700	-	-	2 155 700	-	-	
DSRAC 6519							
Total	65 946 880	143 239 023	67 349 748	66 427 435	140 303 792	67 403 182	
8. Operating lease asset (liability)							
Current assets					116 353	12 899	

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

9. Investment property

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	244 542 009	(11 472 950)	233 069 059	253 188 009	(10 297 462)	242 890 547

Reconciliation of investment property - 2025

	Opening balance	Disposals/Dere cognitions	Depreciation	Total
Land	220 116 544	(8 646 000)	-	211 470 544
Buildings	22 774 003	-	(1 175 488)	21 598 515
	242 890 547	(8 646 000)	(1 175 488)	233 069 059

Reconciliation of investment property - 2024

	Opening balance	Disposals/Dere cognitions	Depreciation	Total
Land	223 197 982	(3 081 438)	-	220 116 544
Buildings	23 952 714	-	(1 178 711)	22 774 003
	247 150 696	(3 081 438)	(1 178 711)	242 890 547

Pledged as security

No Investment Property has been pledged as security:

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.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
9. Investment property (continued)		
Amounts recognised in surplus or deficit		
From Investment property		
Repairs and maintenance	183 007	345 358

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

10. 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	82 780 971	-	82 780 971	83 030 971	-	83 030 971
Buildings	171 278 719	(57 299 643)	113 979 076	160 418 220	(51 181 330)	109 236 890
Plant and machinery	8 921 951	(6 437 617)	2 484 334	10 376 503	(7 231 007)	3 145 496
Motor vehicles	65 275 580	(38 671 270)	26 604 310	62 620 902	(36 819 660)	25 801 242
Office equipment	9 610 597	(7 210 034)	2 400 563	10 714 469	(7 915 238)	2 799 231
IT equipment	8 263 664	(4 044 759)	4 218 905	7 966 960	(4 040 472)	3 926 488
Electrical Network	159 708 025	(67 072 017)	92 636 008	159 181 016	(62 559 278)	96 621 738
Work in Progress	361 240 956	-	361 240 956	283 421 101	-	283 421 101
Roads	539 498 224	(200 927 789)	338 570 435	523 819 384	(186 982 941)	336 836 443
Wastewater network	253 101 942	(74 809 081)	178 292 861	210 862 144	(64 946 441)	145 915 703
Water network	365 707 682	(162 095 282)	203 612 400	347 410 911	(151 127 368)	196 283 543
Total	2 025 388 311	(618 567 492)	1 406 820 819	1 859 822 581	(572 803 735)	1 287 018 846

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals/Dere cognition	Transfers	Depreciation	Impairment loss	Total
Land	83 030 971	-	(250 000)	-	-	-	82 780 971
Buildings	109 236 890	129 195	-	10 731 306	(4 794 043)	(1 324 272)	113 979 076
Plant and machinery	3 145 496	65 777	(205 921)	-	(412 064)	(108 954)	2 484 334
Motor vehicles	25 801 242	5 094 175	(166)	-	(2 721 539)	(1 569 402)	26 604 310
Office equipment	2 799 231	190 963	(60 402)	-	(521 713)	(7 516)	2 400 563
IT equipment	3 926 488	1 220 056	(134 491)	-	(752 243)	(40 905)	4 218 905
Electrical Network	96 621 738	527 010	-	-	(3 761 368)	(751 372)	92 636 008
Work in Progress	283 421 101	163 870 049	-	(86 050 194)	-	-	361 240 956
Roads	336 836 443	-	-	15 678 840	(13 556 692)	(388 156)	338 570 435
Wastewater network	145 915 703	-	-	42 239 798	(6 054 086)	(3 808 554)	178 292 861
Water network	196 283 543	1 058 066	(122 008)	17 400 250	(10 150 328)	(857 123)	203 612 400
	1 287 018 846	172 155 291	(772 988)	-	(42 724 076)	(8 856 254)	1 406 820 819

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	83 030 971	-	-	-	-	-	83 030 971
Buildings	117 168 766	345 606	(1 455 374)	971 622	(4 740 043)	(3 053 687)	109 236 890
Plant and machinery	3 098 381	547 266	(22 470)	-	(463 141)	(14 540)	3 145 496
Motor vehicles	23 841 179	7 062 555	-	-	(3 485 506)	(1 616 986)	25 801 242
Office equipment	2 262 644	1 084 715	(22 283)	-	(512 115)	(13 730)	2 799 231
IT equipment	3 489 536	1 215 808	(58 375)	-	(693 917)	(26 564)	3 926 488
Electrical Network	100 521 745	-	-	-	(3 742 139)	(157 868)	96 621 738
Work in Progress	187 488 829	110 993 348	-	(15 061 076)	-	-	283 421 101
Roads	336 782 035	-	(7 019)	13 996 090	(13 265 279)	(669 384)	336 836 443
Wastewater network	153 279 726	-	-	-	(5 644 563)	(1 719 460)	145 915 703
Water network	209 405 389	399 586	(65 232)	93 364	(9 920 061)	(3 629 503)	196 283 543
	1 220 369 201	121 648 884	(1 630 753)	-	(42 466 764)	(10 901 722)	1 287 018 846

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
10. Property, plant and equipment (continued)		
Property, plant and equipment in the process of being constructed or developed		
Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected		
3ML RO Plant	7 610 252	7 610 252
Commissioning of the project has not taken place as it is dependent on completion of other projects.		
Refurbishment of Bathurst Water Treatment Plant	7 128 736	-
The project was delayed due to lack of funding, it will however resume in 2026 financial year.		
Upgrading:Water Supply Infrastructure:Distribution:Water Conservation and Demand Management	9 932 910	-
The project completion was delayed due to disputes arising from snags and defects identified. These will be attended to in the 2026 financial year.		
Thornhill Bulk MV Support Infrastructure & Switch House Upgrade and Protection Schemes	1 212 173	-
The project has been delayed due to the construction of RDP houses and internal services not yet completed.		
Investigation; Drilling and Equipping of boreholes in Ndlambe Municipality	11 799 797	-
The project is delayed due to awaiting the commissioning of the Bathurst Water Treatment Plant, which itself was delayed.		
Centres:Construction of the pump house for the MPCC	391 176	-
This was a co-funded project. Contractual disputes between the co-funder and their appointed contractors resulted in delays in finalisation. These are being resolved, with expected completion being forecast for the 2026 financial year.		
	38 075 044	7 610 252

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

10. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2025

	Included within Buildings	Included within Roads	Included within Water Network	Included within Sewerage Network	Included Electrical Network	Total
Opening balance	9 780 231	11 983 314	110 531 601	149 913 752	1 212 174	283 421 072
Additions/capital expenditure	1 818 002	36 037 724	41 703 719	84 310 632	-	163 870 077
Transferred to completed assets	(10 731 306)	(15 678 840)	(14 671 468)	(44 968 579)	-	(86 050 193)
	866 927	32 342 198	137 563 852	189 255 805	1 212 174	361 240 956

Reconciliation of Work-in-Progress 2024

	Included within Buildings	Included within Roads	Included within Water Network	Included within Sewerage Network	Included Electrical Network	Total
Opening balance	864 733	8 164 990	84 505 887	92 741 045	1 212 174	187 488 829
Additions/capital expenditure	9 887 120	17 814 414	26 119 108	57 172 707	-	110 993 349
Transferred to completed assets	(971 622)	(13 996 090)	(93 394)	-	-	(15 061 106)
	9 780 231	11 983 314	110 531 601	149 913 752	1 212 174	283 421 072

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Contracted services	23 537 868	26 705 496

A misclassification in the 2024 opening balance for WIP was identified between Roads and Water Network, amounting to R93 394 which is part of the water network completed assets for 2024. This misclassification has been corrected in the above WIP disclosure.

An overstatement of the repairs and maintenance on property, plant and equipment was identified for the 2024 figure, as the portion relating to investment property was included. The correction is to an amount of R345 358.

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.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

11. 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	2 844 470	(2 804 299)	40 171	2 863 522	(2 815 916)	47 606

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Total
Computer software, other	47 606	(7 435)	40 171

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Impairment loss	Total
Computer software, other	104 267	(37 609)	(19 052)	47 606

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

12. Heritage assets

	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Conservation areas	16	-	16	16	-	16

Reconciliation of heritage assets 2025

	Opening balance	Total
Conservation areas	16	16

Reconciliation of heritage assets 2024

	Opening balance	Total
Conservation areas	16	16

13. Other financial assets

Designated at fair value

Listed shares	44 210	46 305
Terms and conditions		

Non-current assets

Designated at fair value	44 210	46 305

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

14. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At fair value	At amortised cost	Total
Receivables from exchange transactions	-	40 903 712	40 903 712
Receivables from non-exchange transactions	-	49 963 361	49 963 361
Cash and cash equivalents	-	66 432 760	66 432 760
Other financial assets	44 210	-	44 210
	44 210	157 299 833	157 344 043

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	120 531 076	120 531 076

2024

Financial assets

	At fair value	At amortised cost	Total
Receivables from exchange transactions	-	37 354 309	37 354 309
Receivables from non-exchange transactions	-	1 671 412	1 671 412
Cash and cash equivalents	-	140 308 928	140 308 928
Other financial assets	46 305	-	46 305
	46 305	179 334 649	179 380 954

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	147 418 222	147 418 222
Financial liabilities - DBSA	973 082	973 082
	148 391 304	148 391 304

15. Consumer deposits

Electricity	1 715 252	1 798 367
Water	1 106 604	976 917
Housing rental	69 425	52 317
	2 891 281	2 827 601

Ndlambe Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
16. Payables from exchange transactions		
Trade payables & accrued expenses	46 163 519	38 436 903
Payments received in advanced	10 115 304	9 171 793
Unidentified Direct Deposits	4 397 940	7 779 499
Retention monies	15 997 282	10 930 069
EC Housing Land Acquisition	43 200 000	43 200 000
Human Settlements	90 248	37 590 958
Advanced Receipts - Land sales proceeds	566 783	309 000
	120 531 076	147 418 222
17. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Municipal Infrastructure Grant (MIG)	-	-
COGTA - Disaster Grant	28 307 719	10 026 130
Eastern Cape Department of Sports, Recreation, Arts and Culture - Library Grant	1 811 296	1 095 641
Expanded Public Works Prog Grant (EPWP)	-	-
Financial Management Grant	-	-
Regional Bulk Infrastructure Grant (RBIG)	-	-
Water Services Infrastructure Grant (WSIG)	-	-
EC Human Settlements - Bulk Infrastructure UISP	-	20 551 368
Sarah Baartman District Municipality: Public Safety	-	-
	30 119 015	31 673 139
Movement during the year		
Balance at the beginning of the year	31 673 139	14 567 942
Balance at the beginning of the year - Receivable	(976 100)	-
Additions during the year	123 148 615	139 336 281
Income recognition during the year	(173 027 556)	(123 207 184)
Amount recognised as Receivables from non-exchange transactions	49 300 917	976 100
	30 119 015	31 673 139
The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and		
Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.		
See note 27 for reconciliation of grants from National/Provincial Government.		
These amounts are invested in a ring-fenced investment until utilised.		
18. Financial liabilities - DBSA		
At amortised cost		
DBSA Loan 101161/2	-	973 082
20 Years @ 10.89%		
Current liabilities		
At amortised cost	-	973 082
19. VAT payable		
VAT Output Accrual [on Receivables]	5 172 316	3 492 771

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

20. Employee benefit obligations

Defined benefit plan

Post retirement medical aid plan

Pension benefits

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(65 068 000)	(57 639 000)
Benefits paid during the year	2 857 999	2 499 483
Current service cost	(3 264 000)	(2 972 000)
Interest cost	(7 781 000)	(7 041 000)
Actuarial gains/(losses)	76 001	84 517
	(73 179 000)	(65 068 000)
Non-current liabilities	(70 249 000)	(62 083 000)
Current liabilities	(2 930 000)	(2 985 000)
	(73 179 000)	(65 068 000)

Net expense recognised in the statement of financial performance

Current service cost	3 264 000	2 972 000
Interest cost	7 781 000	7 041 000
Actuarial (gains) losses	(76 001)	(84 517)
Benefits paid during the year	(2 857 999)	(2 499 483)
	8 111 000	7 429 000

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	11,20 %	12,23 %
General earnings inflation rate (long term)	4,70 %	5,41 %
Health cost inflation rate (health cost trend)	7,00 %	7,71 %
Net discount rate	3,90 %	4,20 %
Average retirement age (Years)	62	62

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on Interest Costs - movement in health care inflation	8 466 000	7 014 000
Effect on Service Costs - movement in health care inflation	3 638 000	2 822 000

Amounts for the current and previous four years are as follows:

	2025	2024	2023	2022	2021
Defined benefit obligation	(73 179 000)	(65 068 000)	(57 639 000)	(59 630 274)	(59 973 000)

Ndlambe Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024

20. Employee benefit obligations (continued)

Long Service Awards

Ndlambe Municipality offers long service bonus awards to active employees, the amount of which is dependent on the annual salary of the individual employee. Councillors are not eligible for this benefit and were not taken into account. The award comprises of a percentage of their annual salaries as well as additional leave days to employees at the end of the specified time period.

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(9 642 000)	(8 986 000)
Benefits paid during the year	857 663	603 618
Current service costs	(978 000)	(1 007 000)
Interest Costs	(939 000)	(929 000)
Actuarial Gain/(Loss)	733 337	676 382
	(9 968 000)	(9 642 000)
Non-current liabilities	(8 740 300)	(7 660 000)
Current liabilities	(1 227 700)	(1 982 000)
	(9 968 000)	(9 642 000)

The fair value of plan assets includes:

Net expense recognised in the statement of financial performance

Current service cost	978 000	1 007 000
Interest cost	939 000	929 000
Actuarial (gains) losses	(733 337)	(676 382)
Benefits paid during the year	(857 663)	(603 618)
	326 000	656 000

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9,60 %	10,83 %
General earnings inflation rate (long term)	4,60 %	5,98 %
Net discount rate	4,80 %	4,57 %
Average retirement age (Years)	62	62

Other assumptions

Assumed inflation & discount trends have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed discount rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on Interest Costs - discount rate	975 000	899 000
Effect on Service Costs - discount rate	929 000	1 032 000

Amounts for the current and previous four years are as follows:

Ndlambe Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
20. Employee benefit obligations (continued)		
	2025	2024
Defined benefit obligation	(9 968 000)	(9 642 000)
	2023	2022
	(8 986 000)	(9 026 961)
	2021	
	(8 153 000)	
Other current employee benefits liabilities		
Current liabilities		
Leave accrual	13 259 570	11 799 320
Bonus accrual	5 025 826	4 485 256
Overtime accrual	1 027 882	833 985
	19 313 278	17 118 561
Summary of Employee benefit obligations		
The Employee benefit obligations disclosed above can be summarised as follows:		
Current liabilities		
Leave Accrual	13 259 570	11 799 320
Bonus Accrual	5 025 826	4 485 256
Overtime Accrual	1 027 882	833 985
Post retirement medical aid plan	2 930 000	2 985 000
Long service awards	1 227 700	1 982 000
	23 470 978	22 085 561
Non-current liabilities		
Post retirement medical aid plan	70 249 000	62 083 000
Long service awards	8 740 300	7 660 000
	78 989 300	69 743 000
Actuarial gains/(losses)		
Post retirement medical aid plan	76 001	84 517
Long service awards	733 337	676 382
	809 338	760 899

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

21. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Fair Value Adjustments	Interest costs/Unwindin g of Interest	Total
Environmental rehabilitation	78 728 714	(3 017 216)	8 438 920	84 150 418

Reconciliation of provisions - 2024

	Opening Balance	Fair Value Adjustments	Interest costs/Unwindin g of Interest	Total
Environmental rehabilitation	72 793 991	(2 176 400)	8 111 123	78 728 714
Non-current liabilities			70 685 610	65 659 948
Current liabilities			13 464 808	13 068 766
			84 150 418	78 728 714

Ndlambe Municipality operates 5 landfill sites which by law will have to be permitted and closed in accordance with the "Minimum Requirements" and in accordance with the Environment Conservation Act. (Act no.73 of 1989) Closure will involve, inter alia, the application of final cover, topsoiling, vegetating, drainage maintenance and leachate management. This requirement does not extend over transfer stations which have been operated as transfer stations.

Closure of the landfill sites are dependant on a number of external factors, such as amongst others, waste minimisation and population changes. Previously there has been a court order to affect the closure of the Bushmens' landfill site, thereby directly affecting the provision estimation as the closure is now projected within the timeframes set out by the court ruling.

The site assessments and provision calculation was conducted by Zutari (Pty) Ltd.

22. Revenue

Rendering of services	3 977 871	3 657 024
Service charges	235 511 307	192 624 513
Rental of facilities and equipment	1 121 344	1 079 721
Interest received - trade and other receivables	14 254 954	9 655 942
Agency services	1 978 139	94 968
Licences and permits (Exchange transactions)	3 698 291	1 821 353
Housing debtor income	-	2 014 510
Licences and Permits (Non-exchange)	1 165 805	1 313 532
Other income	1 390 374	2 099 736
Interest received - investment	10 540 353	12 243 894
Property rates	170 174 377	146 671 842
Environmental levies	6 614 429	6 197 418
Interest, Dividends and Rent on Land	6 665 461	4 603 953
Government grants & subsidies	320 290 615	257 301 171
Public contributions and donations	1 168 241	517 370
Fines, Penalties and Forfeits	484 590	401 108
	779 036 151	642 298 055

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
22. Revenue (continued)		
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	235 511 307	192 624 513
Rendering of services	3 977 871	3 657 024
Rental of facilities and equipment	1 121 344	1 079 721
Interest received - trade and other receivables	14 254 954	9 655 942
Agency services	1 978 139	94 968
Licences and permits (Exchange)	3 698 291	1 821 353
Housing debtor income	-	2 014 510
Other income	1 390 374	2 099 736
Interest received - investment	10 540 353	12 243 894
	272 472 633	225 291 661
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	170 174 377	146 671 842
Licences or permits	1 165 805	1 313 532
Environmental levies	6 614 429	6 197 418
Interest, Dividends and Rent on Land	6 665 461	4 603 953
Transfer revenue		
Government grants & subsidies	320 290 615	257 301 171
Public contributions and donations	1 168 241	517 370
Fines, Penalties and Forfeits	484 590	401 108
	506 563 518	417 006 394
23. Service charges		
Sale of electricity	113 861 639	92 197 379
Sale of water	68 604 982	59 338 163
Solid waste	28 726 721	22 161 387
Sewerage and sanitation charges	24 317 965	18 927 584
	235 511 307	192 624 513
24. Other income		
Commission on Insurance	248 187	240 924
Insurance refunds	219 992	1 009 329
Sundry income	922 195	849 483
	1 390 374	2 099 736
25. Interest received - investment		
Interest revenue		
Bank	10 540 353	12 243 894

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

26. Property rates

Rates received

Property rates	170 174 377	146 671 842

Valuations

All	17 877 767 510	14 735 195 198

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on **1 July 2024**. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied on a monthly basis.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
27. Government grants & subsidies		
Operating grants		
Unconditional: Equitable share	132 060 000	126 830 587
Unconditional: Equitable share: Cllrs & Ward Contribution	4 576 000	1 705 415
Unconditional: LG SETA Grants	365 592	332 865
Unconditional: Sarah Baartman District Municipality Grant Revenue	3 902 300	1 305 120
Unconditional: Greenest Town	-	20 000
Financial Management Grant (FMG)	2 500 000	2 650 000
Municipal Infrastructure Grant (MIG)	1 556 450	1 490 950
Eastern Cape Department of Sports, Recreation, Arts and Culture - Library Grant	2 642 345	2 761 094
	147 602 687	137 096 031
Capital grants		
Unconditional: OTP Grant	5 351 818	3 900 000
Unconditional: SBDM Pumpstation Refurbishment	1 007 349	-
Conditional: Regional Bulk Infrastructure Grant (RBIG)	23 277 965	4 760 508
Sarah Baartman District Municipality - Public Safety (Capital)	-	2 191 845
Water Services Infrastructure Grant (WSIG) (Capital)	37 600 000	39 253 145
Department of Co-operative Governance and Traditional Affairs - Disaster Grant	11 718 411	1 223 870
Municipal Infrastructure Grant (MIG) (Capital)	29 572 550	28 328 050
Expanded Public Works Prog Grant (EPWP) (Capital)	1 317 000	1 486 000
Eastern Cape Department of Sports, Recreation, Arts and Culture - Library Grant (Capital)	-	60 218
EC Human Settlements - Bulk Infrastructure UISP	62 842 835	39 001 504
	172 687 928	120 205 140
	320 290 615	257 301 171
Conditional and Unconditional		
Included in above are the following grants and subsidies received:		
Conditional grants received	123 148 615	139 336 281
Unconditional grants received	147 263 059	134 093 987
	270 411 674	273 430 268
Municipal Infrastructure Grant (MIG)		
Current-year receipts	31 238 000	29 819 000
Conditions met - transferred to revenue - operating	(1 556 450)	(1 490 950)
Conditions met - transferred to revenue - capital	(29 681 550)	(28 328 050)
	-	-

Conditions still to be met - remain liabilities (see note 17).

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
27. Government grants & subsidies (continued)		
Department of Co-operative Governance and Traditional Affairs - Disaster Grant		
Balance unspent at beginning of year	10 026 130	-
Current-year receipts	30 000 000	11 250 000
Conditions met - transferred to revenue	(11 718 411)	(1 223 870)
	28 307 719	10 026 130
Conditions still to be met - remain liabilities (see note 17).		
EC Sports/Arts and Culture		
Balance unspent at beginning of year	1 095 641	1 166 953
Current-year receipts	3 358 000	2 750 000
Conditions met - transferred to revenue	(2 642 345)	(2 821 312)
	1 811 296	1 095 641
Conditions still to be met - remain liabilities (see note 17).		
Expanded Public Works Prog Grant (EPWP)		
Current-year receipts	1 317 000	1 486 000
Conditions met - transferred to revenue	(1 317 000)	(1 486 000)
	-	-
Conditions still to be met - remain liabilities (see note 17).		
Financial Management Grant (FMG)		
Current-year receipts	2 500 000	2 650 000
Conditions met - transferred to revenue	(2 500 000)	(2 650 000)
	-	-
Conditions still to be met - remain liabilities (see note 17).		
Regional Bulk Infrastructure Grant (RBIG)		
Balance unspent at beginning of year	(976 100)	-
Current-year receipts	17 244 615	3 784 409
Conditions met - transferred to revenue	(23 277 965)	(4 760 509)
	(7 009 450)	(976 100)
Conditions still to be met - remain liabilities (see note 17).		
Water Services Infrastructure Grant		
Balance unspent at beginning of year	-	12 291 144
Current-year receipts	37 600 000	26 962 000
Conditions met - transferred to revenue	(37 600 000)	(39 253 144)
	-	-
Conditions still to be met - remain liabilities (see note 17).		

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
27. Government grants & subsidies (continued)		
EC Human Settlements - Bulk Infrastructure UISP		
Balance unspent at beginning of year	20 551 368	-
Current-year receipts	-	59 552 872
Conditions met - transferred to revenue	(62 842 835)	(39 001 504)
	(42 291 467)	20 551 368

Conditions still to be met - remain liabilities (see note 17).

Sarah Baartman District Municipality: Public Safety

Balance unspent at beginning of year	-	1 109 845
Current-year receipts	-	1 082 000
Conditions met - transferred to revenue	-	(2 191 845)
	-	-

Conditions still to be met - remain liabilities (see note 17).

28. Public contributions and donations

Department of Science, Technology and Innovation via CSIR-Computer equipment, high masts and furniture	1 143 097	-
Kariega Foundation - Furniture and computer equipment	-	439 472
ECSRAC - Computer equipment	25 144	-
Sarah Baartman District Municipality - Computer equipment & licences	-	77 898
	1 168 241	517 370

The Department of Science, Technology and Innovation, via an agreement with the Council of Scientific and Industrial Research(CSIR) donated furniture, high mast lights and computer equipment to the Ndlambe Multipurpose Centre in the current year, amounting to -

Computer equipment:	R539 698
Furniture:	R 76 390
High mast lights	R527 009

ECSRAC donated computer equipment to the Kwanonkqubela, Freestone and Port Alfred Library in the current year amounting to:

Computer equipment- desktops	R 25 144

Kariega Foundation donated the furniture and computer Equipment to the municipal libraries in the prior financial year amounting to -

Computer equipment laptops:	R410 562
Computer consumables (non-capital)	R 7 025
Furniture - chairs	R 21 885

Sarah Baartman District Municipality donated the following funds during the prior financial year

Computer equipment - laptops	R 44 325
Computer licences - Annual(non-capital)	R 33 573

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
29. Employee related costs		
Basic	114 573 992	105 895 470
Bonus	9 875 679	8 978 213
Allowances	5 331 946	5 956 000
Post-employment benefits	30 810 838	28 497 534
Medical aid - company contributions	16 084 194	14 929 852
UIF	1 037 855	1 042 649
Leave pay accrual charge	2 193 005	873 318
Overtime payments	13 170 494	13 018 143
Long-service awards	1 916 999	1 863 236
Car allowance	5 885 621	5 226 044
Housing benefits and allowances	1 038 420	490 724
Group insurance	234 662	268 295
Industrial levy	104 627	104 151
Employee costs - ex S57 managers	202 258 332	187 143 629
Remuneration of municipal manager		
Annual Remuneration	1 557 915	1 457 259
Backpay	236 295	176 240
Car Allowance	193 529	193 529
Performance Bonus	179 192	184 593
Contributions to UIF, Medical and Pension Funds	347 160	320 924
Telephone allowance	17 084	17 084
13th Cheque	143 903	123 010
Leave Pay	101 133	101 909
	2 776 211	2 574 548
Remuneration of chief finance officer		
Annual Remuneration	1 233 802	1 105 361
Backpay	310 814	127 099
Acting Allowance	59 319	-
Car Allowance	197 944	197 944
Performance Bonuses	145 517	81 565
Contributions to UIF, Medical and Pension Funds	285 306	259 805
Telephone allowance	26 393	26 393
13th Cheque	117 153	91 707
Leave Pay	109 670	121 799
	2 485 918	2 011 673
Remuneration of director Infrastructural Development		
Annual Remuneration	1 270 960	1 079 458
Backpay	311 859	134 773
Car Allowance	224 336	224 336
Performance Bonuses	126 315	81 565
Contributions to UIF, Medical and Pension Funds	282 493	254 586
Telephone allowance	39 589	39 589
13th Cheque	106 976	82 989
Leave pay	92 272	187 824
	2 454 800	2 085 120

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
29. Employee related costs (continued)		
Remuneration of director Corporate Services		
Annual Remuneration	1 291 961	1 161 099
Backpay	310 796	126 966
Acting Allowance	74 329	70 817
Car Allowance	158 355	158 355
Performance Bonuses	152 179	130 504
Contributions to UIF, Medical and Pension Funds	275 197	252 323
Telephone allowance	13 196	13 196
13th Cheque	122 459	96 537
Leave Pay	131 471	127 723
	2 529 943	2 137 520
Remuneration of director Community Protection Services		
Annual Remuneration	1 222 528	1 097 219
Backpay	312 388	138 661
Car Allowance	197 944	197 944
Performance Bonuses	128 535	97 878
Contributions to UIF, Medical and Pension Funds	297 507	268 622
Telephone allowance	26 393	26 393
13th Cheque	116 281	91 137
Leave Pay	105 899	99 586
	2 407 475	2 017 440
Reconciliation of employee costs		
Employee costs - ex S57 managers	202 258 332	187 143 629
Remuneration of municipal manager	2 776 211	2 574 548
Remuneration of chief financial officer	2 485 918	2 011 673
Remuneration of director Infrastructural Development	2 454 800	2 085 120
Remuneration of director Corporate Services	2 529 943	2 137 520
Remuneration of director Community Protection Services	2 407 475	2 017 440
	214 912 679	197 969 930
30. Remuneration of councillors		
Mayor	1 034 267	991 747
Speaker	836 682	803 115
Executive Members	1 373 198	1 323 904
MPAC Chair	445 570	535 846
Councillors	4 992 062	4 826 901
	8 681 779	8 481 513
In-kind benefits		
The Mayor and Speaker are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Mayor and the Speaker each have the use of separate Council owned vehicles for official duties.		
Additional information		
The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.		

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
31. Depreciation and amortisation		
Property, plant and equipment	42 724 076	42 466 764
Investment property	1 175 489	1 178 710
Intangible assets	7 436	37 608
	43 907 001	43 683 082
32. Management fees		
Department of Human Settlements	1 978 139	94 968
33. Finance costs		
Non-current borrowings	59 272	183 514
Landfill Rehabilitation - Interest Cost	8 438 920	8 111 123
	8 498 192	8 294 637
34. Debt impairment		
Electricity	4 215 600	2 292 095
Water	43 104 663	29 045 167
Refuse	13 589 135	8 472 772
Waste Water	11 615 986	8 265 514
Service charges	571 871	1 793 355
Housing debtors	31 138	20 595
Rates	8 435 793	5 329 970
Environmental levies	2 820 217	3 138 484
	84 384 403	58 357 952
35. Bulk purchases		
Electricity - Eskom	84 071 933	76 635 411
Water	21 775 407	18 537 524
	105 847 340	95 172 935
36. Contracted services		
Outsourced Services	19 712 776	14 166 815
Consultants and Professional Services	32 655 424	35 284 992
Contractors	38 675 295	40 338 735
	91 043 495	89 790 542

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
37. General expenses		
Advertising	619 032	568 309
Auditors remuneration	4 723 740	5 103 412
Bank charges	1 536 869	1 146 477
Commission paid	2 234 677	2 114 711
Electricity	24 775 684	20 160 785
Entertainment	168 004	107 855
Fuel and oil	8 360 167	10 626 530
Hire	14 343 568	13 622 379
IT expenses	6 292 803	5 799 794
Insurance	4 146 044	4 310 921
Levies	1 735 182	1 610 195
Other expenses	3 071 016	3 115 227
Other materials	12 018 830	12 957 913
Postage and courier	816 245	815 501
Printing and stationery	12 237	29 899
Protective clothing	1 101 726	1 438 668
Subscriptions and membership fees	2 222 450	2 088 409
Telephone and fax	4 110 106	3 345 624
Title deed search fees	33 954	22 648
Transport and freight	77 945	223 115
Travel - local	3 030 285	2 944 982
	95 430 564	92 153 354
38. Fair value adjustments		
Other financial assets		
• Old Mutual shares	(2 095)	1 433
• FV Adjustment of Landfill rehabilitation provision	3 017 216	2 176 400
• Adjustments to Inventory	(8 990)	15 327
	3 006 131	2 193 160
39. Impairment loss		
Impairments		
Property, plant and equipment	8 856 254	10 901 722
Intangible assets	-	19 052
	8 856 254	10 920 774
40. Surplus from derecognition of liability		
Surplus from derecognition of unidentified deposits	5 453 361	-
Council wrote off the long outstanding unidentified deposits after due consideration that no claims have been made against these funds for a substantial number of year.		
41. Auditors' remuneration		
Fees	4 723 740	5 103 412

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
42. Cash generated from operations		
Surplus	105 592 443	24 796 098
Adjustments for:		
Depreciation and amortisation	43 907 001	43 683 082
Gain on sale of assets and liabilities	7 419 797	4 329 638
Actuarial (gains)/losses	(809 338)	(688 135)
Fair value adjustments	(3 006 131)	(2 193 160)
Finance costs	8 438 920	8 111 123
Impairment loss	8 856 254	10 920 774
Debt impairment	84 384 403	58 357 952
Movements in operating lease assets and accruals	(103 454)	4 525
Movements in retirement benefit assets and liabilities	11 441 055	9 897 448
Movements in provisions	(11 085)	16 760
Non-cash donations and other in-kind benefits	(1 168 241)	(476 772)
Surplus from derecognition of liability	(5 453 361)	-
Changes in working capital:		
Inventories	(1 470 167)	(254 306)
Receivables from exchange transactions	(76 677 796)	(58 450 187)
Receivables from non-exchange transactions	(61 237 659)	(13 570 108)
Other current asset	2 095	(1 433)
Payables from exchange transactions	(29 795 101)	80 035 831
VAT	(1 095 725)	6 634 747
Unspent conditional grants and receipts	(1 554 124)	17 105 197
Consumer deposits	63 680	166 785
	87 723 466	188 425 859

43. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	214 983 240	144 336 126

Total capital commitments

Already contracted for but not provided for	214 983 240	144 336 126

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated, etc.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	76 938	18 900

Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of three years and rentals are escalated by a fixed percentage on an annual basis. No contingent rent is payable.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
43. Commitments (continued)		
Operating leases - as lessor (income)		
Minimum lease payments due		
- within one year	392 934	25 939
- in second to fifth year inclusive	1 128 792	80 662
- later than five years	408 286	11 559
	1 930 012	118 160

Certain of the municipality's properties are held to generate rental income. Lease agreements are non-cancellable and have terms from 3 to 20 years. There are no contingent rents receivable.

44. Contingencies

KOSRA, Bushmans Kariega Estuary Care Management Forum & Natures Landing Homeowners Association vs Ndlambe LM - Legal proceedings have been instituted against the municipality regarding the state of the landfill site at Bushmans River Mouth and to put measures in place to rectify the state of the landfill. As of the time of reporting, the financial effect of this cannot be estimated as the financial claim has not been made.

Agri EC vs Ndlambe Municipality & others - Agric EC has taken Ndlambe Municipality to court to force the municipality to apply its by-laws. Agri EC further lodged a contempt of court proceedings in the current year. This matter is ongoing, but as a financial claim was not made, the financial effect cannot be estimated

Dyongwana vs Ndlambe Municipality - Legal proceedings were instituted by Dyongwana against Ndlambe municipality after the former's minor child fell into an uncovered drain and sustained alleged damages. The possible financial effect of this is R2 000 000. (2024: R600 000)

Nkohla vs Ndlambe Municipality - Legal proceedings were instituted by M Nkohla against Ndlambe municipality after the drowning of the former's child on a local beach. The possible financial effect of this is R800 000.

Magwetyana vs Ndlambe Municipality - Legal proceedings were instituted by U. Magwetyana against Ndlambe Municipality after the former's minor child was electrocuted. As of the time of reporting, the financial effect of this cannot be determined.

Quality Filtration Systems vs Ndlambe - Both parties were in arbitration in relation to a dispute over the running and costs of the Ndlambe RO Plant. The matter was heard in the High Court and a binding agreement reached that arbitration would ensue. Arbitration was finalised in the current year and resulted in the arbitrator's award of outstanding fees from Ndlambe to QFS. This decision is currently under appeal. The possible financial effect of this is estimated at R14 million. (2024: R10 million)

Litigation is in the process against the municipality relating to various matters above. The total estimated potential liability to the municipality at 30 June 2025 is R16 800 000 and 30 June 2024 was R10 600 000.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

45. Related parties

Relationships

Accounting Officer

Close family member of key management

Refer to accounting officers' report note

MG Ncamiso (husband of Mayor Ncamiso)

Sole shareholder of Nakhe Security and Cleaning Solutions

50% Shareholder of Genkorald General Trading

XM Ncamiso (son of Mayor Ncamiso)

50% Shareholder of Genkorald General Trading

100% Shareholder of Sizilizwe General Trading

X Masiza (husband of Ndlambe Director

Infrastructure) Director of Lisolomzi Prestige Security

1. Members of Council

Full names and remuneration details provided below

2. Section 57 managers

Remuneration details provided in note 29

Members of key management

Related party balances

The amounts are unsecured and no security has been given.

Related party transactions

Purchases from related parties- General Expenses - Other Materials

Genkorald General Trading (Pty) Ltd - arm's length	-	31 372

Purchases from related parties - Contracted services-maintenance of assets

Genkorald General Trading (Pty) Ltd - arm's length	25 970	-

Purchases from related parties- Contracted services- Contractors

Sizilizwe General Trading (Pty) Ltd - arm's length	104 800	-

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

45. Related parties (continued)

Remuneration of management

Management class: Council

2025

Name	Allowance	Transport	Telephone	Medical Aid	Pension	Backpay	Total
Mayor - KC Ncamiso	684 296	189 504	43 200	17 280	51 322	48 665	1 034 267
Speaker - L Marasi	568 603	83 376	43 200	17 280	85 291	38 932	836 682
Executive member - NF Memani	277 872	78 180	43 200	17 280	20 840	20 361	457 733
Executive member - S Venene	277 872	78 180	43 200	17 280	20 840	20 361	457 733
Executive member - S Dyakala	277 872	78 180	43 200	17 280	20 840	20 361	457 733
Chief Whip - S Kolosa	208 306	56 856	43 200	17 280	15 623	15 387	356 652
MPAC Chair - A Nyumka	303 023	56 856	43 200	-	22 727	19 765	445 571
Councillor - A Bukani	224 402	56 856	43 200	-	16 830	15 387	356 675
Councillor - M Sweli	224 402	56 856	43 200	-	16 830	15 387	356 675
Councillor - HK Walker	216 354	56 856	43 200	8 640	16 227	15 387	356 664
Councillor - NE Haynes	240 899	56 856	43 200	-	-	15 387	356 342
Councillor - P Khungwayo	224 402	56 856	43 200	-	16 830	15 387	356 675
Councillor - SI Melani	224 402	56 856	43 200	-	16 830	15 387	356 675
Councillor - S Zweni	224 402	56 856	43 200	-	16 830	15 387	356 675
Councillor - MW Mgweba	224 402	56 856	43 200	-	16 830	15 387	356 675
Councillor - PY Kani	240 899	56 856	43 200	-	-	15 387	356 342
Councillor - ZW Myali	208 305	56 856	43 200	17 280	15 623	15 387	356 651
Councillor - WG Johannes	240 899	56 856	43 200	-	-	15 387	356 342
Councillor - T Mbekela	224 402	56 856	43 200	-	16 830	15 387	356 675
Councillor - X Runeli	240 899	56 856	43 200	-	-	15 387	356 342
	5 556 913	1 360 260	864 000	129 600	387 143	383 863	8 681 779

Ndlambe Local Municipality

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45. Related parties (continued)

2024

Name	Allowance	Transport	Telephone	Medical Aid	Pension	Backpay	Total
Mayor - KC Ncamiso	651 212	189 504	42 800	17 280	48 841	42 110	991 747
Speaker - L Marasi	543 836	83 376	42 800	17 280	81 575	34 248	803 115
Executive member - NF Memani	264 031	78 180	42 800	17 280	19 802	19 248	441 341
Executive member - S Venene	264 066	78 180	42 800	17 280	19 805	19 091	441 222
Executive member - S Dyakala	264 031	78 180	42 800	17 280	19 802	19 248	441 341
Chief Whip - S Kolosa	197 843	56 856	42 800	17 280	14 838	15 240	344 857
MPAC Chair - A Nyumka	277 367	56 856	42 800	-	20 803	138 020	535 846
Councillor - A Bukani	213 940	56 856	42 800	-	16 046	15 240	344 882
Councillor - M Sweli	213 940	56 856	42 800	-	16 046	15 240	344 882
Councillor - HK Walker	197 843	56 856	42 800	17 280	14 838	15 240	344 857
Councillor - NE Haynes	229 667	56 856	42 800	-	-	15 240	344 563
Councillor - P Khungwayo	213 940	56 856	42 800	-	16 046	15 240	344 882
Councillor - SI Melani	213 940	56 856	42 800	-	16 046	15 240	344 882
Councillor - S Zweni	213 940	56 856	42 800	-	16 046	15 240	344 882
Councillor - MW Mgweba	213 940	56 856	42 800	-	16 046	15 240	344 882
Councillor - PY Kani	229 667	56 856	42 800	-	-	15 240	344 563
Councillor - ZW Myali	197 843	56 856	42 800	17 280	14 838	15 240	344 857
Councillor - WG Johannes	229 667	56 856	42 800	-	-	15 240	344 563
Councillor - T Mbekela	213 940	56 856	42 800	-	16 046	15 144	344 786
Councillor - X Runeli	229 667	56 856	42 800	-	-	15 240	344 563
	5 274 320	1 360 260	856 000	138 240	367 464	485 229	8 481 513

Also refer to note "Remuneration of councillors" Note 30

Ndlambe Local Municipality

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Figures in Rand	2025	2024

46. Prior period errors & reclassifications

The correction of the error(s) results in adjustments as follows:

Statement of Financial Position	Previously reported	Adjustment	As restated	Reference
VAT Receivable	6 947 128	3 502 111	10 449 239	1
Property, Plant and Equipment	1 254 942 877	32 075 969	1 287 018 846	2
Payables from exchange transactions	(146 391 805)	(1 026 417)	(147 418 222)	3
VAT Payable	-	(3 492 771)	(3 492 771)	4
Accumulated surplus	(1 357 351 438)	(31 058 892)	(1 388 410 330)	5
	(241 853 238)	-	(241 853 238)	-

1 - VAT Receivable - Statement of Financial Position

Previously reported 2024 balance	6 947 128
VAT on additional Accruals raised	9 340
Re-classification to VAT Output Accrual [on Receivables]	3 492 771
Reclassification from "VAT" disclosure	(10 449 241)
Reclassification to "VAT Control" disclosure	2 072 522
Reclassification to "VAT Input Accrual" disclosure	8 376 719
Reversal of depreciation on Buildings fully impaired	-
Other 3	-

Restated 2024 Closing Balance	10 449 239

2 - Property, plant and Equipment - Statement of Financial Position

Previously reported 2024 balance	1 254 942 877
Additional buildings recognised in prior period	734 977
Additional Impairment recognised on bakkie written off -2024	(63 874)
Recognition of culverts as part of Road assets	31 938 262
Additional depreciation on culverts identified -2024	(533 396)

Restated 2024 Closing Balance	1 287 018 846

3 - Payables from exchange transactions - Statement of Financial Position

Previously reported 2024 balance	(146 391 805)
Additional Accruals Raised	(74 300)
Additional Accruals Raised -Workmens Compensation	(1 047 085)
Management fees on human settlements projects previously omitted	94 968

Restated 2024 Closing Balance	(147 418 222)

4 - VAT Payable - Statement of Financial Position

Previously reported 2024 balance	-
Re-classification of VAT Output Accrual [on Receivables]	(3 492 771)

Restated 2024 Closing Balance	(3 492 771)

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46. Prior period errors & reclassifications (continued)		
5 - Accumulated Surplus - Statement of Financial Position		
Previously reported 2023/24 Opening balance		(1 330 940 993)
Effect of opening balance corrections relating to -		(32 673 239)
Additional buildings recognised in prior period		(734 977)
Recognition of culverts as part of Road assets		(31 938 262)
RESTATED 2023/24 OPENING BALANCE		(1 363 614 232)
		-
RESTATED 2023/24 (Surplus)/Deficit		(24 796 098)
Previously reported Surplus		(26 410 445)
Net corrections as per 2023/24 Statement of Financial Performance (see below)		1 614 347
		-
RESTATED 2023/24 CLOSING BALANCE		(1 388 410 330)

The 2024 amount on Inventory expensed during the year as disclosed in note 3 has been restated from R14 796 269 to R47 997 608 due to the inclusion of water inventory distributed, previously omitted.

2024 Comparative restatements

Statement of Financial Performance	Previously reported	Adjustment DT/(CT)	As restated	Reference
Revenue from exchange transactions - Service charges	504 133	(3 152 891)	3 657 024	i
Revenue from exchange transactions - Other income	5 252 627	3 152 891	2 099 736	ii
Revenue from exchange transactions- Management fees	-	(94 968)	94 968	iii
EXPENDITURE				
Depreciation and Amortisation	(43 149 685)	533 397	(43 683 082)	iv
General expenses	(91 041 310)	1 112 044	(92 153 354)	v
Impairment Loss	(10 856 900)	63 874	(10 920 774)	vi
	(139 291 135)	1 614 347	(140 905 482)	
i) Revenue from exchange transactions - Service charges - Statement of Financial Performance				
As previously reported			504 133	
Re-classification of Goods and Services to Service charges- MSCOA			3 152 891	
			3 657 024	
ii) Revenue from exchange transactions - Other income - Statement of Financial Performance				
As previously reported			5 252 627	
Re-classification of Goods and Services to Service charges- MSCOA			(3 152 891)	
			2 099 736	
iii) Revenue from exchange transactions - Management fees - Statement of Financial Performance				
As previously reported			-	
Management fee on human settlement projects previously omitted			94 968	
			94 968	

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Figures in Rand	2025	2024
46. Prior period errors & reclassifications (continued)		
iv) Depreciation and Amortisation - Statement of Financial Performance		
As previously reported		(43 149 685)
Additional depreciation on culverts identified -2024		(533 397)
		(43 683 082)
v) General expenses - Statement of Financial Performance		
As previously reported		(91 041 310)
Additional Accruals Raised		(64 958)
Additional Accruals Raised -Workmens Compensation		(1 047 086)
		(92 153 354)
vi) Impairment loss - Statement of Financial Performance		
As previously reported		(10 856 900)
Additional Impairment recognised on bakkie written off -2024		(63 874)
		(10 920 774)

Note 29 - Employee related costs

	RESTATED	PREVIOUSLY DISCLOSED
Allowances	5 955 997	8 325 529
Post-employment benefits	28 497 534	27 786 988
Long service awards	1 863 236	207 869
Group insurance	268 295	264 953
Industrial levy	104 151	103 877
	36 689 213	36 689 216

Cash Flow Statement

Cash flow from operating activities

	RESTATED	PREVIOUSLY DISCLOSED
Rates and Services	300 951 925	294 958 080
Interest income	15 753 982	19 081 048
Other receipts	4 610 322	7 668 245
Employee costs	(196 553 995)	(206 451 443)
Suppliers	(205 278 703)	(187 661 277)
Finance costs	(183 514)	(8 294 637)
	(80 699 983)	(80 699 984)

47. Unauthorised expenditure

Opening balance as previously reported	82 417 420	124 267 390
Opening balance as restated	82 417 420	124 267 390
Add: Expenditure identified - current	52 177 374	-
Add: Expenditure identified - prior period	-	42 150 388
Less: Amount written off - current	(42 069 515)	-
Less: Amount written off - prior period	-	(84 000 358)
Closing balance	92 525 279	82 417 420

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47. Unauthorised expenditure (continued)

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	52 177 374	29 404 392
Cash	-	12 745 996
	52 177 374	42 150 388

Unauthorised expenditure: Budget overspending – per municipal department:

Municipal Manager	-	294 807
Corporate services	7 085 832	5 244 607
Finance	4 496 956	-
Electricity	2 572 665	18 976 650
Water	29 649 374	3 862 798
Community and Social Services	8 372 547	13 771 526
	52 177 374	42 150 388

48. Fruitless and wasteful expenditure

Opening balance as previously reported	666 807	727 190
Opening balance as restated	666 807	727 190
Add: Expenditure identified - current	96 257	-
Add: Expenditure identified - prior period	-	53 887
Less: Amounts recoverable - prior period	-	(102 312)
Less: Amount written off - current	(87 983)	-
Less: Amount written off - prior period	-	(11 958)
Closing balance	675 081	666 807

Fruitless and wasteful expenditure incurred in the current year relates to payment of penalty fees on late payment as well as monies misappropriated via consumer refunds.

Fruitless and wasteful expenditure incurred in the prior year relates to further monies identified which relates to the misappropriations made by a cashier in the 2023 financial year, as well as a traffic fine. In addition in the prior years there were payments made to incorrect creditor's bank accounts. In the prior financial year fruitless and wasteful expenditure relates to traffic deposit monies shortages as well as cashier misappropriations which the municipality had to settle with the department of transport and debtors' accounts. R53 887 for 2023/24 & R654 679 for 2022/23 is being investigated for further collectability and all the matters were reported to SAPS where applicable.

49. Irregular expenditure

Opening balance as previously reported	102 020 197	235 198 131
Add: Irregular expenditure - current	138 982 773	-
Add: Irregular expenditure - prior period	-	110 910 511
Less: Amount written off - current	(187 711 035)	-
Less: Amount written off - prior period	-	(244 088 445)
Closing balance	53 291 935	102 020 197

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49. Irregular expenditure (continued)

Incidents/cases identified in the current year include those listed below:

	Disciplinary steps taken/criminal proceedings	
- Supply Chain Management Regulation and/or Policy Deviations	Items was/will be referred to MPAC for Investigation and the need for criminal proceedings was and will be determined.	138 982 773
-Lack of Supporting documentation	Goods and/or services were received in all instances and none of the payments were made in vain.	
- Deviations not in accordance with S36 of the SCM regulations		
		138 982 773

50. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	2 185 157	2 000 035
Current year subscription / fee	2 225 097	2 198 407
Amount paid - current year	(2 190 105)	(2 013 285)
	2 220 149	2 185 157

Audit fees

Opening balance	-	17 081
Current year subscription / fee	5 432 301	5 868 923
Amount paid - current year	(5 432 301)	(5 886 004)
	-	-

PAYE and UIF

Amount paid - current year	29 469 251	25 031 290

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50. Additional disclosure in terms of Municipal Finance Management Act (continued)

Pension and Medical Aid Deductions

Amount paid - current year	37 849 990	35 269 925

VAT

VAT input receivables, VAT control and VAT output payables are shown in note 6 and 19 respectively.

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2025:

30 June 2025	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor - WG Johannes	4 774	20 661	25 435
30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor - WG Johannes	3 276	67 417	70 693
Councillor - ST Dyakala	5 914	4 320	10 234
Councillor - S Kolosa	2 122	726	2 848
	11 312	72 463	83 775

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Incident

S36(1)(a)(i) - Emergency	4 117 689	7 278 985
S36(1)(a)(ii) - Sole Supplier	615 543	1 068 140
S36(1)(a)(v) - Impractical / Impossible (other)	52 872 087	104 523 346
	57 605 319	112 870 471

51. Water and electricity losses

Material Losses

Water	22 661 775	27 659 822
Electricity	8 188 925	5 789 611
	30 850 700	33 449 433

Water Losses

In 2025 the water reticulation losses were 30.5% (4 317 514 kl supplied and 1 315 251kl lost) (2024: 48.5% (3 674 237 kl supplied and 1 892 032 kl sold). In both years these real losses are predominantly due to physical losses from leaks, burst pipes and reservoir overflows. Furthermore apparent losses are realised due to metering inefficiencies, meter faults, unauthorised and unmetered consumption.

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51. Water and electricity losses (continued)

Electricity Losses

In 2025, the electricity losses were 9.18% (2024: 9.6%). Electricity purchased was 39 440 737 kWh and 35 819 242 kWh was sold (2024: 38 637 443 kWh and 34 917 809 kWh was sold). These losses are predominantly due to MV and LV losses in switchgear, overhead lines, obsolete aluminium lines, underground cables and transformers. Furthermore losses are attributed to metering and meter reading losses and losses due to tampering.

52. Risk management

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

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. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2025	2024
Receivables from Non-Exchange Transactions	49 963 361	1 671 412
Receivables from Exchange Transactions	40 903 712	37 354 309
Cash and cash equivalents	66 432 760	140 308 928
Other financial assets	44 210	46 305

The municipality holds deposits of R 2 891 281 (2024: R 2 827 601) from consumer deposits. No guarantees of collateral was provided to third parties.

Market risk

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52. Risk management (continued)

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at fixed rates which means that the municipality is not exposed to interest rate risk, as any change in interest rates will not affect the repayment terms of the long term liabilities. During 2025 and 2024, the municipality has no borrowings at variable rates.

The municipality analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the municipality calculates the impact on surplus and deficit of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Cash flow interest rate risk

No further cash flow interest rate risk exposure exists as the DBSA loans have been settled.

Price risk

The municipality is exposed to equity securities price risk because of investments held by the municipality and classified on the consolidated statement of financial position either as available-for-sale or at fair value through surplus or deficit. The municipality is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the municipality diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the municipality.

53. 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.

54. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of the four major trading services: Electricity (Energy Sources), Water (Water management), Waste Water (Waste Water management) and Refuse (Waste Management) services. The segments were organised around the type of service delivered and the consumers. Management uses these same segments for determining strategic objectives. Segments were not aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Geographical information

The municipality operates in the Ndlambe Municipal demarcation, which include the following main towns: Port Alfred, Kenton-on-Sea, Alexandria, Cannon-Rocks, Seafield and Marselle. The information necessary to be able to report on segments on a geographical basis is not available and the municipality deems the costs necessary to develop that to be excessive and as such has disclosed the financial information on a geographical basis.

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54. Segment information (continued)

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Electricity	Delivery of electrical services
Water	Delivery of water services
Sewerage and Sanitation	Delivery of waste water services
Solid Waste	Rendering of refuse removal

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54. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2025

	Electricity	Water	Sewerage and sanitation	Solid Waste	Total
Revenue					
Revenue from non-exchange transactions	-	-	-	6 614 429	6 614 429
Interest received - Non-exchange trade and other receivables	-	-	-	1 866 247	1 866 247
Revenue from exchange transactions	113 861 639	68 604 982	24 317 965	28 726 721	235 511 307
Interest received - trade and other receivables	2 063 055	6 370 742	2 662 075	3 063 078	14 158 950
Total segment revenue	115 924 694	74 975 724	26 980 040	40 270 475	258 150 933
Revenue from exchange transactions					22 802 375
Revenue from non-exchange transactions					498 082 844
Total revenue reconciling items					520 885 219
Entity's revenue					779 036 152
Expenditure					
Employee related costs	1 003 827	14 824 145	9 085 389	12 017 689	36 931 050
Depreciation and amortisation	3 790 736	10 641 221	5 291 722	423 443	20 147 122
Finance costs	-	59 272	-	8 438 920	8 498 192
Debt impairment	4 215 600	43 104 663	11 615 986	13 589 135	72 525 384
Alternative energy programme	7 427 120	-	-	-	7 427 120
Bulk purchases	84 071 933	21 775 407	-	-	105 847 340
Contracted services	19 361 185	14 494 414	3 709 461	9 887 291	47 452 351
General Expenses	10 926 413	16 509 244	11 559 440	5 009 256	44 004 353
Fair value adjustments	-	8 990	-	(3 017 216)	(3 008 226)
Loss on disposal of assets	-	122 007	-	-	122 007
Impairment loss	747 498	1 080 211	3 808 554	-	5 636 263
Total segment expenditure	131 544 312	122 619 574	45 070 552	46 348 518	345 582 956
Total segmental surplus/(deficit)					(87 432 023)

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	Electricity	Water	Sewerage and sanitation	Solid Waste	Total
54. Segment information (continued)					
Employee related costs					(177 981 626)
Remuneration of councillors					(8 681 778)
Depreciation					(23 759 878)
Lease rentals					(1 108 094)
Debt impairment					(11 859 017)
Contracted services					(43 591 138)
Transfers and Subsidies					(5 195 818)
General expenses					(51 426 229)
Fair value adjustments					(2 095)
Loss on disposal of assets					(7 297 789)
Actuarial gains					809 338
Impairment loss					(3 219 990)
Surplus from derecognition of liability					5 453 361
Entity's surplus (deficit) for the period					105 592 443
Assets					
Receivables from exchange transactions	19 249 244	11 894 768	4 231 131	4 364 283	39 739 426
Property, plant and equipment	92 636 005	203 612 403	178 292 862	-	474 541 270
Property, plant and equipment - WIP	1 212 174	137 563 852	189 255 805	-	328 031 831
Total segment assets	113 097 423	353 071 023	371 779 798	4 364 283	842 312 527
Property, plant and equipment					604 247 719
Other non-current assets					233 153 455
Current assets					159 613 462
Total assets as per Statement of financial Position					1 839 327 163
Current liabilities					(195 649 474)
Non-current liabilities					(149 674 910)
Total liabilities as per Statement of financial Position					(345 324 384)

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54. Segment information (continued)

2024

	Electricity	Water	Sewerage and sanitation	Solid waste	Total
Revenue					
Revenue from non-exchange transactions	-	-	-	6 197 416	6 197 416
Revenue from exchange transactions	92 197 379	59 338 163	18 927 584	22 161 387	192 624 513
Interest received - trade and other receivables	1 280 148	3 185 352	2 035 148	2 648 705	9 149 353
Total segment revenue	93 477 527	62 523 515	20 962 732	31 007 508	207 971 282
Revenue from exchange transactions					23 517 796
Revenue from Non-exchange transactions					410 808 976
Total revenue reconciling items					434 326 772
Entity's revenue					642 298 054
Expenditure					
Employee related costs	966 124	11 763 375	9 855 194	12 237 189	34 821 882
Depreciation and amortisation	3 780 691	10 505 289	5 450 445	212 904	19 949 329
Finance costs	-	183 514	-	8 111 123	8 294 637
Lease rentals	-	27 500	-	-	27 500
Debt impairment	2 292 095	29 045 167	8 265 514	8 472 772	48 075 548
Alternative energy	5 932 564	-	-	-	5 932 564
Bulk purchases	76 635 411	18 537 524	-	-	95 172 935
Contracted services	19 144 413	13 382 265	4 247 478	9 055 356	45 829 512
General expenses	20 299 040	13 435 324	4 653 883	4 753 608	43 141 855
Fair value adjustments	-	-	-	(2 176 400)	(2 176 400)
Loss on disposal of assets	-	71 171	-	-	71 171
Impairment loss	157 868	3 788 671	1 752 441	-	5 698 980
Total segment expenditure	129 208 206	100 739 800	34 224 955	40 666 552	304 839 513
Total segmental surplus/(deficit)					(96 868 231)

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	Electricity	Water	Sewerage and sanitation	Solid waste	Total
54. Segment information (continued)					
Total revenue reconciling items					434 326 772
Employee related costs					(163 148 051)
Remuneration of councillors					(8 481 513)
Depreciation					(23 733 752)
Lease rentals					(964 405)
Debt impairment					(10 282 405)
Contracted services					(43 961 026)
Transfers and subsidies					(4 304 427)
General expenses					(49 011 499)
Fair value adjustments					16 760
Gain on disposal of assets					(4 258 466)
Actuarial Gains					688 135
Impairment loss					(5 221 794)
Entity's surplus (deficit) for the period					24 796 098
Assets					
Receivables from exchange transactions	14 783 431	14 127 452	3 364 817	4 053 246	36 328 946
Property, plant and equipment	96 621 736	196 283 543	145 915 704	-	438 820 983
Property, plant and equipment - WIP	1 212 174	110 531 601	149 913 752	-	261 657 527
Total segment assets	112 617 341	320 942 596	299 194 273	4 053 246	736 807 456
Property, plant and equipment					586 540 343
Other non-current assets					242 984 475
Current assets					179 020 165
Total assets as per Statement of financial Position					1 745 352 439
Current liabilities					(221 539 142)
Non-current liabilities					(135 402 948)
Total liabilities as per Statement of financial Position					(356 942 090)

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

55. Accounting by principals and agents

The entity is a party to the following principal-agent arrangements.

Details of the arrangements are as follows:

The municipality acts an agent for the Department of Transport whereby it administers the provision of motor vehicle licences and registrations as well as drivers' licences. It receives compensation for these services based on a binding arrangement with the department.

The entity is the principal. Refer to note 1.5 for significant judgements applied in making this assessment.

The municipality acts as a principal in binding arrangements with vendors who sell prepaid electricity. The vendors earn commission on the prepaid electricity sales based on agreements.

Furthermore, the municipality acts as an agent for the Department of Human Settlements whereby it oversees the construction of RDP houses on behalf of the department. There is no compensation for this agency service and hence no revenue recognised.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
55. Accounting by principals and agents (continued)		
Entity as agent		
Revenue recognised		
The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is R 3 698 291 (2024: R 1 821 353).		
Additional information		
Receivables and/or payables recognised based on the rights and obligations established in the binding arrangement(s)		
Reconciliation of the carrying amount of payables		
Category 1 - MV Licences and registrations		
Amount received on behalf of the principal	13 429 284	5 868 138
Amounts transferred to the principal	(9 730 993)	(4 046 785)
Amount recognised as revenue for services rendered	(3 698 291)	(1 821 353)
	-	-
Category 2 - Human Settlements - Alex 402		
Opening balance	(1 025 244)	-
Amounts received - Human settlements	1 077 744	-
Amounts paid on behalf of Dept. Human Settlements on projects	(424 650)	(1 025 244)
	(372 150)	(1 025 244)
Category 2 - Human Settlements - Bathurst 5units		
Opening balance	(332 441)	-
Amounts received - Human settlements	876 851	-
Amounts paid on behalf of Dept. Human Settlements on projects	(922 270)	(332 441)
	(377 860)	(332 441)
Category 2 - Human Settlements - KOS 564& ISBT 10		
Opening balance	(50 850)	1 204 632
Amounts received - Human settlements	866 796	-
Amounts paid on behalf of Dept. Human Settlements on projects	(496 104)	(1 255 482)
	319 842	(50 850)
Category 2 - Human Settlements - Marselle 500 unit		
Amounts received - Human settlements	4 083 200	-
Amounts paid on behalf of Dept. Human Settlements on projects	(3 978 722)	-
	104 478	-
Category 2 - Human Settlements - UISP 5 Projects		
Opening balance	47 780 893	-
Amounts received - Human settlements	-	49 775 229
Amounts paid on behalf of Dept. Human Settlements on projects	(39 562 783)	(1 899 368)
Management Fees earned	(1 978 139)	(94 968)
	6 239 971	47 780 893
Category 2 - Human Settlements - UISP 7 Projects		
Opening balance	(8 781 402)	7 465 327
Amounts received - Human settlements	21 841 603	34 447 813
Amounts paid on behalf of Dept. Human Settlements on projects	(18 884 235)	(50 694 542)

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

55. Accounting by principals and agents (continued)

(5 824 034) (8 781 402)

Category 2 Summary - Human Settlements

Opening balance	37 590 958	8 669 959
Amounts received - Human settlements	28 746 193	84 223 042
Amounts paid on behalf of Dept. Human Settlements on projects	(64 268 764)	(55 207 075)
Management Fees earned	(1 978 139)	(94 968)
	90 248	37 590 958

Category 3 - EC Housing Land Acquisition

Opening balance	43 200 000	-
Amounts Received	-	43 200 000
	43 200 000	43 200 000

All categories

Opening balance	80 790 958	8 669 959
Amounts received on behalf of the principal	13 429 284	5 868 138
Amount transferred to the principal	(9 730 993)	(4 046 785)
Amount recognised as revenue for the services rendered	25 047 902	82 401 689
Amounts received - Human settlements	(64 268 764)	(12 007 075)
Management Fees earned	(1 978 139)	(94 968)
	43 290 248	80 790 958

Entity as principal

Fee paid

Fee paid as compensation to the agent	787 633	670 710

The fee paid relates to the commission paid to vendors for selling pre-paid electricity to the consumers on behalf of the municipality.

56. Budget differences

Material differences between budget and actual amounts

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

56. Budget differences (continued)

The variances are considered to be material for the GRAP 24 variance disclosure where it exceeds 10%. Below are details of the relevant material variances as per the Statement of Comparison of Budget and Actual:

STATEMENT OF FINANCIAL PERFORMANCE

56.1) Service Charges:

Immaterial variance between budget and actual. The variance is mainly due to increase in consumer consumption.

56.2) Rendering of services: Immaterial variance

56.3) Rental of facilities and equipment: Immaterial variance

56.4) Interest received:

The budget was kept in line with the prior period interest income and although interest rates decreased, it did not fully factor larger gross debtors' balances throughout the year on hand. In addition tariff codes for interest billing on water was corrected.

56.4i) Management fees:

The budgeting process did not factor in the receipt of management fees from agency services performed for human settlements.

56.5) Licences and Permits

The budgeting process relating to the forecast of licences and permits was flawed as there was an overestimate of the agency revenue, as the prior period collections were not a good basis for projection into 2024/25.

56.6) Other income: Immaterial variance

56.7) Interest received - investment: Immaterial variance

56.8) Property rates: Immaterial variance

56.9) Licences and permits (non-exchange)

The licencing and permits relate to boat and trading licence. The figure has been overbudgeted for during the 2024/25 financial year.

56.10) Environmental levies: Immaterial variance

56.11) Interest received - non-exchange receivables

The interest rate decreased during the year.

56.12) Government Grants and subsidies:

Budget was aligned with the expectation relating to amounts to be received from conditional grant funding (multi-year, budgeted as a single year) as well as Human Settlements agent/principal monies expected. In addition, the Human settlements grant never materialised.

56.13) Public Contributions and donations

The donations amount was not budgeted for. Donations, by its nature, is gratuitous and were transferred as in-kind donations - there was no expectation to receive additional donations during the year, other than what was budgeted for.

56.14) Fines, Penalties and Forfeits

The budget for fines, penalties and forfeits was prepared, with the expectation of historical values - which is very unpredictable.

56.15) Employee related costs: Immaterial variance

56.16) Remuneration of councillors - Immaterial variance

56.17) Depreciation and amortisation: The actual depreciation is less than the budget due to the re-estimation of useful lives for 2024 which was concluded before the 2025 budget was prepared. This resulted in reduced actual figures for 2025.

56.18) Impairment loss

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

56. Budget differences (continued)

The impairment loss amount was not budgeted for as impairments by its nature are unplanned - there was no expectation to have any impairment losses during the year.

56.19) Finance costs

The finance costs was less in the current year due to reduced interest costs on the landfill site rehabilitation associated with reduced interest rates in South Africa. This resulted in the reduced actual finance charges.

56.20) Lease rentals on operating lease

The budget increase is largely resulted from budgeting for additional leased office equipment. This procurement never transpired during the year.

56.21) Debt impairment -

The variance is largely due to the fact that the budget cannot accommodate the full extent of funding the movement in doubtful debts.

56.22) Alternative Energy Programmes

In budgeting, a larger anticipated participation rate was projected. This never materialised and actual spending was less than budget.

56.23) Bulk purchases

The variance is due to underbudgeting on both water and electricity. Larger Eskom tariff increases and water consumption has also increased due to more holidaymakers visiting and permanent residents in the municipal area during the period, along with bulk increases above inflation.

56.24) Contracted services

The budget adjustments and approved budget include budgeting for Upgrade of Informal settlements. Therefore Housing grant expenditure is budgeted for against this line item. Majority of Housing funding is relating to principal/agent purchases segment which is not accounted for as expenditure through the statement of financial performance.

56.25) Transfers and subsidies:

Due to cashflow constraints and controls to mitigate spending, all planned donations did not materialise, resulting in underspending.

56.26) General expenses: Immaterial variance

56.27) Loss on disposal of assets

The disposals of movable & immovable assets based on the derecognition of obsolete assets resulted in unbudgeted losses which contributed towards the variance between budget actual expenditure.

56.28) Fair value adjustments:

At the time of the budget no budget was provided for fair value adjustments. It is also not known at the time of the budget what the effect of external factors would be on the landfill provision estimate. As such budget is not provided to the extent of the actual fair value losses incurred as this would have to be funded with revenue through rate increases.

56.29) Actuarial gains:

The budget provided no determination for the actuarial gains on post retirement employee benefits and long service awards which resulted in this variance.

56.30) Surplus from derecognition of liability:

At the time of the budget no budget was provided for Surplus from derecognition of liability as this was a once-off event that represents the derecognition of unidentified deposits.

STATEMENT OF FINANCIAL POSITION

56.31) Inventories

The variance is due to larger than expected stock levels as at year end, specifically relating to uniforms which is not part of normal stock levels.

56.32) Operating lease asset

The budget did not factor in the new leases entered into during 2024/25.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

56. Budget differences (continued)

56.33) Receivables from non-exchange transactions & Receivables from exchange transactions

The variance is due to not fully budgeting for the full debt impairment expense needed to write-down the receivables to their impaired value at year end. Additionally the write-off of debtors were larger than anticipated. This resulted in a receivables figure which less than the budget. However, EC Human Settlements debtors and RBIG receivables offset this figure, resulting in actual figures exceeding the budget.

56.34) VAT receivable / VAT payable

The budget accounts for the amounts in debit separate to the amounts in credit. The nett figure however shows an overall credit balance on VAT. The actual figures represents an overall receivable value of R8million, the variance is largely due to the budget inaccuracy in accounting for input accrual surplusses carried forward as well as current year creditors and retention input VAT accrual.

56.35) Other current assets

There are no classification on the statement of financial position relating to other current assets

56.36) Cash and cash equivalents

The less than expected cash balances are due monies from EC Human Settlements and RBIG not yet being received.

56.37) Investment property: Immaterial variance.

The variance is also partly due to disposal of land during the year not budgeted for.

56.38) Property, plant and Equipment: Immaterial variance

The budget on some items are overstated due to multi-year projects not being budgeted as such.

56.39) Intangible assets: Immaterial variance

56.40) Heritage assets:

Software reaching end of life and no longer in use increased depreciation.

56.41) Other financial assets: Immaterial variance.

56.42) Payables from exchange transactions:

The EC Housing monies payable is not included in the budgeted figure for 2024/25..

56.43) Consumer deposits: Immaterial variance

56.44) Employee Benefit obligation

The budget does not factor in the large portions of current liability relating to overtime, bonus and leave as well as short term portions of the Long Service and Post Retirement Medical Aid Liability. In addition, its difficult to establish an increase for budget purposes due to the complex nature of the actual calculation.

56.45) Unspent conditional grants and receipts

The EC Housing payable figure is included in the budget figures as well as roll-over for multi-year projects, resulting in a larger than anticipated budget figure.

56.46) Provisions

The current and non-current portions factored in a larger than anticipated increase due to unwinding of future costs on landfill sites and inflation figures. Due to the decrease in inflation, these increases did not materialise, resulting in larger budget then actual.

56.47) Accumulated surplus

The variance is a result of the above explanations combined. Due to the nature of the balance it will always represent the balancing figure on the budgeted statement of financial position.

CASHFLOW STATEMENT VARIANCES

56.48) Rates and services

Rates and services were overbudgeted due to the over-estimation of the collection rates.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

56. Budget differences (continued)

56.49) Government grants and subsidies

The variance is due to budgeting for housing which is not included in the municipal operations.

56.50) Interest income

The variance is due to overbudgeting of collections on interest.

56.51) Other receipts:

Budgeting process includes VAT refunds and other revenue items not incidental to and not consider other income, resulting in variance as identified.

56.52) Supplier and Employee costs

The variance is due to budgeting for housing which is not included in the municipal operations

56.53) Finance Costs

The budget included a portion of interest relating to the prior period. This resulted in the variance as identified.

56.54) Grants and subsidies paid: Immaterial variances

56.55) Purchase of Property, plant and equipment

The budget increase relates to acquisition of assets via grant, however not all grants were spent and not all monies were grant monies received and hence not all capital expenditure was for the benefit of the municipality as per the agent/principal agreements in place. In addition multi-year projects were not budgeted for as such resulting in this variance.

56.56) Proceeds on sale of property, plant and equipment

Amounts were not budgeted as disposals are not determined at budget phase.

56.57) Repayment of financial liabilities - DBSA:

Final payment not included in the budget.

56.58) Cash and cash equivalents at the beginning of the year: Immaterial variance

57. Change in estimate

Property, plant and equipment

The useful life of certain assets were re-estimated in the current period. Management have revised their estimated respective useful lives. The effect of this revision has decreased the depreciation charges for the current period and increased it for the future periods by R887 088.

Intangible assets

The useful life of certain assets were re-estimated in the current period. Management have revised their estimated respective useful lives. The effect of this revision has increased the depreciation charges for the current period and decreased it for the future periods by R2 124.

58. Events after the reporting date

No material non-adjusting events have been identified after the reporting date.



NDLAMBE
LOCAL MUNICIPALITY
(EC 105)

VOLUME 3 **DRAFT ANNUAL** **PERFORMANCE** **REPORT** **AUDITED** **2024-25**





NDLAMBE LOCAL MUNICIPALITY



TOP-LAYER SDBIP ANNUAL PERFORMANCE REPORT

ADJUSTED DRAFT

(1st JULY 2024 – 30th JUNE 2025)

2024/2025

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1. PURPOSE

The 2024/2025 Adjusted Draft Annual Performance Report of Ndlambe Local Municipality, pursuant to Section 46 of the Local Government: Municipal Systems Act 32 of 2000, will constitute a critical component of the comprehensive Annual Report prepared in accordance with Chapter 12 of the Municipal Finance Management Act 56 of 2003. This report encompasses performance information covering the period from 1 July 2024 to 30 June 2025 and concentrates on the execution of the Service Delivery and Budget Implementation Plan (SDBIP), in relation to the strategic objectives articulated in Ndlambe Municipality's Integrated Development Plan (IDP) for the 2024/2025 fiscal year. Performance Management serves as the apparatus for assessing the extent to which the established targets aligned with strategic objectives have been achieved. The report will provide a detailed analysis of the Municipality's Key Performance Indicators (KPIs) corresponding to each municipal Key Performance Area (KPA), thereby reflecting on the overall effectiveness and efficiency of service delivery initiatives within the Municipality. The sole focus will be on the Strategic Performance (Top Layer) of the SDBIP of Ndlambe Municipality.

2. LEGISLATIVE BACKGROUND

The Municipal Systems Act of 2000 (Act No. 32 of 2000), specifically Section 38(a), mandates that municipalities implement a Performance Management System (PMS) that aligns with their available resources and optimally reflects their operational activities. This system should facilitate the setting of measurable performance indicators, enable continuous monitoring and evaluation, and support qualitative decision-making to enhance service delivery and accountability within the municipality.

Performance management is integral to Ndlambe Municipality's strategic compass by providing councillors, managers, employees, and stakeholders with a comprehensive suite of instruments and methodologies for systematic planning, ongoing performance monitoring, and periodic evaluation and review of municipal efficacy in relation to the key performance indicators (KPIs) delineated in the Service Delivery and Budget Implementation Plan (SDBIP). This structured approach facilitates the alignment of Ndlambe Municipality's strategic objectives, as outlined in the Integrated Development Plan (IDP) with community expectations, promotes accountability in service delivery, and fosters an environment of continuous improvement through the assessing of data and community involvement.

In accordance with Section 40 of the Municipal Systems Act of 2000 and the Municipal Planning and Performance Management Regulations (2001), municipalities are mandated to implement comprehensive mechanisms for the systematic monitoring and evaluation of their Performance Management System (PMS). This entails the establishment of robust frameworks for measuring, tracking, reviewing, assessing, and enhancing performance across organisational tiers—encompassing the municipal entity as a whole (organisational performance), individual departments (operational performance), and the performance of employees (individual performance). These mechanisms are vital for fostering accountability, driving service delivery improvements, and ensuring alignment with the strategic objectives as articulated in the Integrated Development Plan (IDP).

Pursuant to Section 46(1)(a) of the Municipal Systems Act (Act 32 of 2000), a municipality is obligated to compile an annual report for each financial year. This report must encompass a comprehensive performance report. Section 46(1)(a) of the Municipal Systems Act (Act. 32 of 2000) states that:

A municipality must prepare for each financial year an annual report consisting of -

- a. a performance report reflecting -
 - i. the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;
 - ii. the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and
 - iii. measures that were or are to be taken to improve performance

3. OBJECTIVES OF THE NDLAMBE MUNICIPALITY'S PERFORMANCE MANAGEMENT SYSTEM

OBJECTIVES OF NDLAMBE MUNICIPALITY'S PERFORMANCE MANAGEMENT MODEL	
1	Facilitate increased accountability
2	Support municipal oversight
3	Facilitate learning and continuous improvement
4	Provide early warning signals and meaningful interventions
5	Facilitate decision-making and resource allocation
6	Guiding of development of Municipal capacity building
7	Make conditions for acceptance of change conducive at various levels
8	Contribute to the development of local government

4. PRINCIPLES GOVERNING PMS IN NDLAMBE MUNICIPALITY

Simplicity
Politically Acceptable
Administratively Managed
Implementable
Transparency and Accountability
Efficient and Sustainable
Public Participation
Integration
Objectivity
Reliability

5. PMS REPORTING ON THE E-SYSTEM (ACTIONASSIST)

In accordance with the Performance Management System (PMS) Policy Framework, responsible owners are mandated to update their performance information on the PMS electronic system within 15 days following the end of each month; for example, March data must be entered by April 15, 2024. Subsequently, the PMS Section initiates a review process 16 days post-month-end to identify early warning signs and ensure timely corrective actions are implemented. Responsible owners are then allocated a 2-day period to address any rejected updates deemed incomplete or inaccurate. Furthermore, Internal Audit conducts a quality assurance review within 23 days of each quarter's conclusion, allowing an additional 2-day window for responsible owners to amend any misreported information prior to the finalization of audit findings.

6. PERFORMANCE EVALUATIONS

Ndlambe Municipality, in line with the PMS Policy, makes use of 3 stages in the Performance Evaluation process. These stages are:

1. Self-Assessment – The Section 57 Manager will evaluate the reported performance for the applicable period.
2. Manager – One-on-one sessions are held with the Supervisor to assess reported performance for the applicable period.
3. Panel/Final Assessment – a formal assessment is held with panel members in line with the PMS Policy.

CONSTITUTION OF PERFORMANCE ASSESSMENT PANEL

The constitution of the panel for the final performance of the Municipal Manager and Senior Managers, respectively, is as follows:

EVALUATION OF THE MUNICIPAL MANAGER	EVALUATION OF SENIOR MANAGER REPORTING DIRECTLY TO THE MUNICIPAL MANAGER
1. Mayor	1. Municipal Manager
2. Chairperson of the Audit Committee or any Audit Committee Member	2. Chairperson of the Audit Committee or any Audit Committee Member
3. Mayor (and/or Municipal Manager) from another municipality	3. Member of the Executive Committee
4. Member of a ward committee as nominated by the Mayor	4. Member of a ward committee as nominated by the Mayor
5. Internal Audit	5. Internal Audit
6. Representative from the PMS Section	6. Representative from the PMS Section

7. PERFORMANCE RATING SCALE

The municipality, in line with the PMS Policy makes use of the 5-point scale to rate the municipality's performance. The 5-point scale is included below:

SYSTEMATIC ICON	NUMERICAL RATING	PERCENTILE REPRESENTATION	BRIEF DESCRIPTION
N/A	Not Applicable for Reporting	Not Applicable	Not Applicable
R	1	0% - 74.99%	Unacceptable Performance
O	2	75% - 99.99%	Performance is not fully effective
G	3	100%	Fully effective
G2	4	100.01% - 149.99%	Performance significantly above expectations
B	5	150% - Upwards	Outstanding performance

8. KEY PERFORMANCE AREAS

The Key Performance Areas are as follows:

1. Spatial Planning
2. Basic Service Delivery
3. Municipal Transformation and Institutional Development
4. Local Economic Development
5. Financial Viability and Management
6. Good Governance and Public Participation

KPA 1: SPATIAL PLANNING

There is only one indicator attached to KPA 1: Spatial Planning and it measures the '1. Percentage turnaround time for processing of land use applications within 16 months in accordance with SPLUMA'. This indicator is reported on a monthly basis and 100% has been achieved throughout, which is the target. The illustrations below provide a summary:

Summary of Results: Spatial Planning			
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	0
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	1
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
	Total KPIs:		1

KPA 2: BASIC SERVICE DELIVERY

There are 25 Key Performance Indicators which have been crafted for the Basic Service Deliver Key Performance Area. These KPIs are spread out, in terms of responsibility, to various Directorate within the organisation in accordance with the responsibility being carried out by that particular Directorate. These Directorates are namely, Community and Protection Services, Infrastructural Development and Financial Services. The KPIs which have not been achieved are the responsibility of the Infrastructural Development Directorate. Community and Protection Services and Financial Services have met all their targets contained in KPA 2. In terms of performance:

1. 8 KPIs' targets were not met and of this 8 – 3 were almost met and 5 were not met. The 5-point scale above gives a better description of the differences between 'not met' and 'almost met'
2. 17 KPIs' targets were met and of this 17 - 7 were 'met', 7 were 'well met' and 3 were 'extremely well met'.

The percentile representation of the KPIs with targets achieved is 68%. Whilst the KPIs with targets not met or underachieved is 32%.

The illustration of the above can be found in the table below:

Summary of Performance: Basic Service Delivery			
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	5
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	3
G	KPI Met	Actual meets Target (Actual/Target = 100%)	7
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	7
B	KPI Extremely Well Met	150.000% <= Actual/Target	3
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
Total KPIs:			25

KPA 3: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

KPA 3 'Municipal Transformation and Organisational Development' consists of 9 Key Performance Indicators. The 5 KPIs are assigned to two Directorates: Corporate Services and Office of the Municipal Manager. The performance of the municipality with regards to KPA 3 is as follows:

1. Of the 5 KPIs, 2 KPIs were achieved. Namely, '27. Staff Vacancy Rate' and '30. Number of NLM Organograms updated'.
2. Of the 5 KPIs, 3 were not achieved. Namely, '28. Percentage of funded posts (Task Grade 5 upwards) filled within 6 months of vacancy according to municipal staff regulations 890', '29. The percentage of municipality's (Corporate Services) budget (OPEX) actually spent on implementing its workplace skills plan' and '31. Number of Business Continuity Strategies approved'.

The reasons for non-achievement have been included in the workbook below, as well as the corrective measures.

The illustration is included below:

Summary of Results: Municipal Transformation and Organisational Development			
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	2
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	1
G	KPI Met	Actual meets Target (Actual/Target = 100%)	1
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	1
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
	Total KPIs:		5

KPA 4: LOCAL ECONOMIC DEVELOPMENT

KPA 4 consists of 3 Key Performance Indicators. These Key Performance Indicators are:

1. '32. Number of work opportunities created by the municipality through Public Employment Programmes (incl. EPWP, CWP and other related employment programmes)'
2. '33. Number of tourism initiatives supported'
3. '34. Number of LED Strategies reviewed'

The performance can be summarised as follows:

1. Out of the 3 KPIs, two KPIs were achieved namely, '32. Number of work opportunities created by the municipality through Public Employment Programmes (incl. EPWP, CWP and other related employment programmes)' and '33. Number of tourism initiatives supported'.
2. Out of the 3 KPIs, one KPI was not achieved namely, '34. Number of LED Strategies reviewed'

Below is a summarised illustration:

Summary of Results: Local Economic Development			
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	1
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	0
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	1
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
Total KPIs:			3

KPA 5: FINANCIAL VIABILITY AND MANAGEMENT

The Municipal KPA 5 consists of 9 KPIs which are meant to ensure that the Financial Viability and Management KPA is carried out efficiently and effectively. The performance of KPA 5 is as follows:

1. In total, 1 of the 9 KPIs' targets was not achieved and the percentile representation of KPI targets not achieved is 0.11%. The KPI which is not met is '*37. Percentage reduction of Irregular, Fruitless and Wasteful, Unauthorised Expenditure prior years*'
2. In total, 8 of the 9 KPIs targets were achieved and of the 8 KPIs (5 KPIs were 'well met' and 3 were 'extremely well met'. The percentile representation of this performance is 88.89%

The summarised illustration of the performance is contained below:

Summary of Results: Financial Viability and Management			
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	1
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	0
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	5

B	KPI Extremely Well Met	150.000% <= Actual/Target	3
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
	Total KPIs:		9

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The Municipal KPA 5 consists of 9 KPIs which are meant to ensure that Good Governance and Public Participation is carried out. In terms of performance:

1. 8 out the 8 KPIs targets were met. Of this 8 – 6 were ‘met’; 1 was well met and 1 was ‘extremely well met’

Below is the summarised performance illustration:

Summary of Results: Good Governance and Public Participation			
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	0
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	6
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	1
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
	Total KPIs:		8

SUMMARY

The total KPIs which made up the 2024/2025 Strategic Layer of the SDBIP are 51. The performance of these 51 KPIs can be summarised as follows:

1. 13 of the 51 KPIs targets were not achieved and of this 13 – 9 were ‘not met’ and 4 were ‘almost met. The percentile representation is 25.49%
2. 38 of the 51 KPIs targets were achieved and of this 38 – 14 were ‘met’, 15 were ‘well met’ and 9 were ‘extremely well met’. The percentile representation is 74.51%.

The summarised illustration can be found below:

Overall Summary of Results			
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	9
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	4
G	KPI Met	Actual meets Target (Actual/Target = 100%)	15
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	14
B	KPI Extremely Well Met	150.000% <= Actual/Target	9
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
	Total KPIs:		51

**ADJUSTED
DRAFT ANNUAL PERFORMANCE
REPORT (SCORECARD)
2024/2025**



NDLAMBE LOCAL MUNICIPALITY
DRAFT ANNUAL PERFORMANCE REPORT 2024/2025 (Adjusted)

Basic Services Delivery		System Ref No.	Responsible Directorate	KPI Name	Strategic Objective	Baseline	Quarter ending September 2024			Quarter ending December 2024			Quarter ending March 2025			Quarter ending June 2025			Overall Performance for Quarter ending September 2024 to Quarter ending June 2025	Performance Comment on Annual Performance	Corrective Measures on Annual Performance	REASON FOR TARGET ADJUSTMENTS
Internal Ref Indicator Code	Indicator Code						Target	Target Description	Actual	%	Target	Target Description	Actual	%	Target	Target Description	Actual	%				
2.2.1.2	D1022	Community and Protection Services	2. Number of formal households with access to refuse removal as per schedule	Provide sustainable, efficient, cost-effective, adequate and affordable services to all our citizens	21 696	21 832	21 874.67	21 832	21 894	21 832	21 903.33	21 832	21 885.33	21 832	21 885.33	21 832	21 832	21 832	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.2.2.1.3	D1023	Community and Protection Services	3. Number of informal settlements receiving basic services/ removal services in accordance with the Integrated Environmental Management Needs Action Plan of 2008.	Provide sustainable, efficient, cost-effective, adequate and affordable services to all our citizens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.1.1.3.4	D1024	Community and Protection Services	4. Number of beaches with full blue flag status maintained according to blue flag beach criteria and explanatory notes 2020.	Develop a vibrant rapidly growing employment generating economy based on tourism, agriculture, water, renewable and new digital technologies	2	2	2	2	2	2	2	2	2	2	2	2	2	2	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.3.3.1.5	D1025	Community and Protection Services	5. Number of parks conducted within the townships (Kowie, Bushmans, Kariega, Beaches)	Preserve the natural beautiful environment, cultural heritage, and biodiversity	333	40	333	333	333	333	333	333	333	333	333	333	333	333	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.3.3.1.6	D1026	Community and Protection Services	6. Number of parks conducted within biodiversity priority areas/ natural reserves: Kogelberg, Roodhooi, Jan Rabie, and the Roodhooi Reserve- Local Authority Nature Reserves	Preserve the natural beautiful environment, cultural heritage, and biodiversity	0	36	0	36	0	36	0	36	0	36	0	36	0	36	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.2.2.1.7	D1027	Community and Protection Services	7. Percentage compliance with the required standards for the structural firefighting incidents in accordance with SANS 10200	Create a pleasant, safe and secure living environment for all our citizens	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.2.2.1.8	D1028	Community and Protection Services	8. Number of identified by law to be removed within the CPS directorate	Create a pleasant, safe and secure living environment for all our citizens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.2.2.1.9	D1029	Community and Protection Services	9. Number of municipal cases (detained) by domestic and armed response as per the security contract	Create a pleasant, safe and secure living environment for all our citizens	54	54	54	54	54	54	54	54	54	54	54	54	54	54	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.2.2.1.10	D1030	Community and Protection Services	10. Percentage of physicals incidents occurred by security as per the security contract	Create a pleasant, safe and secure living environment for all our citizens	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.1.1.1.11	D1031	Infrastructure Development	11. Number of various infrastructure projects completed (Phase 1)	Develop state of the art innovative physical and technological infrastructure	2	2	2	2	2	2	2	2	2	2	2	2	2	2	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.1.1.1.12	D1032	Infrastructure Development	12. Number of water infrastructure projects completed (Phase 1)	Develop state of the art innovative physical and technological infrastructure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.2.2.1.14	D1033	Infrastructure Development	14. Number of informal settlement project milestones completed (Phase 1)	Develop state of the art innovative physical and technological infrastructure	2	2	2	2	2	2	2	2	2	2	2	2	2	2	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.2.2.1.15	D1034	Infrastructure Development	15. Number of formal houses completed in the rectification process (Project 402)	Provide sustainable, efficient, cost-effective, adequate and affordable services to all our citizens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.2.2.1.16	D1035	Infrastructure Development	16. Number of housing projects completed (Bathurst 5 and 6)	Provide sustainable, efficient, cost-effective, adequate and affordable services to all our citizens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.1.1.1.17	D1036	Infrastructure Development	17. Number of sewerage drainage projects completed (Phase 1)	Develop state of the art innovative physical and technological infrastructure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.2.2.1.18	D1037	Infrastructure Development	18. Percentage of households with access to water supply	Provide sustainable, efficient, cost-effective, adequate and affordable services to all our citizens	98.83%	80.00%	99.20%	80.00%	98.93%	80.00%	99.20%	80.00%	98.93%	80.00%	99.20%	80.00%	98.93%	80.00%	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.2.2.1.19	D1038	Infrastructure Development	19. Percentage of households with access to water supply	Provide sustainable, efficient, cost-effective, adequate and affordable services to all our citizens	110.43%	95.00%	97.39%	95.00%	99.07%	95.00%	99.07%	95.00%	99.07%	95.00%	99.07%	95.00%	99.07%	95.00%	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.2.2.1.20	D1039	Infrastructure Development	20. Percentage of non-revenue water	Provide sustainable, efficient, cost-effective, adequate and affordable services to all our citizens	31.08%	35.00%	31.69%	35.00%	31.92%	35.00%	31.92%	35.00%	31.76%	35.00%	31.76%	35.00%	31.76%	35.00%	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.2.2.1.21	D1040	Infrastructure Development	21. Percentage of water meter samples compliant to water use license conditions	Provide sustainable, efficient, cost-effective, adequate and affordable services to all our citizens	69.56%	75.00%	69.56%	75.00%	69.56%	75.00%	69.56%	75.00%	69.56%	75.00%	69.56%	75.00%	69.56%	75.00%	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.2.2.1.22	D1041	Infrastructure Development	22. Percentage of households with access to electricity in municipal service areas	Provide sustainable, efficient, cost-effective, adequate and affordable services to all our citizens	107.90%	100.00%	107.90%	100.00%	107.90%	100.00%	107.90%	100.00%	107.90%	100.00%	107.90%	100.00%	107.90%	100.00%	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.2.2.1.23	D1042	Infrastructure Development	23. Percentage of water meter samples compliant to SANS 241	Provide sustainable, efficient, cost-effective, adequate and affordable services to all our citizens	86.33%	85.00%	86.33%	85.00%	86.33%	85.00%	86.33%	85.00%	86.33%	85.00%	86.33%	85.00%	86.33%	85.00%	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.1.1.1.25	D1043	Infrastructure Development	25. Release of road improved (gating)	Develop state of the art innovative physical and technological infrastructure	406.11%	2.02%	406.11%	2.02%	406.11%	2.02%	406.11%	2.02%	406.11%	2.02%	406.11%	2.02%	406.11%	2.02%	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA
2.2.2.1.26	D1044	Finance Services	26. Percentage of budgeted households having access to free basic services	Provide sustainable, efficient, cost-effective, adequate and affordable services to all our citizens	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	No annual target for the 2024/2025 financial year has been met.	No corrective measures are applicable.	NA

N/A	EPF Not Yet Applicable	0% with no targets or actuals in the selected period		0	0%
A	EPF Not Met	0% < Actual/Target <= 75.000%		1	10%
B	EPF Almost Met	75.000% < Actual/Target <= 95.999%		2	20%
C	EPF Met	Actual meets Target (Actual/Target >= 100%)		3	30%
C2	EPF Well Met	100.000% < Actual/Target <= 149.999%		4	40%
D	EPF Exceedingly Well Met	Actual/Target >= 150.000%		5	50%
N/A	EPF Did Not Occur	0% with a target which did not materialise		6	60%
	Total EPF			15	150%

Overall Summary of Results					
N/A	EPF Not Yet Applicable	0% with no targets or actuals in the selected period		0	
A	EPF Not Met	0% < Actual/Target <= 75.000%		1	
B	EPF Almost Met	75.000% < Actual/Target <= 95.999%		2	
C	EPF Met	Actual meets Target (Actual/Target >= 100%)		3	
C2	EPF Well Met	100.000% < Actual/Target <= 149.999%		4	
D	EPF Exceedingly Well Met	Actual/Target >= 150.000%		5	
N/A	EPF Did Not Occur	0% with a target which did not materialise		6	
	Total EPF			15	

CONSIDERATION OF KEY PERFORMANCE INDICATORS **IN THE DEVELOPMENT OF THE ANNUAL REPORT**

The following is the list of indicators that were agreed upon and on how the performance information should be populated: -

Chapter: Organisational Transformation and Institutional Development –KPA 1

Annual performance as per key performance indicators in municipal transformation and organizational development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	491	461	6.11%	
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	5	5	100%	
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	3	2	66.67%	Work load and programme cycle that is offered by the University clashes with important dates on our municipal Calander.
4	Percentage of Managers in Technical Services with a professional qualification	6	6	100%	
5	Level of PMS effectiveness in the DM – (DM to report)	There is an existent PMS policy that guides the implementation of organisational and individual performance management. The municipality has cascaded performance to task grade 6 and is in the process of finalising for the remaining task grades.			
6	Level of effectiveness of PMS in the LM – (LM to report)				
7	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	497	145	0.29%	Not all staff responding to the audit that is being carried out.

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
8	Percentage of councillors who attended a skill development training within the current 5 year term	20	7	35%	Non-availability of councillors .
9	Percentage of staff complement with disability			15%	
10	Percentage of female employees			6 females	
11	Percentage of employees that are aged 35 or younger			4 younger than	
12	Adoption and implementation of a HRD including Workplace Skills Plan	1	1	100%	

Chapter: Basic Service delivery performance highlights (KPA 2)

Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	25120	2885	500	480	89%
2	Percentage of indigent households with access to free basic potable water	6889	6889	6889	6889	100%

Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	5674 (This is excluding the Eskom serviced areas)	5674	5674	5674	100%
2	Percentage of indigent households with access to basic electricity services	6731	6731	6731	6731	100%
3	Percentage of indigent households with access to	2511- Stoves 4433 - Gel	2511 4433	2511 4433	2511 4433	100%

	free alternative energy sources					

Annual performance as per key performance indicators in sanitation services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	58.38%	80%	80%		
2	Percentage of indigent households with access to free basic sanitation services	3559	3559	3559		100%

Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual KMs)	Kms achieved during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads					
2	Percentage of road infrastructure requiring upgrade					
3	Percentage of planned new road infrastructure actually constructed					
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	27.38% (Capital) 75.6- (Maintenance)				

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	21 929	21 920	99%		99%
2	Existence of waste management plan	Yes, Intergrated waste management plan that was developed by the district municipality for all local municipalities.				

Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	N/A	N/A	N/A	N/A	N/A
2	Percentage of informal settlements that have been provided with basic services	100%	100%	100%	100%	100%
3	Existence of an effective indigent policy	Yes				
4	Existence of an approved SDF	Yes				
5	Existence of Land Use Management System (LUMS)	Yes				

CHAPTER: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	Yes		
2	Percentage of LED Budget spent on LED related activities.	100%	96%	100%
3	Existence of LED strategy	Still a draft that was workshopped to Councilors in November 2025.		
4	Number of LED stakeholder forum meetings held	12	8	66,7%
5	Plans to stimulate second economy			
6	Percentage of SMME that have benefited from a SMME support program	38	16	42%
7	Number of job opportunities created through EPWP	1229	729	60%
8	Number of job opportunities created through PPP	N/A	N/A	N/A

Chapter: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

Annual performance as per key performance indicators in financial viability

	Indicator name			
1	Status of the audit outcome	Unqualified with findings		
2	Submission of AFS after the end of financial year	AFS were submitted to the Auditor General on the 31 August 2025.		
		Target set for Capital Budget (R000)	Achievement level during the year R(000)Amount spent against capital budget (R000)	Percentage spent on capital budget during the year vs the actual revenue
3	Percentage of expenditure of capital budget	R97 630,00	R111 393,00	114.1%
4	Percentage of salary budget as of the total operational budget	29.6%		
5	Total municipal trade creditors	R169 093,688	R 1 465 ,676	0,8%
6	Total municipal own revenue as a percentage of the total actual budget	R383 137,00	R368 813,00	96,3%
7	Rate of municipal consumer debtors' reduction			
8	Percentage of MIG budget appropriately spent	R31 129 000	R31 129 000	100%
9	Municipalities with functional Audit Committee	Yes		

Chapter: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	10	10	100%
2	% of ward committees that are functional	10	10	100%
3	Existence of an effective system to monitor CDWs	Yes		
4	Existence of an IGR strategy	Non-existent		
5	Effective of IGR structural meetings	Non-existent		
6	Existence of an effective communication strategy	Yes, however it is due for reviewal.		
7	Number of mayoral imbizos conducted			
8	Existence of a fraud prevention mechanism	Anti -fraud policy Whistle blowing policy		



NDLAMBE
LOCAL MUNICIPALITY
(EC 105)

VOLUME 4

MPAC OVERSIGHT

REPORT 2024/2025



NDLAMBE LOCAL MUNICIPALITY



MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT 2024/2025 FY

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Statement of purpose of the Oversight Report

The Annual Report is a key instrument of transparent governance and accountability. It is a post –financial year document which provides an overview of the process of financial and non-financial performance in respect of the previous financial period, in this case 2024/2025. The adoption of an Annual Report is the legislated requirement in terms of the Local Government: Municipal Financial Management Act 56 of 2003 (MFMA).

1. Purpose

The purpose of this report is to present to Council the Oversight report to be adopted and for the consideration of the recommendations made on the final Annual Report for 2024/2025 as required in terms of Section 129 of the MFMA, Act 56 of 2003.

It is important to have an understanding of the accountability framework for municipalities in order to correctly comprehend the role of the Oversight Report as distinct from that of the Annual Report and any other reports required from the municipality by the Constitution, Acts, regulations or Circulars.

The following table displays the nature of the culpability framework for local government:

	Responsible for	Oversight over	Accountable to
Council	Approving policy and budget	Mayor & Executive Committee	Community
Mayor & Executive Committee	Policy, budgets, outcomes, management of/oversight over municipal manager	Municipal Manager	Council
Municipal Manager	Outputs and implementation	Administration	Mayor & Executive Committee (Council)
Chief Financial Officer and Senior Managers	Outputs and implementation	Financial management and operational functions	Municipal Manager
Internal Audit Unit	Objective assurance	Internal Controls, Compliance and Risk Management	Audit and Performance Committee

The Oversight Report is the final major step in the annual reporting process of a municipality. Section 129 of the Municipal Finance Management Act requires the council to consider the annual report of its municipality and to adopt an "Oversight Report" containing the council's comments on the annual report.

The Annual Report is submitted to the Council by the Accounting Officer and the Honourable Mayor. The Oversight Report follows consideration and consultation on the Annual Report and is considered to be a report by the municipal council to the community disclosing the level of success or otherwise, obtained by meeting the priority needs and stated desires of the community as contained in the Integrated Development Plan.

2. The Structure of the Municipal Public Accounts Committee

The establishment of Council's Municipal Public Accounts Committee was in March 2022, in terms of Section 79 of the Municipal Structures Act, 1998. The Municipal Public Accounts Committee is comprised of non-executive Councillors represented by most political parties. The term of the committee is 5 years unless recalled, resigned or disbanded.

The Ndlambe Municipal Public Accounts Committee consists of the following Councillors:

Councillor A Nyumka (Chairperson)

Councillor M Mgweba, Councillor M Sweli, Councillor A Bukani and Councillor N Haynes

3. The Functions of the Municipal Public Accounts Committee:

- Undertake a review and analysis of the Annual Report.
- Invite, receive and consider inputs from Councillors and officials in the Annual Report.
- Consider written comments received on the Annual Report from the public consultation process.
- Preparation of the draft Oversight Report, taking into consideration the views and inputs of the public, representative(s) of the Auditor General, organs of state, Council's Audit & Performance Committee, political Parties and Councillors.
- Receive and consider Council's Audit & Performance Committee views and comments on the annual financial statements and the performance report.
- Adhere to the Charter and the Terms of Reference

4. Summary of Representations received from the Community and Others

Notice was issued in terms of Section 127 (5) (a) of the Municipal Finance Management Act 56 of 2003, and section 21A of the Municipal Systems Act 32 of 2000 that the Annual Report for 2024/2025 financial period has been prepared by Ndlambe Municipality and was tabled in the council meeting held on the **30 January 2026**. It was then made available for public comments and inspection in all municipal administrative units around Ndlambe municipality on the **05th February 2026**.

The Municipal Public Accounts Committee regrettably has learnt that no comments were received in respect of the Annual report from the public in spite of the efforts to make it public.

5. MPAC COMMENTS AND OBSERVATIONS

The Municipal Public Accounts Committee has sat and reviewed the Annual Report on the 20th March 2026. The Committee indicated that the standard of the Annual Report has improved when compared to the previous Financial Years. The Committee indicated all the requirements Circular 63 the Municipal Finance Management Act. The following were the comments from the committee:

- a. The Committee has observed that the Intergovernmental meeting schedule has not been included in the Annual report.
- b. That the Annual Report was taken to the Public Participation but no comments were received.
- c. That was indicated that the Office of the Auditor General did look at the Annual Report and the issues that they raised relating to the consistency on what was audited and what is being reported in the Annual Report. It was further indicated that the Annual Report was submitted to COGTA and comments were received and included in the Annual Report.
- d. The issue with regard to the accuracy of the population at Ndlambe Municipality was raised and it was concluded that other means of counting or to confirm the accuracy of the population should be considered, not undermining the fact that Stats SA is the authority to with regard to census.
- e. It was also indicated that municipality should also consider a service provider that can be used to assist with the counting of the population especially now that Stats SA did not give citizens confidence on its census of 2022.
- f. It was indicated the reports from the MUNIMEC should find space in the Council and the Municipal Manager or the Mayor should be the ones reporting as they contain a lot of information that can assist with the Intergovernmental Relations.
- g. It was further observed that that the "IDP Participation by the communities and their inputs during Mayoral Imbizos have not been included.
- h. It was indicated that one of the main challenges that the municipality is currently having is high amount of fuel and overtime. It should however be noted that controls with regard to overtime have been implemented.
- i. It was indicated that currently the EPWP Grant is not aligned to performance.
- j. It was indicated that the issue of the Indigent Register has been raised by the Treasury and it impacts on the total amount of Equitable Share and efforts must be done by officials to identify indigent people so that the municipality can get what is due to it.
- k. The Municipality must align performance on accessibility to basic services not based on billing but on the number of households who benefits as informal settlements are not billed.
- l. It was concluded that the components under Chapter 5 have included under the Annual Financial Statements.

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- m. It was indicated the performance of grants had improved and the only grant that was not fully spent was the Disaster Grant.
 - n. The Committee confirmed that the Audit Action Plan and the Audit Report have been included in the Annual Report.
 - o. It was indicated that the municipal website needs to be looked at to ensure that it complies with the National Treasury requirements.

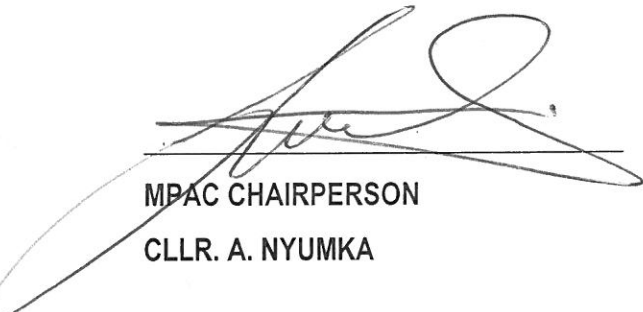
6. Annual Report Checklist

1. Financial matters – Annual Financial Statements – section 121 (3) MFMA	
Section 121 (3) (a) MFMA	
(a) The Annual financial statements (AFS) of the municipality, and in addition, if section 122(2) applies the consolidated annual financial statements as submitted to the Auditor General;	The Annual Financial Statements of the municipality are included and signed by the Municipal Manager. The municipality does not have an entity.
(b) The Auditor General's audit report is included in the annual report in terms of section 126(3);	The Auditor General's report is included in the annual report;
(c) An assessment by the Accounting Officer on any arrears on municipal taxes and service charges; (section 121 (3) (e))	The report for the revenue collections has been included under annexures.
(d) Particulars of any corrective action taken or to be taken in responses to issues raised in the audit reports referred to in paragraphs (b) and (d) Council should also confirm that the audit report has been forwarded to the MEC	The municipality obtained unqualified audit with management issues. The Audit Report has been attached.
(e) An assessment on asset management, as required by section 63(2)(a) of the MFMA	The municipality has appointed service provider to deal with asset management.
(g) Section 121 (3) (j) and 121 (4)(g) Recommendations of the audit committee in relation to the AFS and audit reports of the municipality	Audit Committee made recommendations to the municipality; however not all recommendations were implemented by the end of the financial year.

COMMITTEE RECOMMENDS, for Council to resolve on the following:

1. The Council having fully considered the Annual Report of the municipality and representations thereon, ADOPTS the oversight report.
2. That Council APPROVES the annual report with RESERVATIONS as included in all the requirements of Circular 63 of the MFMA

Attachment: Circular 63



MPAC CHAIRPERSON
CLLR. A. NYUMKA

Date