DRAFT 2025/26 ANNUAL REPORT

AMAHLATHI LOCAL MUNICIPALITY

TOGETHER FOR PROSPERITY

AMAHLATHI LOCAL MUNICIPALITY

1. VISION

A resilient, sustainable and people-centred local municipality

2. MISSION

A model municipality in partnership with its community through quality service delivery local economic development and public participation.

3. CORE VALUES

Accountability

Model

Accessibility

Healthy

Loyalty

Authentic

Trust

Honesty

Integrity

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ACRONYMS

IDP- Integrated Development Plan

PDP- Provincial Development Plan

SCM- Supply Chain Management

MIG- Municipal Infrastructure Grant

SDBIP- Service Delivery & Budget Implementation Plan

MRM- Moral Regeneration Movement

MPAC -Municipal Public Accounts Committee

FMG- Finance Municipal Grant

MSIG- Municipal Systems Improvement Grant

LLF- Local Labour Forum

MM- Municipal Manager

CFO- Chief Finance Officer

MTREF- Medium Term Revenue Expenditure Framework

GRAP- General Recognised Accounting Practise

SANRAL- South African National Road Agency Limited

SALGA- South African Local Government Association

ADM- Amathole District Municipality

NER- National Electricity Regulations

SMMEs- Small Medium and Micro Enterprises

HR- Human Resource

OHS- Occupational Health and Safety

MFMA- Municipal Finance Management Act

CCLR- Councillor

PR CLLR- Proportional Representative Councillor

PMS- Performance Management System

IGR- Intergovernmental Relations

DCF- District Communicators Forum (DCF)

DEDEAT- Department of Economic Development Environmental Affairs and Tourism

DRDAR- Department of Rural Development and Agrarian Reform

NGO- Non- Governmental Organisations

AFS- Annual Financial Statements

CIPC- Companies & Intellectual Property Commission

KPI- Key Performance Indicator

KPA- Key Performance Area

TCS- Traffic Contravention System

DPSA- Department of Public Services and Administration

VAT- Value Added Tax

AOPO- Audit of Predetermined Objectives

MTEF- Medium Term Expenditure Framework

SMART - Specific Measurable Assignable Realistic Time-related

HODs- Head of Departments (HO-Ds)

ICT- Information Communication Technology

PPE- Property Plant & Equipment

FAR- Fixed Asset Register

AC- Audit Committee

MPRA- Municipal Property Rates Acts

AG- Auditor General

FY- Financial Year

COGTA- Cooperative Governance and Tradition Affairs

KKH- Keiskammahoek

SLA- Service Level Agreement

DR- Disaster Recovery

IT- Information Technology

MEC- Member of Executive Council

Q1- Quarter 1

Q2- Quarter 2

Q3- Quarter 3

Q4- Quarter 4

AO- Accounting Officer

IA- Internal Audit

PPP- Private Public Partnership

N/A- Not Applicable

ALM- Amahlathi Local Municipality

EPWP- Extended Public Work Programme

GSFPA- Greater Stutterheim Fire Protection Association

UIF- Unemployment Insurance Fund

CA- Chartered Accountant

SA- South Africa

SPU- Special Programs Unit

LTO- Local Tourism Organisation

CTO- Community Tourism Organisation

LED- Local Economic Development

SALGBC- South African local Government Bargaining Council

CWP- Community Works Programme

MCCP- Mlungisi Community Commercial Park

DSRAC- Department of Sport Recreation Arts and Culture

EAP- Employment Awareness Programme

HRD- Human Resource Development

YTD- Year to Date

EEP- Employment Equity Plan

WSP- Workplace Skills Plan

LGSETA- Local Government Sector Education Training Authority

NERSA- National Energy Regulation South Africa

BTO- Budget and Treasury Office

MVR- Motor Vehicle Registration

SDI- Service Delivery and Infrastructure Development

MFV- Municipal Financial Viability

MTI- Municipal Transformation and Institutional Development

GGP- Good Governance and Public Participation

AWL- Absent Without Leave

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Cllr. N.C. Nongqayi
Hon. Mayor of Amahlathi Local Municipality

I am pleased to present the Amahlathi Local Municipality's 2025/26 Annual Report which covers the period 1 July 2025 to 30 June 2026. The year 2026 marks the marks the end of the 5th local government administration ushering in the 7th administration after the November elections. This 2025/26 annual report is the final account of the work done by the 6th Council of Amahlathi Local Municipality. This report is issued in the context that is defined by 32 years of democracy and 26 years of a fully democratic local government in South Africa. This report provides a measure of our progress in line with the municipality's strategic objectives adopted by the council for the period spanning from 2022 to 2027. The 2022-2027 Integrated Development Plan (IDP), as reviewed annually, is the strategic tool that guided the council in fulfilling its developmental mandate. The five-year IDP and its annual reviews is developed through consultative activities with the communities. In this regard it is communities themselves that identified the projects implemented in 2025/26 financial year. The purpose of this report is to give an account to the people and stakeholders of Amahlathi Local Municipality which gave mandate to the council. This report also reflects on our performance, budget implementation, monitoring and oversight processes.

While we acknowledge that not all the priorities outlined in the Integrated Development Plan (IDP) have been fully achieved during the year under review, there is much to be appreciated in terms of service delivery. Significant strides have been made in improving our roads infrastructure, public amenities, expanding access to basic services, and strengthening governance systems. During this strategic period, two new recreational centres were successfully constructed, one in Stutterheim and another one during the year under review in Keiskammahoek, marking an important milestone in expanding our community facilities. While we acknowledge that further work is still required to fully complete and enhance these centres, their value is already evident. They have provided much-needed space to house important municipal functions and community activities, strengthening our ability to serve residents more effectively. These centres stand as a testament to our commitment to improving quality of life, even as we continue working to address the outstanding needs.

The work of Council, including the monitoring of service delivery targets, is systematically tracked through the Service Delivery and Budget Implementation Plan (SDBIP). This ensures that our commitments are measured against clear performance indicators and reported transparently. On service delivery, the municipality achieved more than 70% of its planned targets, reflecting significant progress in meeting the needs of our communities while acknowledging that further work remains to be done. We acknowledge that funding remains a limiting factor in achieving all our developmental objectives. However, despite constrained financial resources, the municipality has demonstrated innovation and resilience. By leveraging internal capacity, our employees successfully executed projects that under normal circumstances would have been outsourced through tenders. The quality and scope of work delivered by our staff has proven to be superior, underscoring the value of investing in and empowering our internal teams.

In the 2024/25 financial year, the Auditor-General did not raise any findings on the audited performance information, a clear indication of the municipality's commitment to accountability and sound governance. Furthermore, the municipality achieved an unqualified audit opinion, reaffirming the integrity of our financial management and performance reporting. Looking ahead, the municipality is determined to further strengthen its governance and financial management practices. We hope to improve our audit outcomes again for the 2025/26 financial year by maintaining clean performance information and working diligently to reduce the number of findings on the annual financial statements. This commitment reflects our ongoing drive toward excellence, accountability, and transparency in all aspects of municipal administration.

This successful account of delivery of goods and services to the people of Amahlathi Local Municipality proves beyond reasonable doubt that this government is the government of the people by the people for the people.

This report is also required by law. The Local Government: Municipal Finance Management Act, 56 of 2003 (MFMA) commands municipalities to prepare an annual report for each financial year. Section 127(2) of the Act requires that the Mayor, within seven months after the end of a financial year, to table in the municipal council the annual report of the municipality. The Annual Report is an account of how the municipality has taken up the challenge to grow the Amahlathi area, effectively engage the community and develop partnerships with the business sector. Section 46(1) of the Municipal Systems Act (MSA) requires municipalities to prepare a performance report for each financial year, setting out the performance of the municipality and its external service providers. The annual performance report must form part of the annual financial report.

I would like to thank the community of Amahlathi Local Municipality for continuously believing in the municipal council, participating in the municipal programmes, their willingness to be part of the progressive collective. I would also like to extend my gratitude to my fellow Councillors, the audit committee, senior management and labour for their undivided commitment to collectively participate in our municipality's developmental agenda. The aim is to build and grow a resilient, sustainable and people centred Amahlathi Local Municipality.

Thank you.

Cllr. N Nongqayi
Her Worship, the Mayor
Amahlathi Municipality

B: STATEMENT OF THE MUNICIPAL MANAGER

Dr. Z. Shasha
Municipal Manager

This Annual Report captures Amahlathi Local Municipality's strategic focus, provides an overview on its performance and sets out Council's financial position for the 2025/26 financial year. This report also outlines the details of the various programmes managed by the Directorates of Amahlathi Local Municipality and how the municipality has performed towards meeting the set targets. The municipality firmly believe that it is on track towards meeting the growth and its set development targets although this year's challenges impacted negatively on the overall performance of the Municipality.

The municipal administration consisted of five directors who reported to the Municipal Manager. Their task was to implement policies and strategies passed by council to ensure proper service delivery.

As we present the annual report for the 2025/26 financial year, I confirm that the report has been compiled in line with the Local Government: Municipal Systems Act 32 of 2000 as amended, the Local Government: Municipal Finance Management Act 56 of 2003, Municipal Budget and Reporting Regulations as well as National Treasury Circular No. 63 that outlines Annual Report Guidelines.

The key priority areas of the institution during the year under review find their expression in the Integrated Development Plan, Budget and Service Delivery and Budget Implementation Plan and include the following:

a) Institutionalisation of outcomes approach

b) Accelerating and improving access to basic services

c) Internal implementation of infrastructure projects using internal plants

d) Continuing to review and improving financial systems and procedures.

e) Address issues emanating from the Auditor-General's report for 2023/24 financial year.

f) Development of municipal by-laws

g) Public safety and law enforcement

h) Improving reporting, monitoring and evaluation

i) Capacitation of councillors and municipal employees.

j) Revenue Enhancement

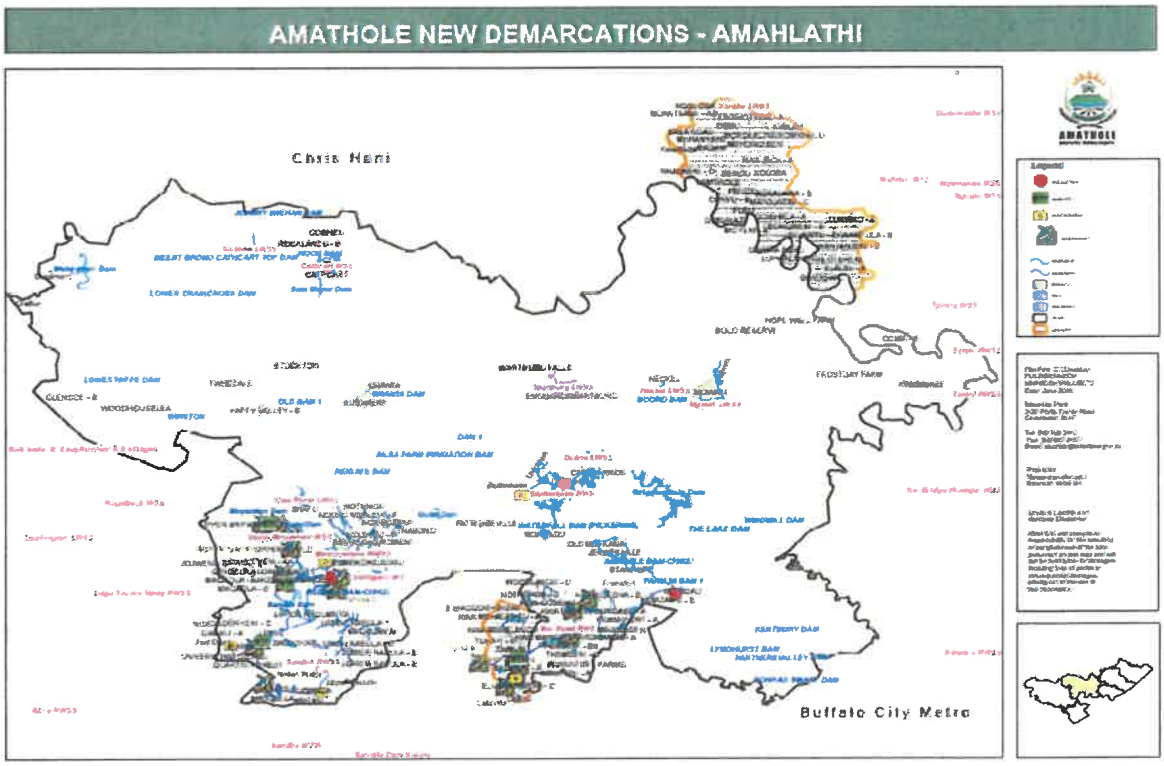
k) Organizational Design

MUNICIPAL MANAGER
DR. Z SHASHA

C: EXECUTIVE SUMMARY

1.1 Municipal Manager's overview

Amahlathi Municipality is a category B collective executive type with ward participatory system. This locality is situated in the Northern part of the Amathole District Municipality and stretches about 4266.21km2 between Raymond Mhlaba, Buffalo City, Great Kei and Chris Hani District. Amahlathi Municipality has four small towns namely; Stutterheim, Cathcart, Keiskammahoek and Kei Road. Stutterheim and Cathcart are strategically placed along the N6 road with access to the rail and road network. Keiskammahoek is the agricultural hub with a majority of the population active within the agricultural sector. Kei Road is the most underdeveloped town followed by Keiskammahoek. The main municipal offices are situated in Stutterheim where the Council is accommodated. The locality includes the bulk of the Amathole Mountain Range, Dohne Sourveld, Gubu and Wriggleswade Dams. The municipality is the home of major economic and development giants like Manderson Hotel, Dohne Agricultural Research Institute, Rance Timbers, ANCA Foods and Newden. The Forest Way also provides the municipality great tourist attraction sites on the foot of Amathole Mountains. The locality receives an average annual rainfall of about 600mm and is blessed with good soils in various areas thus giving it a somewhat high agricultural potential. The main economic sectors are community services, finance, manufacturing, trade, agriculture, construction and transport.

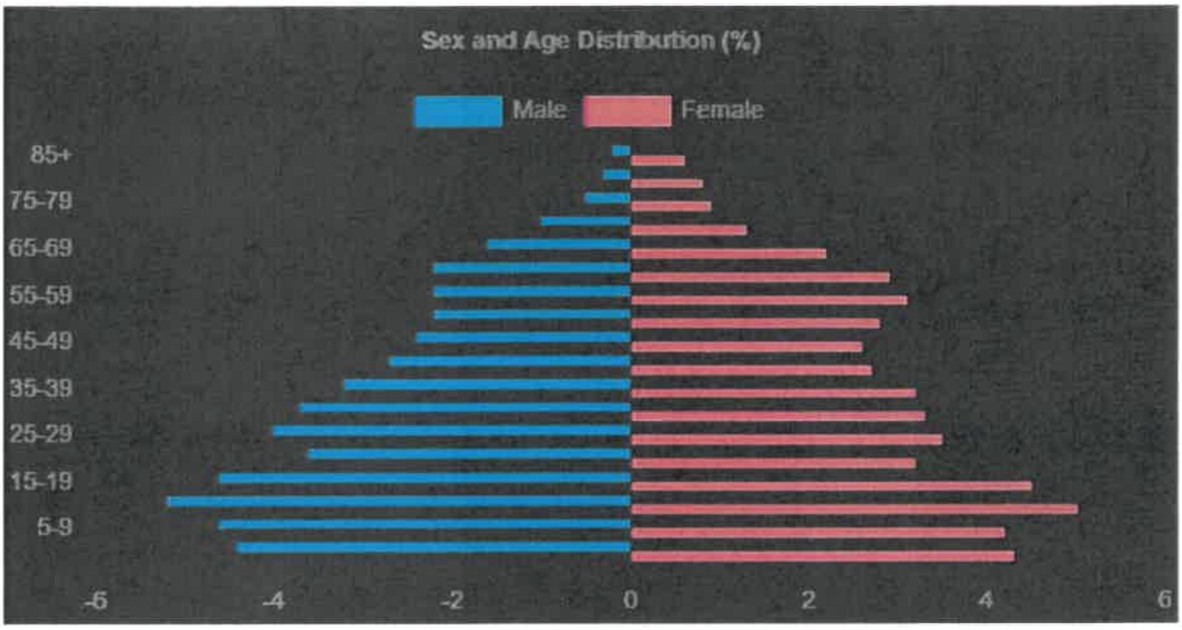


1.2 Population & Household dynamics

The population of Amahlathi has increased from **101 035 (2011) to 115 703** as per the 2022 Census by Statistics SA. This increase in population can be attributed to improved life expectancy, such as access to health facilities, job opportunities, improved safety in working environments, as well as the availability of services to the population residing in Amahlathi municipality. The number of households increase from **29 994** to **33 621** households. The population is unevenly distributed among the 15 wards.

Age and Gender Distribution

i. The gender distribution analysis of Amahlathi population reflects a similar pattern to that of the country with females accounting for 51.2% and males only 48.8%. Since females form the greater portion of the economically active population age groups 15 to 64 years, it will be strategic for the municipality to increase their participation in local governance issues.
ii. The population pyramid below provides a breakdown of the population estimates in the municipality by age group and gender for 2022. The population of the municipality shows a typical age structure of a very young population distribution. The economically active population (15-64) who are willing and able to work account for majority of the municipality's total population. Thus, the municipality has a well-balanced economic active population.



Source: Census 2022

1.3 Household Income distribution

It was estimated that in 2023 7.07% of all the households in the Amahlathi Local Municipality, were living on R30,000 or less per annum. In comparison with 2013's 24.23%, the number is more than half. The 72000-96000 income category has the highest number of households with a total number of 4 260, followed by the 54000-72000 income category with 4 020 households. Only 1.7 households fall within the 0-2400 income category.

1.4 Access to basic services

According to data below as presented by Statistics South Africa in their 2022 Census, over 80% of households in the past 15 years have access to water and electricity. However, during the two periods, access to water declined slightly although at high levels while significant increase in the provision of electricity was observed as more than 90% of households in the municipality. Access to electricity is reliant on infrastructure above ground with cables that are able to cover significant land area compared to services that are provided by infrastructure underground.

Toilet facilities remain at low levels. Challenges in providing sanitation services in most municipalities include in-ground factors and the soil type. The service is influenced also by the type of infrastructure the municipality should provide taking into consideration the topography of the municipality in terms of identifying of landmark features and vegetative land cover.

With regards to access to refuse removal much focus is required as levels are low and declining which is indication of high backlog levels. This could likely be a result of the sparsely distributed households including the access to the various wards in the municipality for the collection of the refuse. The high levels of refuse removal to a communal service indicates refuse being disposed in a central place by households as opposed to removal by the municipality or a service provider.

Table: Access to service delivery

Access to Basic Infrastructure	2011		2022	
	Households	% of households with access	Households	% of households with access
Main source of drinking water				
Access to piped water	26 269	92.0%	30 561	91%
No access to piped water	2 278	8%	3060	9%
Access to Sanitation				
Flush Toilets	7 640	27.5%	15592	46.40%
Chemicals	415	1.5%	643	1.9%
Pit Toilets	18 263	65.7%	16 237	48.3%
Buckets	67	0.2%	150	0.4%
Other	-	-	487	1.4%
None	1403	5.0%	514	1.5%
Energy for lightning				
Electricity	24 919	87.4%	31 878	94,80%
Other	3 590	12.6%	1 781	5.2%
Energy for Cooking				
Electricity	20 577	72.3%	23 323	69.4%
Other	7 880	27.7%	10298	30.50%
Access to refuse removal				
Removed by local authority at least once a week	7 113	24.9%	13 336	39,70%
Removed by local authority less often	96	0.3%	227	0,70%
Communal refuse dump	316	1.1%	1 323	3,90%
Own refuse damp	19 789	69.3%	16 067	47,80%
No rubbish disposal	1 150	4.0%	1471	4.40%

Source: Stats SA Community Survey 2016, own calculations

According to Census 2022 about 91% of the households in Amahlathi area access water from regional/ local water scheme operated by the municipality or other water service provider and only 9% that does not have access to piped water.

Electricity – 2022 Census as per the table above indicates that 94.80% of households at Amahlathi uses electricity for lighting compared to 87.4% calculated in the Census 2011 meaning there is a great improvement of about 7.4%.

Refuse removal - The statistics above indicate that about 47.80% in Census 2022 of Amahlathi households uses their own refuse dump as compared to 69.32% in 2022 and about 39.70% that have access to refuse removal at least weekly which is a great improvement compared 14.0% in 2011.

Natural Resources	
Major Natural Resource	**Relevance to Community**
Municipal Commercial Forest	Environmental aspect
Wetlands	Environmental aspect
	T 1.2.7

1.5 Financial Overview

The municipality's financial sustainability is visible from the large negative key ratios. The municipality adopted an unfunded budget. This is largely due to high creditors. Key successes achieved during the year included adoption of a budget surplus, reduction in distribution losses, third of Eskom debt written off. The municipality has developed a finance improvement plan to improve the municipalities financial sustainability. The municipality however remain reliant on Equitable Share and Conditional Grants.

Financial Overview: Year 2025/26			R' 000
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income:			
Grants (excluding Capital)	145 504 900	146 284 900	146 341 301
Taxes, Levies and tariffs	92 774 786	110 241 947	131 414 081
Other	27 892 701	55 528 123	29 318 887
Sub Total	**266 172 387**	**312 054 970**	**307 074 269**
Less: Expenditure	308 577 094	298 302 791	317 291 099
Net Total*	**(42 404 707)**	**13 752 179**	**(10 216 830)**
** Note: surplus/(deficit)*			*T 1.4.2*

Operating Ratios	
Detail	**%**
Employee Cost	44%
Repairs & Maintenance	1%
Finance Charges & Depreciation	12%
	T 1.4.3

The Employee related costs operating ratio of 44% is higher than industry norm of 40% and significantly more than AR expected norm of 30%. Repairs and maintenance have an operating ratio of 1%, which is lower than the industry norm of 8% of Property, plant and equipment and significantly lower than the AR expected norm of 20%. Finance charges and depreciation operating ratio is 12%. There is no listed industry norm for this ratio and the AR expected ration refers to Finance charges and Impairment and not Finance charges and depreciation. The past adopted budgets had significant budget deficits. This has since been corrected resulting in total operating expenditure significantly decreased. This decrease in operating expenditure, negatively affected the above ratios.

Employee related costs and finance charges in its nature are expenditure items which are not easily reduced over the short term.

Total Capital Expenditure: Year -2021/22 to Year 2025/26			R'000	
Detail	**Year 2021/22**	**Year 2022/23**	**Year 2025/26**	**Year 2025/26**
Original Budget	31 130 100,00	39 791 000,00	33 877 200,00	62 147 850
Adjustment Budget	39 667 600,00	41 341 171,00	65 649 950,00	86 346 352
Actual	27 192 520,00	32 713 152,39	50 956 366.00	74 234 387
		T 1.4.4		

The increase in Capital Expenditure from original budget to the adjustments budget is largely due to the approval of the Disaster Grant Roll over application and the allocation of the Small-Town Revitalisation Grant from the Office of the Premier. The variance between the Actual and Adjustments budget are largely due to the adjustments budget including VAT and the actual expenditure incurred are reported excluding VAT.

1.6 Auditor General Report 2024/25 Financial Year

The Amahlathi Local Municipality received an unqualified audit opinion for the 2024/2025 audit and the following matters were identified.

Material uncertainty relating to going concern- note 48 to the financial statements, indicates that the municipality is unable to pay creditors within due dates and has negative key financial ratios, and that net current liabilities were realised. As stated in note 48, these events or conditions, along with the other matters as set forth in note 48, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

- Restatement of corresponding figures - As disclosed in note 47 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2025
- As disclosed in note 4 and 5 to the financial statements, material cumulative allowance for impairment losses of R118,5 million (2023-24: R89 million) and R55,5 million (2023-24: R53,7 million) was incurred as a result of a provision for impairment of debtors.
- As disclosed in note 54 to the financial statements, material losses of R12 million (2023-2024: R18.4 million) were incurred, which represents 20% (2023-24: 35.3%) of total electricity purchased. The total losses are attributable to normal losses and illegal connections.

Report on the annual performance report

The report was evaluated on 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. AG performed the procedures to report material findings only; and not to express an assurance opinion or conclusion and did not identify any material findings on the reported performance information for the selected indicators.

A detailed report on the AG's findings is attached as part of Annual report for 2024/2025 financial period.

1.7 Statutory Annual Report Process

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year Annual Report to Internal Audit and Auditor-General	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public, and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January

The draft annual report was prepared in compliance with the Municipal Finance Management Act 56 of 2003 and Circular 63 of the MFMA was considered during the compilation of the report to ensure all components highlighted are addressed. The draft Annual report will be submitted to internal Audit for Review, Performance Audit Committee and be tabled to Council, Auditor General and MPAC for verification and be published for public comments. The final annual report will be submitted to COGTA MEC, Treasury and Legislature as legislated.

CHAPTER 2: GOVERNANCE

COMPONENT A. POLITICAL AND ADMINISTRATIVE GOVERNANCE

Institutional Structure of Amahlathi Local Municipality

The institutional Structure of Amahlathi Local Municipality is divided into two levels, the Political and Administrative Structures. The Administrative Structure is accountable to the Political Structure.

2.1. Political Structure of Amahlathi Local Municipality

The Principalship of Amahlathi Local Municipality lies with the Council with the Executive Committee as its primary committee to facilitate service delivery. The Mayor is the chairperson of the Executive Committee while Speaker is the chairperson of the Council. Whip of Municipal Council chairs the committee of Whips. The mayor is the political head of the municipality vested with powers to set out priorities over the financial affairs of the municipality in terms of Chapter 7 of the Municipal Finance Management Act.

Cllr N Nongqayi (Mayor)

Cllr N Mlahleki (Speaker)

Cllr P Qaba (Whip of Municipal Council)

The municipality has a total number of 30 Councillors where in 15 are ward councillors and 15 are proportional representative Councillors. The list and attendance of Council Meeting is appended as annexure A of this report.

STATUS ON 2025/26 IMPLEMENTATION ON COUNCIL RESOLUTIONS

Total number of resolutions taken is 205.

Resolutions	Total Number	Percentage	Non-Implemented resolutions	Reason for non-implementation
Implemented and Noted Resolutions	197	96,9%	N/A	N/A
In Progress	8	3.9%	N/A	N/A
Not Implemented	0	0%	N/A	N/A

LISTED BELOW ARE THE COMMITTEES THAT ASSIST COUNCIL IN CARRYING OUT ITS RESPONSIBILITIES;-

The Mayor of Amahlathi Local Municipality, **Honourable Cllr. N Nongqayi**, assisted by the Executive Committee, heads the executive arm of the Municipality. The Mayor is at the centre of the system of governance, since powers are vested in her to manage the day-to-day affairs. This means that she has an overarching strategic and political responsibility.
The executive committee consists of the Council members (chairperson of each standing committee) listed below and the heads of departments. Meetings are convened monthly but special meetings are convened when the need arises.

No.	Names
1.	Cllr Nomakhosazana Nongqayi
2.	Cllr Xola Tokwe
3.	Cllr Phatheka Qaba
4.	Cllr Nobathembu Kato-Manyika
5.	Cllr Busisa Xongwana
7.	Cllr. Richard Pickering

iii. **Municipal Public Accounts Committee (MPAC).**

The Municipal Public Accounts Committee is established to assist Council to fulfil its mandate of overseeing the Executive and the Administration.
The committee sits quarterly but special meetings are convened when the need arises. The main purpose of the MPAC is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality. Below is the list of the members of the committee.

No.	Names
1.	Cllr Zukisa Qonto
2.	Cllr Xoliswa Neti
3.	Cllr Masixole Gantsho
4.	Cllr Phathuxolo Able Simandla
5.	Cllr. Nicholas Ncevu
6.	Cllr. N.V. Mjandana

iv. **Standing Committees**

In terms of Section 80 of the Municipal Structures Act, 1998, if a council has an executive committee; it may appoint in terms of section 79 committees of councillors to assist the executive committee or the mayor.

Section 79 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council. The meetings are held monthly meaning 12 sittings per year.
The portfolio committee members together with their Chairpersons are as follow:

a. Infrastructure Service delivery Committee

No.	Names
1.	Cllr X.Tokwe - Chairperson
2.	Cllr N. Nyangwa
3.	Cllr N. Mbulawa
4.	Cllr R.B. Pickering **(Appointed as the Portfolio Head Community Services on the 12 December 2024)**
5.	Cllr M. Nqini

b. Corporate Services Committee

No.	Names
1.	Cllr P. Qaba- Chairperson
2.	Cllr M.E. Maweni
3.	Cllr N.C. Mkiva
4.	Cllr M. Neku
5.	Cllr P.N. Onceya-Sauti
6.	Cllr N. Ngxakangxaka

c. Community Services Committee

No.	Names
1.	Cllr. R. Pickering
2.	Cllr P. Budaza
3.	Cllr N.Z. Klaas

4.	Cllr S, Mqwebedu - Matini
5.	Cllr M. Nqini
6.	Cllr N.V. Mjandana

d. Planning and Development Committee

No.	Names
1.	Cllr B. Xongwana - Chairperson
2.	Cllr N. Ngxakangxaka
3.	Cllr M. Busakwe
4.	Cllr M.E. Maweni
5.	Cllr. N. Salaze

e. Budget and Treasury Committee

No.	Names
1.	Cllr N. Kato-Manyika Chairperson
2.	Cllr N. Mbulawa
4.	Cllr N.Nyangwa
5.	Cllr Z. Gavini deceased in 12 May 2026 (Cllr S. Mpayipheli appointed in 03 June 2026)
6.	Cllr M. Busakwe

v. **Other Committees**

Whips Committee

No.	Names
1)	Cllr P Qaba-Chairperson
2)	Cllr Moslina Nqini
3)	Cllr Nosipho Cynthia Mkiva
4)	Cllr Nonkanyiso Charlie
5)	Cllr Ntombizonke Vivian Mjandana
6)	Cllr Neliswa Mbulana
7)	Cllr Ndileka Ngxakangxaka
8)	Cllr Zani Ngozi
9)	Cllr. Onke Mgunculu

Rules, Ethics and Integrity Committee

No.	Names
1.	Cllr. Phakama Budaza - Chairperson
2.	Cllr Sizeka Mqwebedu - Matini
3.	Cllr Mbeko Neku
4.	Cllr Nonkanyiso Charlie
5.	Cllr Ntombizonke Vivian Mjandana
6.	Cllr. Moslina Nqini

Local Labour Forum Committee

The Local Labour Forum is a consultative structure that only takes decision within its powers and functions. The main collective agreement confers to the Local Labour Forum powers and functions of negotiating and or consulting among other things.

- On matters of mutual concern pertaining to the employer which do not form the subject matter of negotiations at the council or Division
- On such matters as may from time to time be referred to such forum by the Council or its division.
- Concluding of minimum service level agreement

The Local Labour Forum is established with equal representation from trade unions and the employer with the trade union's representation divided in proportion to their respective membership. In the year (25/26) under review the Local Labour Forum was functional. 4 LLF meetings were held as follows:

No.	Dates of Local Labor Forum
1.	13 August 2025
2.	18 November 2025
3.	10 February 2026
4.	07 May 2026

a. COMPOSITION OF LOCAL LABOUR FORUM COMMITTEE

No.	Names
1.	Cllr. P. Qaba – LLF Chairperson
2.	Cllr: N. Mkiva
3.	Cllr. N. Manyika
4.	Cllr. R. Pickering
5.	Ms. B. Ngwendu
6.	Ms. N. Nqulo
7.	Ms. A. Noholoza
8	Ms. T. Ndlamhlaba
9.	Mr. V. Msindwana – Labour Relations Officer
10.	Ms. T. Magwangqana -SAMWU Rep
11.	Mr. L. Nkongo -SAMWU Rep
12.	Mr. X. Roji-SAMWU Rep
13.	Mr. B. Sokrowa Imatu Rep
14	Mr. V.Bambatha – SAMWU Rep
15.	Mr. L. Ngudle- SAMWU Rep
16.	Ms. E. Tomose- SAMWU Rep
17.	Mr. X. Njaba – Admin Officer

b. Audit and Performance Committee

The function of the Audit and Performance Committee is primarily to assist the Municipality in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of financial reports and statements. During 2025/26 financial year, the term of the audit and performance committee came to an end on 31 August 2025. On 01 September 2025 a new audit and performance committee was appointed. The following tables have the details.

Table 1: Audit and Performance Committee that served until 31 August 2025

NUMBER	SURNAME AND INITIAL	QUALIFICATION
1.	Smith L - AC Chairperson	CA (SA), Registered Auditor
2.	Mdani M - AC Member	Master's in business administration Post Graduate Diploma Management B.Tech HRM National Diploma in HRM
3.	M. Manxiwa - AC Member	Attorney (Registered with Legal Practice Council) Bachelor of Law Corporate Law Certificate
4.	N. Hermanus-Mabuza - AC Member	Professional Internal Auditor (PIA) – (IIA) Master's in business administration Certificate: Advanced Business Program National Diploma: Internal Auditing Certificate: Information System Computer Auditing Accredited: Internal Quality Assurance Review (IIA)

The above audit and performance committee members attended the following meetings

Ordinary Meetings	Special Meetings
07- Aug 25	17 Aug -25
	27 Aug -25

The following APC member were appointed by the council for a term of three years commencing from 01 September 2025.

MR CHUMANI NGELE CA(SA) CHAIRPERSON

MS N. NGEWU (ORDINARY MEMBER)

MS N HERMANUS MABUZA (ORDINARY MEMBER)

NUMBER	SURNAME AND INITIAL	POSITION	QUALIFICATION
1.	Mr Chumani Ngele CA(SA)	Chairperson	CA (SA), Registered Auditor
2	N Hermanus Mabuza	Ordinary Member	Professional Internal Auditor (PIA) – (IIA) Master's in business administration Certificate: Advanced Business Program National Diploma: Internal Auditing Certificate: Information System Computer Auditing

NUMBER	SURNAME AND INITIAL	POSITION	QUALIFICATION
			Accredited: Internal Quality Assurance Review (IIA)
3	N. Ngewu	Ordinary Member	

APC members appointed on 01 September 2025, attended the following meetings during 2025/26 financial year.

Name of Member	Role	Number of meetings attended	21 Oct 25	21 Jan 26	27 Jan 26	21 Apr 26	25 May 26
Meeting Type			Ordinary meeting	Ordinary meeting	Special Meeting	Ordinary meeting	Ordinary meeting
Mr Chumani Ngele	Chairperson	4	P	P	P	P	A
Ms Nosipho Ngewu	Ordinary Member	5	P	P	P	P	P
Ms Nosipho Hermanus-Mabuza	Ordinary Member	5	P	P	P	P	P

c. Training and Employment Equity Committee

In terms of the regulations to the Skills Development Act, every organisation with more than 50 employees must establish an institutional forum (Training & Employment Equity Committee) for purposes of consultation with regards to skills development. The Training & Employment Equity Committee consists of the following Councillors and Officials, and it sit bi-monthly. In the year (2025/26) under review the Training and Employment Equity Committee was functional, and meetings were held as follows:

No.	Dates of Training & Employment Equity meetings
1.	20/08/2025
2.	04/11/2025
3.	31/03/2026
4.	30/06/2026

d. Composition of Training and Employment Equity committee

No.	Names
1.	Cllr. P. Qaba – TEEC Chairperson
2.	Cllr. N. Ngxakangxaka
3.	Cllr. NC. Mkiva
4.	Cllr. NA. Kato-Manyika
5.	Cllr. MA. Busakwe
6.	Cllr. Mlahleki N
7	Cllr R. Pickering
7.	Chief Financial Officer
8.	Ms. N. Nqulo – Director: Corporate Services
9.	HR Officer
11.	Skills Development Facilitator/Training Coordinator
12.	Occupational Levels: Representatives: - Senior Management - Professionally qualified & experienced Specialists & Middle Management - Skills -technical - Semi-skilled - Unskilled
13	• Imatu Representative
14.	• Samwu Representative
15.	• Non-Union member representative
16.	Mr. X. Njaba – Admin Officer/Secretariat

2.2 Administrative Structure of Amahlathi Municipality

The Municipal Manager is the head of administration. Directors as heads of departments report directly to the Municipal Manager while the Municipal Manager accounts to the Mayor and Council.

DR SHASHA (MUNICIPAL MANAGER)

MS NOZUKO NQULO – CORPORATE SERVICE

MS N DLOVA – ENGINEERING DIRECTOR

MS ANDISWA NOHOLOZA – COMMUNITY SERVICES

MR S MNWEBA
DIRECTOR DEVELOPMENT AND PLANNING)

MS B NGWENDU (CHIEF FINANCIAL OFFICER)

ROLES AND RESPONSIBILITIES OF DIRECTORATES

Role of the Chief Financial Officer:

- Is administratively in charge of the budget and treasury office.
- Must advise the accounting officer on the exercise of powers and duties assigned to the accounting officer in terms of this Act.
- Must assist the accounting officer in the administration of the municipality's bank accounts and, in the preparation, and implementation of the municipality's budget.
- Must advise senior managers and other senior officials in the exercise of powers and duties assigned to them in terms of section 78 or delegated to them in terms of section 79.
- Must perform budgeting, accounting, analysis, financial reporting, cash management, debt management and supply chain management.
- Financial management, review and other duties in terms of section 79 as delegated by the accounting officer.
- The chief financial officer of a municipality is accountable to the accounting officer for the performance of the duties referred to in subsection.

Role of the Director Engineering Services

- Responsible for the maintenance of all Municipal roads and storm water with the limited funding and machinery that is available. This does not include roads that fall under the Department of Roads and Public Works and South African National Road Agency Limited (SANRAL).

- The goal of the Building Control Unit is to enable the Amahlathi Municipality to fulfil its role as a controller of all Building activities & maintenance of all buildings, Engineering Planning aspects of services provision of new settlement areas and ensure that municipal buildings are continuously and adequately maintained.

- The goal of the PMU Unit is to ensure the successful implementation and management of all capital infrastructure projects within Amahlathi Municipality. The unit oversees projects which are mostly funded by grants such as Municipal Infrastructure Grant (MIG) / INEP /DMRE. The MIG programme is aimed at providing all South Africans with at least a basic level of service. INEP/DMRE programme aims for all households to be provided with an electricity supply.

- Electricity provided in Stutterheim, Cathcart & Amabele Village Station under the NERSA Distribution Licence NER/D/124EC. Eskom is responsible to provides electricity supply and connections to villages not covered in terms of NERSA Distribution Licence NER/D/124EC terms and conditions.

- Distribution & Reticulation: The goal is to maintain the systems in order to provide a safe, reliable and efficient electricity supply. Meter readings & monitoring of consumption with assistance of BTO to ensure efficiency in electricity service provided.

- Public Lights (Street & High masts): All Public lights funded through the municipal rates component, the electricity section responsible for planning, installation of new lights as well as the maintenance of public lights.

- Municipal Buildings: Ensure electrical supply to premises as a customer. Guidance with compliance in terms of SANS electricity wiring of premises. Monitoring of work quality in compliance with the Occupational Health & Safety Legislation. HVAC (Air Conditioners) – guidance to other units, monitoring quality and compliance in terms of Occupational Health & Safety requirements and Legislation.

Role of the Director Development Planning

- Facilitation of Local Economic Development
- Co-ordination of agricultural programmes
- Support to SMME's and Co-operative's
- Co-ordination of Tourism development
- Promotion of Culture and Heritage sub-sectors within Amahlathi
- Development of Local Economic Development related policies
- Co-ordination of Human Settlement delivery within Amahlathi
- Management of Spatial Development and Town Planning
- Land Use Management
- Ensure effective use and management of Municipal land
- Lead the implementation of High Impact Development Initiatives
- Facilitation of Development Partnerships.

Role of the Director Corporate Services

Plans, coordinates and manages activities of the Human Resources department to ensure the delivery of HR services such as HR Planning, Personnel Provisioning, and Administration of conditions of service, Personnel utilisation, Industrial relations and skills development.

• To develop a departmental vision and strategy and ensure implementation to provide effective service delivery.

• Manages performance of employees in the Department to ensure optimal work performance. Plans and manages utilisation of resources in order to perform activities. Develops and monitor systems, policies, procedures and processes to ensure correct working operations and practices.

• Manage the Human Resources department of the Amahlathi Council to ensure compliance with the corporate services directorate strategic plan.

• Develop, Manage and administer the recruitment and selection policy to ensure compliance with Recruitment and selection policy of the Municipality.

• Promote good and sound industrial relations environment to ensure labour stability in the municipality.

• Administer the implementation of the Employment Equity to ensure compliance with the Employment Equity Plan.

• Manage the Training and Development Function to ensure effective training system in the Municipality.

• Overall management of the Occupational Health and safety to ensure compliance with the OHS Act.

• Manage the use of Council resources to ensure economic, effective and efficient service delivery.

• Management of an administration system that is efficient and facilities decision making and service delivery throughout the Amahlathi Municipality

• Manage the Municipality's administration in accordance with the constitution, local government municipal structures act and other applicable legislation.

• The effective management of Human Resources in order to ensure that transaction and implementation of skills development, employment equity, performance management and fleet management.

Role of the Director Community Services

To contribute towards a safe and secure environment
To promote a clean and healthy environment
To promote a culture of reading and learning
To ensure that public amenities are improved and well managed
To reduce number of road carnages on our Public Roads
To increase Traffic visibility in our Municipal Roads

B. INTER GOVERNMENTAL RELATIONS

NATIONAL & PROVINCIAL INTERGOVERNMENTAL STRUCTURES

Amahlathi Municipality participated in the quarterly munimec. The munimec provided a platform for the municipality to engage in intergovernmental relations with the Provincial Executive Council (MEC) to ensure effective service delivery and alignment with broader government goals. This involved participating in discussions, coordinating efforts, and addressing challenges related to municipal functions and development. The last munimec was held on the 12 – 13 June 2025.

RELATIONSHIPS WITH MUNICIPAL ENTITITIES

The municipality does not have an entity. The Amathole Economic Development Agency SOC Ltd also trading as ASPIRE does assist the municipality in certain programs. Aspire is an entity of Amathole District Municipality. One of the project that Aspire is currently working on is the development of Cathcart Revitalization Strategy.

DISTRICT INTERGOVERNMENTAL STRUCTURES

Amahlathi Local Municipality participates in the District Mayor's Forum (DIMAFO). The Amahlathi Local IGR tables its reports to the Amathole District Mayor's Forum to ensure alignment with the district wide planning. The local IGR also escalates matters that cannot be resolved at local level to the DIMAFO. The main issues that usually get escalated are service delivery challenges, government debt and catalytic projects. The DIMAFO is normally preceded by the municipal manager's forum. The forum deals with issues that can be resolved at a technical level and prepares for the political session. National and provincial department participate in the DIMAFO. The DIMAFO escalates matters to the MuniMec.

The DIMAFO also serves as a political platform to oversee the District Development Model (DDM). The municipality participates in the DDM which is coordinated by the district municipality. The office of the municipal manager identified staff to provide support in the DDM.

2.3 Inter Governmental Relations committee

Chapter 3 of the Constitution Act 108 of 1996 provides for the principles that underpin the relations between the spheres of government. IGR meetings sit on a quarterly basis and are information-sharing sessions that seek to align planning between the municipality and other spheres of government.

Amahlathi Local Municipality has developed and adopted an IGR Policy Framework in 2016/17 that encourages establishment of IGR Clusters and the broader IGR to provide a platform for the meeting of minds of sector departments, stakeholders and the municipality.

The table below illustrates all the dates that broader IGR forum meetings were held during each quarter:

Quarter	Date
Q1	18 September 2025
Q2	28 November 2025
Q3	11 March 2026
Q4	13 May 2026

All four quarterly IGR meetings managed to sit with the concern of inconsistences on attendance of sector departments.

A. PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 Communication, Participation and Forums

The Municipality has a Public Participation Policy that was adopted by Council on 1 September 2015, and it is. reviewed annually. In accordance with Municipal systems Act 2000, the municipality holds regular IDP/PMS/ Budget Representative Forum meeting in drafting IDP and Budget. Forum meetings are be convened quarterly in preparation of each phase.
The following forms are used in calling the interested parties.

- ✓ Website, Facebook, Notice Boards to publish our notices.
- ✓ Community Radio Stations to reach those parts of our community that do not read newspaper.
- ✓ Posters, pamphlets, ward councillors, ward committees, Community Development Workers (CDW) and
- ✓ announcements through community gatherings and community-based organizations
- ✓ Loud hailing

The municipality communicates promptly with the communities via Facebook, radio, notices, audio-visuals, and word of mouth. The most effective is the Facebook page. During the financial year the page saw increase in its following from 6000 to 9443. The Facebook page is followed mostly by youth, unemployed persons and the middle-class citizens. The municipal communication, although aimed at making communities aware of the municipal affairs, is also aimed at encouraging communities to be involved and participate in the affairs of the municipality.

IDP ROADSHOWS

Each year during the second quarter the executive committee as led by the mayor embark on roadshows to collect community needs and priorities. This process is conducted by holding meeting in each of the four clusters of Amahlathi Local Municipality. In the year under review the meetings took place from November until early December. The notices for the meeting are issued out by the communications via Facebook, ward councillors, WhatsApp groups, notice boards and the word of mouth. The attendance varied with communities. In the Cathcart areas the meetings were attended in good numbers while in Mlungisi the attendance was less than desired. Some communities held their meetings with their ward councillors and prepared their needs and priorities which were submitted by the respective ward councillors.

WARD BASED PLANNING

The municipality also embarked on a program to develop ward-based plans. The project was pioneered with five wards which are based in the Stutterheim cluster. Those are wards 6, 9, 13, 14 and 15. These wards are expected to update their plans prior to the IDP Roadshows. During the IDP Roadshows the ward councillors will present the plans and hand a copy to the municipality for inclusion in the IDP. The remaining wards will continue list their needs and priorities in the traditional way whilst another five is assisted to develop its ward-based plans. The ward-based plans programme was spanned for three years (2025-2027). The project was of completing the first set of 15 ward-based plans was completed by 30 June 2026 with the year under review accounting for 10 ward-based plans instead of the targeted five.

IDP AND BUDGET REPRESENTATIVE FORUM

The municipality conduct a Rep Forum quarterly to maximise consultation on the development of the IDP and Budget. In the year under review all Rep Forums were conducted successfully. The Rep Forum is attended by ward committees, community stakeholders, sector departments and the municipality. The Rep Forums are meant to provide consultations at different stages of development of both IDP and budget. The last rep forum looks at the Final IDP and Budget before the council approves them in the council of May. In the year under review stakeholders, ward committees and all participants in the rep forum were afforded an opportunity to input on the IDP and Budget before it is tabled for approval in council. Other people use Facebook to submit their inputs for consideration in the IDP.

Other structures used to enhance public participation is through Ward Committee Meetings, LED Forums and SPU Forums and Local Communicator's forum which are convened quarterly. To ensure that the needs of unorganized groups are represented as well, advocacy groups and Non-Governmental Organizations (NGOs) are used as well for communication. Meetings of the Representative Forum will be held in any appropriate Municipal buildings and the preferable languages that we use during these sessions are:

- English
- Xhosa

The following tables reflects the roadshows that were conducted during the year under review.

PURPOSE	DATE	VENUE	TIME	CLUSTER
Priority needs Identification	14 October 2025	Cathcart Town Hall	11H00	Cathcart Cluster
	17 October 2025	Mlungisi Community Hall	11h00	Stutterheim Cluster
	21 October 2025	Border Post Community	11H00	King Kei Cluster
	23 October 2025	Springbok Hall	11H00	Keiskammahoek Cluster
Representative Forum	15 August 2025	Mzwandile Fanti recreational hall	10H00	Stutterheim Cluster
	26 November 2025	Mzwandile Fanti recreational hall	10H00	Stutterheim Cluster
	31 March 2026	Mzwandile Fanti Recreational Hall	10H00	Stutterheim Cluster
	27 May 2026	Mzwandile Fanti Recreational Hall	10H00	Stutterheim Cluster
Annual Report Roadshow Agenda	11 November 2025	Springbok Community Hall	11H00	Keiskamahoek Cluster
	12 November 2025	Border Post Community Hall	11H00	King Kei Cluster
	13 November 2025	Mzwandile Fanti Recreational Hall	11H00	Stutterheim Cluster
	1 December 2025	Ndumangeni Community Hall	11H00	Cathcart Cluster
Ward Based Planning	09 September 2025	Cathcart Library	11H00	Cathcart Cluster
	20 October 2025	Keiskamahoek Taxi Rank	11H00	Keiskamahoek Cluster
	31 October 2025	Border Post Community Hall	11H00	King Kei Cluster
IDP/Budget/PMS	15 April 2026	Border Post Community Hall	10H00	King Kei Cluster
	17 April 2026	Mlungisi Community Hall	10H00	Stutterheim Cluster
	17 April 2026	Kwazidenge Community Hall	10H00	Stutterheim Cluster
	17 April 2026	Cathcart Town Hall	10H00	Cathcart Cluster
	17 April 2026	Springbok Community Hall	10H00	Keiskamahoek Cluster

2.4.2 Ward Committees

Ward committees were formally introduced in year 2000, and since then our municipality had always had ward committees. The ward committees are established in each ward every five years. The term of office for the ward committees run concurrently with the term of office for the council. In line with Chapter 4 of the Municipal Structures Act 1998, the municipality is committed to enhance democratic, open, transparent and participatory system of local governance within its area of jurisdiction. The municipality is mandated by the Municipal Structures Act to elect Ward Committees within 90 days after the local government elections. After the inauguration of the new Council on 22 November 2021, the establishment of ward committees commenced on 5 January and a total of 150 ward committees were elected 10 in each ward of the 15. Ward Committees were inducted by the municipality and COGTA on 10 and 11 May 2022. From 12 May the 150 ward committees commenced with their duties.

Ward Committees are governed by the Ward Committee Functionality Policy and the Ward Committee Handbook published by COGTA. The Municipal Structures Act requires that, in addition to equitable gender representation, the ward committee should represent a diversity of interests in the ward. The purpose of the ward committees is to strengthen democracy in the ward by creating a platform in the ward where all interest groups are given an opportunity to identify their needs and raise their concerns, for a total ward need analysis and priorities. The ward committees also monitor the performance of the municipality and raise issues of concern to the local ward and assist with community awareness campaigns e.g. waste, water and sewage, payment of rates and charges, as members know their local communities and their needs.

In the year under review the municipality had approximately 146 ward committees instead of the required 150. The remaining 4 ceased to hold office for various reasons. The ward committees were functional in 2025/26 financial year. Word committees sit at least once in a month. The minimum expected for each ward was 12 meeting one in each month. The ward boundaries differ in nature from those that are vast, congested and those that are in the middle. The ward councillors submit monthly reports and attendance registers as well as the payroll registers for the ward committees

2.5 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
** Section 26 Municipal Systems Act 2000*	*T 2.5.1*

D. CORPORATE GOVERNANCE

The council recognises the wide range of risks to which Amahlathi Local Municipality is exposed. Amahlathi Local Municipality is committed to the effective management of risk to achieve the municipal goals and objectives, as well as converting risk into opportunities that create value for the municipality stakeholders. It is therefore a strategic objective to adopt a process of integrated risk management that will assist Amahlathi Local Municipality in meeting its key goals.

The Risk Management Committee is responsible for the assessment of risk to ensure that risk control and management efforts are not duplicated, risk identification "gaps" are avoided and that interdepartmental risks are identified and managed in a timely manner.

The municipality maintains the following categories of Risk Registers to ensure comprehensive identification, assessment, monitoring, and mitigation of risks across all areas of the institution:

- Strategic Risk Register – captures risks that may impact the achievement of the municipality's strategic objectives and service delivery priorities.
- Fraud Risk Register – records risks relating to fraud, corruption, unethical conduct, and other irregular activities that may negatively affect the municipality.
- Litigation Risk Register – contains risks associated with legal matters, claims, disputes, and potential litigation involving the municipality.
- Information and Communication Technology (ICT) Risk Register – identifies risks relating to information systems, cybersecurity, data management, ICT infrastructure, and technology service continuity.
- Operational Risk Registers – maintained by each department to identify and manage risks arising from day-to-day operational activities, processes, systems, and service delivery functions within their respective areas of responsibility.

During the 2025/26 risk assessment the following strategic risks were identified and prioritised. :

- Electricity Distribution Losses above the norm of 12% or less.
- Inadequate provision and maintenance of basic service delivery infrastructure
- Inability to meet current and future financial obligations
- Inability to leverage on fleet as a strategic resource for service delivery.
- Ineffective implementation of communication strategy
- Non-Compliance with laws, regulations and statutory prescripts.
- Inadequate Business Continuity Management within the municipality
- Inability to create a conducive environment for economic prosperity.
- Unsound labor relations between employer and employee
- Ineffective implementation of UIFWE Strategy (Unauthorized, Irregular, Fruitless and Wasteful Expenditure)

<u>Existence of the committee and functionality.</u>

The municipality has Risk Management Committee which consists of all Section 56 managers and is supported by the appointed departmental risk champions. Risk management reports are reviewed quarterly by the Risk Management Committee. The municipality conducted strategic, operational, litigation, fraud and ICT risk assessments in the 2025/26 financial year.

Risk Committee Meetings for monitoring risk implementation process were held on the following dates:

- 15 July 2025
- 15 October 2025

- 16 January 2026
- 21 May 2026

2.6 Anti- Corruption and Fraud

FRAUD AND ANTI-CORRUPTION STRATEGY

The municipality has Fraud Prevention Plan and Anti-Corruption Policy in place that were adopted by Council.

The municipality is currently using the Presidential Fraud Hotline as a mechanism through which members of the public, employees and other stakeholders can report suspected fraud, corruption and related irregularities. The Presidential Fraud Hotline number is 0860 701 701.

Financial Disciplinary Board is established to investigate alleged financial misconducts.

MPAC and Audit Committee are the oversight committees to investigate irregularities in contravention with MFMA.

Risk Management Unit conducted Fraud Awareness Campaigns within the municipality three times in 2025/26 financial year.

Fraud Risk Register is in place.

Whistle-blowing policy for protection of the whistle-blowers has been developed and approved by the Council.

Strategies in place for prevention i.e., campaigns etc.
The municipality conducted 3 fraud awareness campaigns during the financial year under review as follows;

- 27 February 2026 – Stutterheim
- 12 May 2026 – Kieskamahoek
- 29 June 2026 – Engineering Services Department

2.7 Supply Chain Management

Section 3(1) (b) and (c) of the SCM regulations states that the accounting officer of a municipality must at least annually review the implementation of SCM policy and when necessary, submit proposal for the amendments of the policy to council. The SCM policy was initially developed in 2005 and implemented to give effect to the SCM regulations, and it was last reviewed in January 2023. Amahlathi has established an SCM unit which comprises of four officials. The code of conduct, oath of secrecy and declaration forms are signed by all officials involved in supply chain management. The SCM manager has reached prescribed levels as required by the Minimum Competency Regulations Guidelines and the other three officials are still in the process of completing the minimum requirements. In line with Municipal Finance Management Act (MFMA), the accounting officer has also established various bid committees that are consistent with the SCM regulations and any applicable legislation for competitive bidding i.e.

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

Range of procurement processes

STRUCTURE OF APPROVAL		
GOODS/SERVICE VALUE	**PROCUREMENT METHOD MINIMUM**	**APPROVAL AUTHORITY**
R0 – R2 000	Petty Cash	Head of Department or Delegated Authority
R2 001 – R5 000	Three Quotes	Head of Department or Delegated Authority
R5 001 – R30 000	Three Quotations	Head of Department or Delegated Official
R30 001-R300 000.00	1 Week Bulletin Notice and Advertisement via Website: Three Quotations	Chief Financial Officer
R300 001 – R2 Million	Competitive Bidding Process	Bid Adjudication Committee
R2 Million – R10 Million	Competitive Bidding Process	Bid Adjudication Committee
Above R10 Million	Competitive Bidding Process	Accounting Officer

2.8 Websites

Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report (Year -2022 /23)	Yes	
The annual report (Year 2024/25) published/to be published	Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2025/26) and resulting scorecards	Yes	
All service delivery agreements (Year 2025/26)	No	
All long-term borrowing contracts (Year 2025/26)	Not Applicable	
All supply chain management contracts above a prescribed value (give value) for Year 2025/26	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 2025/26	No	
Contracts agreed in Year 2025/26 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 2025/26	Not Applicable	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2025/26	Yes	

2.9 Bylaws

NO.	LOCAL AUTHORITY NOTICE	GAZETTE NO.
1.	Local Government : Municipal Systems Act (32/2000) : Municipality of Amahlathi: Street trading By-Law	1668
2.	Keeping of dogs and other animals By-Law	1668
3.	Neglected buildings and premises By-Law	1668
4.	Prevention of nuisances By-Law	1668
5.	Solid waste disposal By-Law	1668
6.	Use and hire of municipal building By-Law	1668
7.	Public open space By-Law	1668
8.	Advertising signs By-Law	1668
9.	Cemeteries and crematoria By-Law	

		1668
10.	Ward committees By-Law	1668
11.	Delegation of powers By-Law	1668
12.	Community fire safety By-Law	1668
13.	Standing rules for council By-Law	1668
14.	Credit control By-Law	1668
15.	Indigent support By-Law	1668
16.	Rates policy By-Law	1668
17.	Tariff policy By-Law	4076

The municipal by-laws are created by council to regulate activities within their jurisdiction, covering a wide range of areas like zoning, waste management, and building regulations. These regulations are crucial for maintaining order, safety, and public health within the locality. The institution has 19 by laws and all 19 by-laws are promulgated. Most of these by-laws are old. The municipality in the following years will embark on the process of reviewing the old by-laws.

By-laws Introduced during Year 0					
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**
None	None	No	None	No	None
**Note: See MSA section 13.*					*T 2.9.1*

2.10 Public Satisfaction on Municipal Services

The municipality conducted a community satisfaction survey at the end of 2023/24 financial year. The survey covered the rate paying areas. The purpose was to ensure that the complaints are addressed during 2024/25. Most complaints were on unemployment, dilapidated roads, electricity loadshedding and water outages. The municipality addressed these issues during the 2024/25 financial year leveraging on the municipal disaster grant and municipal infrastructure grant.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

COMPONENT A: BASIC SERVICES

3.1 ELECTRICITY

Amahlathi LM distributes electricity to areas under the NERSA licence (Stutterheim, Cathcart and Amabele). Customers within this jurisdiction have access to electricity and is supplied by Amahlathi LM. All customers that are indigent and are registered with the Municipality database receives free electricity and certain services as per the indigent policy of the Municipality. The Municipality has initiated to replace all faulty meters, and this has yielded significant improvement in the electricity losses for 24/25 financial year. Amahlathi is currently busy implementing a project to replace all meter to smart meters to ensure efficient energy monitoring and service delivery. The other two projects that's a priority to the Municipality is the upgrade of the Cathcart Substation and the Stutterheim Main intake substation to ensure there is reliable and stable power supply to the Amahlathi residents. The Municipality is also looking into increasing the Notified Maximum Demand from Eskom to ensure the electricity demands of the community especially businesses and investors are catered for thus creating more economic stability within Amahlathi.

The rural parts of Amahlathi are being supplied by Eskom. The Municipality also has a wheeling agreement with Eskom to supply Kati-Kati and Daliwe through the Cathcart substation.

Through funding sources like INEP, the Municipality is continuously striving to address backlogs in electrification projects not only within Amahlathi jurisdiction but also within Eskom areas.

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

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

Capital Expenditure Year 0: Electricity Services R' 000					
	Year 0				
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R27 371 792				
Upgrade of Cathcart SS	R12 440 000		R12 440 000		R12 440 000
Upgrade of Stutterheim SS	R5 000 000		R5 000 000		R5 000 000
STR Stutterheim public lighting	R4 000 000		R4 000 000		R4 000 000
STR Keiskammahoek public lighting	R 5 049 115,68		R5049115		R5 049 115
Electricity Maintenance Plan	R882 677		R882 677		R882 677
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.3.8*

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The 4 largest projects prioritized by the Municipality is a s follows.

1. RT29 Smart meter project
2. Upgrading of Cathcart Substation
3. Upgrading of Stutterheim Main intake substation
4. STR Stutterheim public lighting
5. STR Keiskammahoek public lighting
6. Development of electricity master plans

The RT29 smart meter project was initiated in April 2025 and will continue for a period of three years. The project has completed the first phase which included the audits and installation of single-phase meters within Amahlathi. The other projects mentioned were completed within the allocated time and budget.

Eskom agreement on wheeling in place and credits allocated on the Municipal account in terms of the Eskom usage.

Operating expenditure for the 25/26 financial year was fully utilised on items such as purchasing of materials for new connections, on infrastructure repairs and maintenance and purchasing of materials like transformers. The installation of new meters within Amahlathi during the 25/26 financial year has dropped the electricity losses from 35%(in 23/24) to 13.78% in the 25/26 financial year.

3.2 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

In the initial year of implementing the National standard for weekly refuse collection from every household, a comprehensive approach has been adopted to ensure equitable and consistent waste management services across all clusters. The primary actions include expanding collection areas, increasing fleet capacity, and initiating door to door community surveys awareness campaigns to promote participation and proper waste disposal.

Major successes achieved and challenges faced

- **Expansion of service coverage:** Significant progress has been made in extending refuse collection services to previously underserved or unserved households e.g. Kologha Township.
- **Fleet and infrastructure:** A refuse compactor truck was procured under MIG which has improved efficiency and reliability on waste collection.
- **Public engagement:** Successful awareness campaigns have increased household participation rates and improved waste disposal practices, contributing to cleaner communities such as a Waste Management Survey link posted on the municipal facebook page.
- **DFFE Programmes:** Cleaning and Greening (56 in Stutterheim, 15 Cathcart, 10 Keiskammahoek, 8 Kei Road and 4 Amabele), Environmental Youth Graduates (10 Graduates), Municipal Environmental Graduates programme (2 graduates).
- **Environmental Awards Competition:** Conducted by DFFE graduates on the 22 May 2026. The competition targeted primary school learners under the theme "Turning Waste into Art" with the objective of promoting awareness that waste has a value. The initiative is planned to be hosted annually.

The following awareness, clean-up and clearing of illegal dumping hotspots campaigns were conducted:

- **Table 1: Awareness campaigns conducted**

AREA	ACTIVITY	WARD	DATE
Keiskammahoek town own & Sophumelela township	Door to Door awareness and compliance checks were conducted in businesses.	1	12 August 2025.
Thembelihle primary school	Waste and Environmental management awareness campaign. Focused on different types of waste and its origin, types of waste management (recycling, composting, landfill, incineration) waste minimization (re-use, reduce, recycle), pollution and prevention.	7	18 September 2025.
Kei Road Township & Businesses	Door to Door Awareness Campaign	8	16 October 2025
Daliwe Primary School	Waste and Environmental management awareness Campaign. Focused on different types of waste and its origin, types of waste management (recycling, composting, landfill, incineration) waste minimization (re-use, reduce, recycle), pollution and prevention.	5	31 October 2025
Fundani Public School	Waste and Environmental management Awareness Campaign. Focused on different types of waste and its origin, types of waste management (recycling, composting, landfill, incineration) waste minimization (re-use, reduce, recycle), pollution and prevention.	5	31 October 2025
Daliwe Primary school	Waste and Environmental management awareness Campaign. Focus was on waste minimization (recycle,	5	9 March 2026

	reduce, re-use, composting), types of waste and proper disposal of waste.		
Sivuyile Primary school	Waste and Environmental management awareness Campaign. Focus was on waste minimization (recycle, reduce, re-use, composting, types of waste and proper disposal of waste.	1	4 March 2026
Douglas Ross Primary school	Waste and Environmental management awareness Campaign. Focus was on waste minimization (recycle, reduce, re-use, composting, types of waste and proper disposal of waste.	1	19 May 2026
Zamukhanyo Primary school	Waste and Environmental management awareness Campaign. Focus was on waste minimization (recycle, reduce, re-use, composting, types of waste and proper disposal of waste.	13	1 June 2026
Amatolaville and Kologha township	Door to Door Waste and Environmental Management survey	6 & 13	15 June 2026

Table 2: Clean ups and clearing of illegal dumping hotspots conducted

AREA	ACTIVITY	WARD	DATE
Mlungisi Location (Mjojweni sport field)	Clean up and clearing of illegal dumping hotspots	14	17 July 2025
Mbulelo Ndondo	Clean up and clearing of illegal dumping hotspots	14	17 July 2025
Mlungisi location (Open space next to Kimec church)	Clean up and clearing of illegal dumping hotspots	14	17 July 2025
Nkqenkqenkqe Location	Clean up and clearing of illegal dumping hotspots	14	18 July 2025
Mlungisi Location (open space next to Apostolic Church)	Clean up and clearing of illegal dumping hotspots	14	18 July 2025
Keiskammahoek town	Clean up and clearing of illegal dumping hotspots	1	15 August 2025
Mzamo'mhle village	Clean up and clearing of illegal dumping hotspots	14	27 August 2025
Kologha Township Stutterheim	Clean up and clearing of illegal dumping hotspots	13	14 October 2025
Amatolaville Township (Stutterheim)	Clean up and clearing of illegal dumping hotspots	6	14 October 2025
Jongile Nompondo Area (Mlungisi Location)	Clean up and clearing of illegal dumping hotspots	15	28 October 2025
Stutterheim town (behind Big Daddy's warehouse)	Clean up and clearing of illegal dumping hotspots	13	20 January 2026

Mlungisi location (Jongile Nompondo area)	Clean up and clearing of illegal dumping hotspots	15	20 January 2026
Knqenkqenkqe location	Clean up and clearing of illegal dumping hotspots	14	20 January 2026
Mzamo'mhle village	Clean up and clearing of illegal dumping hotspots	14	24 January 2026
Mlungisi location (Mjojweni sport field area)	Clean up and clearing of illegal dumping hotspots	14	10 & 11 February 2026
Mlungisi location (Apostolic church area)	Clean up and clearing of illegal dumping hotspots	14	10 February 2026
Stutterheim town (open space next to prison)	Clean up and clearing of illegal dumping hotspots	13	22 April 2026
Mbulelo Ndondo Location (Old recreational centre)	Clean up and clearing of illegal dumping hotspots	14	28 April 2026
Route to Mlungisi Location	Clean up and clearing of illegal dumping hotspots	14	28 April 2026
Mbulelo Ndondo Location (Ezibhokweni)	Clean up and clearing of illegal dumping hotspots	14	28 April 2026
Mlungisi Location (Old recreational centre)	Clean up and clearing of illegal dumping hotspots	14	29 April 2026
Stutterheim town (Open space behind Big Daddy wholesale)	Clean up and clearing of illegal dumping hotspots	13	21 May 2026
Mlungisi Location (Jongile Nompondo area)	Clean up and clearing of illegal dumping hotspots	15	2 June 2026
Mbulelo Ndondo Location (Church area)	Clean up and clearing of illegal dumping hotspots	14	2 June 2026
Mbulelo Ndondo Location (Ezibhokweni)	Clean up and clearing of illegal dumping hotspots	14	2 June 2026
Stutterheim town (Open plots lower Kologha)	Clean up and clearing of illegal dumping hotspots	13	4 June 2026

- **Monitoring tools:** Implementation of data collection tools (street cleaning, waste collection, waste disposal) has enhanced monitoring and planning capabilities, enabling more responsive service delivery.

Challenges faced ::

- **Resource constraints:** Insufficient funding and logistical challenges have limited the pace of infrastructure expansion and fleet procurement.
- **Public compliance:** Despite awareness efforts, some households and businesses are not adhering to waste collection schedules.

PROGRESS MADE WITH STREET CLEANING, WASTE COLLECTION, WASTE DISPOSAL

Street Cleaning

- Daily street cleansing, clearing of illegal dumping hotspots, cleaning of gutters operations was conducted by solid waste employees, DFFE/EPWP participants under Cleaning & Greening programme and CWP participant.
- Street cleansing is done daily in all clusters, including night shifts in Stutterheim.
- Focus areas are the central business district, streets around towns, open spaces and outside areas e.g.
  - Stutterheim (Maclean/N6, Long Street, Hill Street, Sprigg Street, Brownlee Street etc.)
  - Keiskammahoek (R352, Cemetery Street, taxi rank area etc.)
  - Cathcart (N6 Route, Hill Street, Merriman Street, Barrack Street etc.)
- Daily routine checks using a street sweeping monitoring tool were conducted by supervisors and solid waste officer to monitor street cleansing.

Waste collection

- Two cage trucks and a compactor truck were used for waste collection on households and businesses:
- Compactor truck servicing Stutterheim, Amabele, Kei Road.
- 1Cage truck servicing Keiskammahoek on Mondays, Wednesdays, Fridays and assist to collect from households (Stutterheim Town, Mlungisi Location) on Tuesdays and Thursdays.
- The second cage truck is servicing Cathcart.
- Waste collection was also conducted by a skip bin truck on Mondays, Wednesdays, Fridays in Stutterheim.

-Table below shows the residential areas, factories, businesses and government institutions receiving municipal waste collection services:

Cluster	Areas
Stutterheim	Sutterheim town, Lower Kologha, Mlungisi location, Kologha Township, Amatolaville, Amabele and Kei Road
Cathcart	Cathcart town, Daliwe and KatiKati locations
Keiskammahoek	Keiskammahoek town, Valdrai, Newtown and Sophumelela location
Factories	Anca Chicks and Newden
Businesses	Pick 'n 'Pay, Shoprite, Big Daddys, Spar, bowling club, country club, golf and tennis clubs, supermarkets, furnisher shops and clothing shops etc.
Government sectors	Hospitals, Schools, ADM, SASSA, Home Affairs, SAPS, DRDAR

Waste disposal

Collected waste was disposed at the following disposal sites:

- **Stutterheim disposal site:** The site remains operational, but not compliant with license conditions. A backlog in waste disposal developed due to operational challenges associated with the breakdown of a front-end loader used for spreading and clearing waste. However, the municipality has hired a dozer which operated to clear the backlog and restore normal operations for 3days. Weighbridge is not yet operational due to no electricity on site; waste volume estimates were recorded on the waste disposal monitoring tool and for this reporting period were 15 061 Tons.
- **Cathcart disposal site:** Currently the site is operating according to the action plan towards closure of the site monitored Department of Economic Development, Environmental Affairs and Tourism (DEDEAT). Final Basic Assessment report and closure license application was submitted to DEDEAT by the appointed service provider, currently the municipality is in a process to appoint a qualified engineer for the designs and drawing which is required to be part of the application for the closure license to DWS. Volumes recorded for this reporting period were 3204Tons.
- **Keiskammahoek disposal site:** The site is fully operational, but not compliant with license conditions. Waste volumes recorded for this reporting period were 2037Tons.

PROGRESS MADE WITH RECYCLING INITIATIVES

The department has demonstrated fair progress in advancing the recycling initiative, aligning with environmental and waste management goals. Key progress include:

- Updated the Recyclers' data base.
- Continuous engagements with recyclers in Cathcart with the aim of commencing operations at the transfer station in Cathcart.
- Businesses survey on Waste Diversion & waste sorting, recycling practices was conducted in Cathcart, purpose was to evaluate the level of waste sorting and separation at source, promoting recycling initiatives and identify opportunities to support businesses in diverting recyclable materials to recyclers.

Challenges encountered.

- **Limited resources:** Budget constraints and logistical constraints have limited the scale and frequency of planned recycling activities.
- **Infrastructure:** There is a need for recycling equipment and facilities
- **Scarcity of markets for recyclers:** Recyclers have limited access to reliable buyers for recyclable materials. This discourages recycling activities and results in more recyclable waste being disposed of at landfill sites.

Solid Waste Service Delivery Levels				
				Households
Description	**Year -3**	**Year -2**	**Year -1**	**Year 0**
	Actual	**Actual**	**Actual**	**Actual**
	No.	**No.**	**No.**	**No.**
***Solid Waste Removal:* (Minimum level)**				
Removed at least once a week	71 868 (rate consumption from July 2024 to June 2025)	71 868	71 868	71 868
Minimum Service Level and Above sub-total				
Minimum Service Level and Above percentage	47%	47%	47%	47%
***Solid Waste Removal:* (Below minimum level)**				
Removed less frequently than once a week	655	547	565	523
Using communal refuse dump	865	846	487	865
Using own refuse dump	655	547	565	523
Other rubbish disposal	502	952	938	720
No rubbish disposal	112	123	124	124
Below Minimum Service Level sub-total	2 789	3 015	2 678	2 755
Below Minimum Service Level percentage	49,1%	52,9%	48,5%	55,2%
Total number of households	**5 685**	**5 699**	**5 523**	**4 991**
				T 3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
						Households
Description	**Year -3**	**Year -2**	**Year -1**	**Year 0**		
	Actual	**Actual**	**Actual**	**Original Budget**	**Adjusted Budget**	**Actual**
	No.	**No.**	**No.**	**No.**	**No.**	**No.**
Formal Settlements						
Total households	33 621 (2022 estimate	33621	33621	33621	33621	33621
Households below minimum service level	26 683	26683	26683	26683	26683	26683
Proportion of households below minimum service level	79% 2	79%	79%	79%	79%	79%
Informal Settlements						

Total households	6938 (serviced households)	6938	6938	6938	6938	6938
Households below minimum service level	2 355	2 355	2 355	2 355	2 355	2 355
Proportion of households below minimum service level	33.9 % 21.5%	21.5%	21.5%	21.5%	21.5%	21.5%
						T 3.4.3

Employees: Solid Waste Management Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	18	35	18	17	48.5%
4 - 6	0	0	0	0	0%
7 - 9	4	5	4	2	40%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**23**	**41**	**23**	**19**	**46.3%**

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

T3.4.5

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	1	1	50%
4 - 6	0	0	0	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%

19 - 20	0	0	0	0	0%
Total	**2**	**3**	**2**	**1**	**33.3%**

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T3.4.6*

Financial Performance Year 0: Solid Waste Management Services

R'000

Details	**Year -1**	**Year 0**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue	R9,811,935.58				
Expenditure: Stores Material	R63 716,71	R 103 100.00			
Employees					
Repairs and Maintenance	R137 125,82	R135 000.00			
Other					
Total Operational Expenditure	R200, 842.53				
Net Operational Expenditure					

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.4.7*

Capital Expenditure Year 0: Waste Management Services R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Restoration of Stutterheim Landfill site project Phase 2	R318 247.00		R153,568.91		R318 247.00
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T 3.4.9

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The Integrated Waste Management Plan (IWMP) was endorsed by the MEC. Annual implementation reports on the IWMP are submitted to the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) to monitor progress and ensure compliance with legislative requirements. There is a designated waste management officer.

Solid waste by laws is under review and the draft is due for public participation. The review process focused on aligning the bylaws with current national legislation: NEMA 107 of 1998, NEM; WA 59 of 2008, strengthening the regulatory framework governing waste management services, illegal dumping, littering, waste storage, transportation, recycling and responsibilities of waste generators. A key component of the review was the inclusion of penalties for non-compliance with the bylaws.

Waste management services within the municipality are functioning at a basic level, with regular refuse collection provided in all municipal clusters (Stutterheim, Cathcart, Kei Road, Amabele & Keiskammahoek) throughout the week (households, businesses, old age homes, hospitals, factories etc.) by municipal employees and EPWP participants. Un-serviced areas (informal settlements & rural) are serviced through clean up campaigns and clearing of illegal dumping hot spots. During the reporting period, waste collection services were occasionally delayed when refuse collection trucks are taken out of operation for scheduled maintenance servicing or due to unexpected breakdowns. The delays mainly affected Stutterheim and Keiskammahoek where scheduled collections could not be completed on time.

Complaints are recorded and responded to within the turnaround time,24hours. Service changes are always communicated to the community such as delays or interruption of services.

The Amahlathi LM Waste Management forum met on a quarterly basis during the reporting period. The forum provided a platform for municipal officials, government departments and relevant stakeholders to discuss and coordinate matters relating to waste management and environmental management. Environmental management was incorporated into the forum to address environmental challenges affecting the municipality, information sharing, and implementation of initiatives aimed at improving environmental management.

At landfill sites access is generally available to the public and efforts such as fencing and securing sites are being implemented e.g. Restoration of Stutterheim landfill site Project Phase2 funded by DEDEAT. Compliance with licensing requirements remains a challenge as the sites are non-compliant due to no daily cover and compaction taking place. Recycling initiative efforts are currently underdeveloped, while informal waste pickers play an important role there is still no formal separation at source programme across the municipality and there is no drop off facilities available within the municipality. Meaning the diversion from landfill remains well below national targets.

Internal audits were conducted quarterly to ensure compliance with environmental regulations and conditions listed on the permits and external audits are conducted annually by DEDEAT. A professional consultant was appointed by the municipality to conduct an annual external audit for all the municipal disposal sites.

Based on internal and external audits conducted, these would likely be prioritized to address compliance, capacity and environmental standards:

- Closure and Rehabilitation of Cathcart Landfill site
- Upgrading the Stutterheim landfill site (Construction of a new cell, purchasing landfill compactor machinery, signage boards)
- Cathcart transfer station upgrades/expansion (procurement of skip bins, recycling facility, electricity and water connection, ablution facility)
- Upgrades at the Keiskammahoek landfill site (fencing, access road, signage board) and access control.

3.3 HOUSING

INTRODUCTION TO HOUSING

Amahlathi Local Municipality has been operating with an old and outdated Human Settlements Sector Plan (HSSP) which was developed and adopted in 2013. The Municipality in conjunction with Department of Human Settlements have developed a Human Settlement Sector Plan (HSSP). The document has recently been adopted by Council in June 2025. The HSSP is a legislative requirement in terms of Section 9 (1)(f) of the Housing Act, 1997 (Act No. 107 of 1997). The Act requires every municipality to take reasonable and necessary steps to initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction. The plan is aligned with the national and provincial human settlements priorities. It is developed based on the approved National Framework for Development of HSSPs and forms a chapter in the Municipal Integrated Development Plan (IDP).

Human Settlement is the housing provider; thus, they provide housing to the Municipality. Thus, the budget for Human Settlements Development is kept by the Department of Human Settlements. Amahlathi LM is not Accredited to provide housing.

During the year under review, the Department of Human Settlements has implemented several projects as shown below:

RUNNING PROJECTS	BLOCKED PROJECTS	PLANNING PROJECTS	NEW APPLICATIONS	CLOSE-UP PROJECTS
1. Cenyu Village 450	1. Mlungisi 270	1. Kei Road	1. Nothenga 26 2. Gubevu 312 3. Mbaxa	1. Xholorha 700

2. Cenyulands 692 3. Masincedane 200 (99) 4. Kubusi 304 (156) 5. Frankfurt 300 6. Gasela 75 7. Katikati 300 8. Squashville 153 9. Mthonjeni 80 10. Goshen 100	2. Ndakana 1300 (35)	Northern Node 421 (Phase 2)	4. Ethembeni 5. Ndlovini 6. Mgwali 7. Border Post And Nompandlana	2. Kei Road Northern Node 421 (Phase 1)

The budget set aside for these projects for the year under review is R53 779 108.00. These projects are at various stages of development.

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 in formal settlements
Year -3	na		na
Year -2	na	na	na
Year -1	na	na	na
Year 0	38,883	16,032	74.4
Total			
			T 3.5.2

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

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

COMPONENT B: ROADS AND TRANSPORT

3.4 INTRODUCTION TO ROAD TRANSPORT

The Municipality is responsible for maintenance and rehabilitation of local roads within Amahlathi jurisdiction. Cleaning and unblocking of storm water drains to prevent overflow during rainy season. Provision of safe, rideable roads infrastructure and uninterrupted transport movement for the community. Provision of storm water structures to prevent overflooding, injury and damage to property.

The key objectives are maintenance of the road infrastructure to ensure, that it performs at its optimal and thus reduce safety hazard. by Provide the community with safe riding roads Reconstruction and rehabilitation of road infrastructure that has deteriorated. The roads department conducts routine road maintenance for the infrastructure to prevent deterioration and collapse of the infrastructure. The inclement weather has been the biggest challenge in this financial with multiple storms resulting in disaster. the roads were greatly affected by the disaster and the infrastructure deteriorated further, erosion of the wearing coarse, donga formation and collapse of storm water structures. The roads and storm water unit has managed to achieve 276km in road maintenance using Grader loaned by the Department of Transport.

Gravel Road Infrastructure				
				Kilometers
	Total gravel roads	**New gravel roads constructed**	**Gravel roads upgraded to tar/Block Paving**	**Gravel roads graded/maintained**
Year -2	567.71	20	0.6	40
Year -1	567.71	51	2.0	59
Year 0	567.71	10.2	2.0	276
				T 3.7.2

3.5 WASTEWATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

The roads and storm water team are responsible for maintenance, cleaning, unblocking and rehabilitation of storm water structures within Amahlathi towns. The storm water drain unblocking is performed in these areas Stutterheim, Cathcart, Kei Road and Keiskammahoek towns. The unit performs routine maintenance of the storm water drains and ad hoc maintenance during rainy season. The Roads and Storm- water Forman heading the team utilize the EPWP workers for unblocking of drain. The EPWP participants employed are from the towns and villages within Amahlathi. In 2025/26 the department has achieved 24km of storm water unblocking. Only permanent employee at Storm water section working with EPWP.

Stormwater Infrastructure				
				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year 1	18	0	1	17
Year 0	28	0	1	24
				T 3.9.2

The storm water unit had target of unlocking at least 16km of storm drains within the towns of Amahlathi. The unit achieved 24km of storm water unblocking in the 2025/26 financial year. The capital project implemented through Grants also focus on upgrading and construction on new storm water infrastructure.

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year - 3	7	142
Year -2	13	405
Year -1	12	453
Year 0	11	383
** - Extended Public Works Programme*		*T 3.11.6*

COMPONENT C: PLANNING AND DEVELOPMENT

3.6 PLANNING

INTRODUCTION TO PLANNING

The Town Planning Unit obtains guidance and development strategies from 3 crucial legislative frameworks, namely the Spatial Development Framework (SDF), Land Use Scheme (LUS), the Municipality's SPLUMA By-Law, and the Human Settlements Sector Plan (HSSP). The main challenges faced by the unit in Year 0 include the following:

- the lack of a standard operating procedure in implementing Section 172 of the municipality's SPLUMA By-Law, 2016
- the absence of a SPLUMA compliant SDF
- Lack of personnel to combat illegal land uses within our municipal jurisdiction
- An outdated HSSP

Achievements by the unit in Year 0 include:

- Undergoing the procurement process to appoint a service provider for the review of the Municipality's SDF.
- Completing the first draft of the HSSP review

Our top 3 service delivery priorities include the provision of middle-income housing/ First Home Finance, and a Commercial Development (Shopping Centre) in Stutterheim. During Year 0 Terms of reference and bid specifications were developed for the proposed shopping centre. With regards to housing provision, the Department of Human Settlements has availed the services of Gap Infrastructure Corporation (GIC) such as the development of General Plans for the proposed sites.

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Enviroment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	4	-	1	9	29	35
Determination made in year of receipt	Evaluation and assessment process	-	Evaluation and Assessment	Evaluation and Assessment	26 -approved 3 -denied due to con-compliance with LUS	28 approved 7 denied due to non-compliance with LUS
Determination made in following year	Required amendments sent to applicant	-	Approved	Approved	-	-
Applications withdrawn	-	-	-	-	-	-
Applications outstanding at year end	-	-	-	2	-	-
						T 3.10.2

Employees: Planning Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	4	2	1.06	50%
13 - 15	0	0	0	0	0%
16 - 18	0	1	0	1.084	100%
19 - 20	0	0	0	0	0%
Total	2	5	2	0	33%

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

Financial Performance Year 0: Planning Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget

Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.10.5*

Capital Expenditure Year 0: Planning Services					
					R' 000
Capital Projects	**Year 0**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total All					
Project A	0	0	0	0	0
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.10.6*

The targets are:

1. Spatial Development Framework R450 000
2. Human Settlements Sector Plan R0 (Project funded by DHS)
3. Cathcart Small-towns Revitalisation R0 (Project funded by ADM)
4. LED Strategy R0 (Project funded by COGTA)
5. Furniture Incubation R0 (Project funded by DFFE)

3.7 LOCAL ECONOMIC DEVELOPMENT

INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

Amahlathi Local Municipality has an outdated LED Strategy, which was last reviewed in 2012. In conjunction with Provincial department of Cooperative Governance are in the process of developing a new Local Economic Strategy. The LED Strategy was adopted by Council in May 2025. The new LED Strategy focuses on the following:

- Promotion of innovative strategies
- Potential funders
- Promotion of partnerships

- Renewable energy.

Currently the department is operating with a zero budget and is heavily reliant on other departments such as DRDAR, DFFE, DEDEAT, just to mention a few. The Municipality relies on forming partnerships with strategic institutions and implementation of Memorandum of Understanding with them as to improve local economic development of the institution. Service delivery priority projects were the Review of Amahlathi LED Strategy, Implementation of Stutterheim Master and Precinct Action Plan as one of the key catalytic projects, and to ensure that Amahlathi Community benefit on key projects implemented in the Amahlathi area such as SANRAL projects and projects implemented by Municipal Engineering Department.

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
Year -2	1500	0	1550	Through CWP Reference Quarterly meeting.
Year -1	1476	24	1476	
Year 0	1337	139	1337	
Initiative A (Year 0)				
Initiative B (Year 0)				
Initiative C (Year 0)				
				T 3.11.5

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -2	7	142
Year -1	13	405
Year 0	12	453
** - Extended Public Works Programme*		*T 3.11.6*

Financial Performance Year 0: Local Economic Development Services R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0

Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	0	0	0	0	0
Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.11.9*

Capital Expenditure Year 0: Economic Development Services					
					R' 000
	Year 0				
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A	0	0	0	0	0
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.11.10*

Employees: Local Economic Development Services					
	Year -1	Year 0			
Job Level	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	0	0	0	0	0%
4 - 6	2	3	2	1.056	10%
7 - 9	3	3	0	0	0%
10 - 12	2	2	2	0	0%
13 - 15	1	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	9	10	9	1.084	10%

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

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.8 LIBRARIES.

INTRODUCTION TO LIBRARIES

Library and information services is aimed at empowering communities through meeting their needs with regards to access to information. It improves education, culture and recreational opportunities by providing resources in various formats to the entire community. To promote the culture of reading and effective use of library resources the following activities were conducted by library and information services through the following libraries:

- Stutterheim Public Library
- Cathcart Public Library
- Kei Road Public Library
- Kati-Kati Public Library and
- Mgwali Public Library.

Amahlathi LM Libraries functioning is improving over the years as all programmes are being introduced including the availability of internet services in 5 libraries. All these Libraries are using the brocade library system.

MEMBERSHIP STATISTICS FOR LIBRARIES

Stutterheim Public Library	:	5 188
Cathcart Public Library	:	902
Kei Road Public Library	:	288
Katikati Public Library	:	584
Mgwali Public Library	:	12
Walk-in statistics	:	15 681

BOOK CIRCULATION

Stutterheim, Cathcart and Katikati Public Libraries	:	17 382

Human Resources for the libraries are as follows: 06 librarians of which 02 are municipal employees and 04 DSRAC employees; 03 library assistants of which 01 Library Assistant is a municipal employee and 02 DSRAC employees through the EPWP programme. To enhance the operation of Library and Information Services, libraries received the following resources:

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

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

Financial Performance Year 0: Libraries;					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other	R116 578.16	R143 235.00			
Total Operational Expenditure	B				
Net Operational Expenditure					

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.12.5

Capital Expenditure Year 0: Libraries; R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	NA	N/A	N A	N/A	N/A
Project A					
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.12.6*

Resource	Sponsor
Received 3 boxes of books as donation	Steve Biko Centre
Received 5 boxes of new books	Department of Sport, Recreation, Arts and Culture
Received 55 books as donation	Friends of the library
3 Head count cameras	Department of Sport, Recreation, Arts and Culture
1 New Computer	Department of Sport, Recreation, Arts and Culture

Promotion of Libraries

In promoting the culture of reading and marketing libraries, outreach programmes through awareness were conducted in all areas around Amahlathi Municipality as follows:

NAME OF EVENT	VENUE	WARD	DATE
Awareness campaign	Kuhle Public School	8	30 July 2025
Awareness campaign	Vukile Tshwete High School	1	08 August 2025
International Literacy Day	Mzwandile Fanti Hall	13	14 August 2025
Awareness campaign	Notenga Public School	7	28 August 2025
Awareness campaign	Jongile Public School	1	04 September 2025
Awareness campaign	Siyakhula High School	13	17 September 2025
Awareness campaign	Wartburg Public School	4	23 October 2025
Awareness campaign	Goshen Public School	5	24 October 2025
Awareness campaign	Ithembelihle Public School	6	3 November 2025
Blinds awareness campaign	Ethembeni Tribal Hall	7	19 November 2025
Awareness campaign	Stutterheim Correctional Services	13	14 January 2026
Read Aloud Day	Mlungisi Public School, Daliwe Public School and Rocklands Day Care Centre	13 & 5	4 February 2026
Awareness campaign	Stutterheim Public Library – Rise up Kiddies	13	25 February 2026
Library week	Stutterheim Public Library – Rise up Kiddies	13	4 March 2026
Library week	Stutterheim Public Library - Blinds	13	10 March 2026

Library week	Isihoboti High School	4	11 March 2026
World Book Day	Gubevu Public Library	7	23 April 2026
Readathon	Douglas Ross Public Library	1	13 May 2026
Awareness campaign	Khulani Pre-School	14	25 May 2026
Holiday Program	Mzamomhle Playgrounds	14	30 June 2026

E-books

- Electronic books are active with all registered library patrons registered for access to e-books taken through e-books process.

Mini – Library for Blinds (MINILIB)

- Visually impaired patrons visit Stutterheim library on monthly basis to access audiobooks and utilize their portable devices while at home.

Higher learning support

- Library team successfully assisted more than 231 applicants for universities in supporting greater access to higher education focusing on Grade 12 learners as well as youth that had not applied the previous year. The process of online application is progressing in all Amahlathi libraries.

Library Displays

- Displays commemorating different historical events have been laid monthly in all Amahlathi libraries.

District Event

- Daliwe and RC Public Schools in Cathcart represented the municipality in the district book club festival that was held at Ncumisa Kondlo hall in Ngqushwa on the 22nd of October 2025.
- Amahlathi libraries participated in the District SPU program held at Wilson Mzwandile Fanti Hall in Stutterheim on the 20th of November 2025 where activities included spelling bee, general quiz and storytelling.

- Department of Sport, Recreation, Arts and Culture in collaboration with Amahlathi Municipality hosted the International Literacy Day held at Wilson Mzwandile Fanti Hall on the 14th of August 2025. The event was a resounding success and effectively raising awareness about the importance of literacy and inspiring action within the community. All local municipalities under Amathole district municipality were represented. A learner from Amahlathi Municipality represented the Amathole District at the Provincial literacy day event that was held at Dr A B Xuma Municipality on the 8th to 10th September 2025.

Book clubs

- Izithole book clubs have been active in all Amahlathi libraries with each library having adopted 10 learners from an identified school to partake in Izithole book club program.

3.9 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

Cemetries fall under the Parks and Gardens Section. All wards have cemeteries with burial plots being sold at the Mlungisi location cemetery, Stutterheim town cemetery, Keiskammahoek and Cathcart. There is a need to identify new cemeteries especially in Stutterheim and this requires land to be identified. Cemeteries are cleaned regularly with the assistance of EPWP participants.

There municipality does not have a crematorium. 213 burial plots were sold during the 2025/26 financial year with tariff depending on site location and type of coffin.
Due to staff shortage, there is no staff specifically dedicated to cemeteries, all employees in the Parks and Gardens Section do all work.

Employees: Cemeteries and Crematoriums					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	9	20	10	10	0%
4 – 6	0	0	0	0	0%
7 – 9	1	4	1	3	0%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	3	3	3	0	0%

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

Financial Performance Year 0: Cemeteries and Crematoriums R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other	R143 090.11	R207 439.00			

Total Operational Expenditure					
Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.13.5*

Capital Expenditure Year 0: Cemeteries and Crematoriums					
					R' 000
Capital Projects	**Year 0**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total All	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.13.6*

3.10 FIRE

INTRODUCTION TO FIRE SERVICES

The function is severely underfunded despite legislative obligations imposed upon the municipality. Efforts of the Fire Service are aimed at risk management which has reduced the number of fire call outs from over 160 per annum to below 90 per annum. Service priorities are fire prevention, fire protection and fire suppression in order to protect life, property, environment and local economic development. Fire risk reduction and prevention strategies within the municipal forest and commonages are supportive of local economic development opportunities for the community as well as the municipality.

Fire Service Data					
	Details	**Year -1**	**Year 0**		**Year 1**
		Actual No.	**Estimate No.**	**Actual No.**	**Estimate No.**
1	Total fires attended in the year	83			
2	Total of other incidents attended in the year	6			
3	Average turnout time - urban areas	Less than 20 minutes			
4	Average turnout time - rural areas	More than 20 minutes			
5	Fire fighters in post at year end	4		4	6
6	Total fire appliances at year end	1	3	1	3
7	Average number of appliances off the road during the year	1			1
					T 3.21.2

Employees: Fire Services					
Job Level	Year -1	Year 0			
Fire Fighters Administrators	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
Chief Fire Officer & Deputy	0	0	0	0	100%
Other Fire Officers	5	5	5	0	0%
Total	5	5	5	0	

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

T 3.21.4

Financial Performance Year 0: Fire Services R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		5,534,460	719,354	719,272	87%
Expenditure:		200,000	160, 000	121,963	20%
Fire fighters		2,244,053	2,231,965	2,167,054	1%
Other employees					
Repairs and Maintenance		100,000	600	11,039	99%
Other	Materials and supplies Skill levy	1,200 20,755	16,000	17,450	-100% -23%
Total Operational Expenditure		2,566,008	2,408,565	2,317,506	-6%
Net Operational Expenditure					

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.	*T 3.21.5*

Capital Expenditure Year 0: Fire Services					
					R' 000
Capital Projects	**Year 0**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total All					
Project A	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.21.6*

THE PERFORMANCE OF FIRE SERVICES OVERALL:

The fire and rescue service has a fire station in Stutterheim serving the entire municipality and currently has only had one fire truck operational since June 2023. Service delivery time frames and even responses are consequently jeopardized on a regular basis during the annual winter fire season. This may lead to loss of or harm to life, property, local economic development opportunities and the environment.

Fire service risk management strategies are being maintained in that the service meets its annual targets of fire break implementations, fire awareness campaigns, fire hydrant inspections and fire safety inspections. There is urgent need to expand the fire service to Cathcart, Keiskammahoek and Kei Road, where fire outbreaks are allowed to get large and

dangerous due to long distance travel time from Stutterheim. To assist with this risk, the Municipality is a member of the Eastern Cape Fire Protection Association. DEFF has donated a former Working on Fire truck was donated to the municipality but is yet to be delivered to the Municipality.

3.11 TRAFFIC SERVICES/ LAW ENFORCEMENT

The Municipality has a functional traffic department situated in Stutterheim. The Motor Vehicle Licensing and Registration section collected a total of R 1 039 702.21 for the 2025/2026 financial year.

The Driving License Testing Centre section collected a total of R 1 861 104.40 for the 2025/2026 financial year.

Total revenue collected from the Traffic department was as follows:

TOTAL INCOME BY MVRA	R 1 039 702.21
TOTAL INCOME BY DLTC	R 1 861 104.40
TOTAL INCOME BY TCS	R 93 900.00
TOTAL INCOME BY VEHICLE TESTING STATION	R 54 264.00
TOTAL INCOME RECEIVED	R 3 048 970.61

A total **of 56** roadblocks were conducted throughout the municipality with others collaborated with other law enforcement agencies. A total of 846 traffic fines / tickets were issued for road regulations transgressions.

Financial Performance Year 0: Law Enforcement R'000					
Details	**Year -1**	**Year 0**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other	R102 373.25	R170 000.15			
Total Operational Expenditure					
Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.22.5*

3.11 TRAFFIC SERVICES/ LAW ENFORCEMENT

There is a functional traffic department at Amahlathi Local Municipality. The Motor Vehicle Licensing and Registration section collected a total of R 1 742 715.00 for the 2024/2025 financial year.
The Driving License Testing Centre section collected a total of R 957 716.25 for the 2024/2025 financial year.

TOTAL INCOME BY MVRA		R 957 716.25
TOTAL INCOME BY DLTC		R 1 742 715.00
TOTAL BY TCS		**R 20 800.00**

54 roadblocks were conducted, and 733 tickets were issued on road regulations transgressions.

Financial Performance Year 0: Law Enforcement R'000					
Details	**Year -1**	**Year 0**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					

Other	R102 373.25	R170 000.00R15			
Total Operational Expenditure					
Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.22.5*

3.12 OTHER (DISASTER MANAGEMENT AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT

Disaster management has at its core the functions of prevention, mitigation, preparedness, response and recovery. It is a multi-disciplinary function that encompasses varied and wide fields of service delivery in coordination with a wide spectrum of stakeholders and role players. This coordination usually takes place via a Joint Operational Centre.

The section has had an extremely busy year having dealt with large scale wind and rainfall damages as well as several fires. The dissemination of early warnings to role players and stakeholders from community ward levels via Councillors and community social media alerts has very instrumental in early response efforts. The municipality was affected by severe disasters with the severe being in March where settlements were total destroyed living dwellers displaced. All affected households received due attention in terms of humanitarian aid from Gift of the Givers and Hope of Africa and the section closely cooperated with District, Provincial and National spheres of government as well as private organisations within set deadline timeframes to give meaningful effect to response and recovery aspects to affected communities. The section conducted 51 disaster vulnerability assessments which were followed up by 10 disaster relief operations and at least 3 beneficiary verification operations by the National Department of Human Settlements. Ward Committees in various wards have been trained on data collection when an incident or disaster has occurred. At least 13 Joint Operations Centre meetings took place to ensure coordinated and efficient management of incidents and their victims. Quarterly advisory forum meetings were held to improve on related challenges from the year and plot a better way forward. 14 awareness campaigns were held with the purpose of improving community disaster, fire and safety awareness.

There unit is operating within the fire services unit as there are currently no personnel dedicated. However, a position had been added and approved in the Organogram. The Municipality has a Service Level Agreement with SPCA for the management of the municipal animal pound.

Capital Expenditure Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
					R' 000
	Year 0				
Capital Projects	**Budget**	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total All					
Project A	0	0	0	0	0

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.22.6

COMPONENT E: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.12 EXECUTIVE AND COUNCIL

INTRODUCTION TO EXECUTIVE AND COUNCIL

The Executive Services Department encompasses both the office of the municipal manager and strategic services. The department's primary focus is to provide strategic direction and support to the council's development initiatives. The main functions are strategic planning and management, communications, special programmes, satellite offices, legal services, internal auditing, risk management, intergovernmental relations, management of staff of political offices and political office administration. The support function on political offices includes management and administrative support provided to MPAC, Women Caucus and Rules and Ethics Committee.

Employees: The Executive and Council					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	13	19	14	6	68%
10 - 12	1	4	1	0	25%
13 - 15	3	9	2	6	33%
16 - 18	1	2	1	1	50%
19 - 20	1	1	1	0	100%
Total	19	35	20	16	54%

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

Capital Expenditure Year 0: The Executive and Council					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	

Project A	0	0	0	0	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.24.6*

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The executive services fell below the performance bar of 80% for the 2024/25 financial year. The root causes include planning on indicators that are controlled outside the department. The department depended on the Provincial Treasury for the quality assurance on the internal audit function. The impact of the reversal of standardization led to some employees falling sick for prolonged periods. Some performance indicators suffered as a result. Executive services managed to make 79%. The five targets that are not met constitute 21%. The department has braced itself to ensure this does not happen in 2025/26 financial year. The two performance indicators that could not be achieved by internal audit are incorporated into this financial year's plan. The other two performance indicators from legal service are split. The one on compliance is given to internal audit. Legal is place under close monitoring by the accounting officer to ensure the performance of legal matters. The remaining SPU target was postponed owing to budget constraints. During this financial year, a request for the budget will be submitted at budget adjustment stage

3.12 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

In order for a municipality to be Financially Sustainable services should generate a surplus to fund support functions. The municipality's collection rate for Electricity is close to the Targeted collection rate. The municipality is experiencing challenges with implementing the credit control policy within the Eskom Licensed areas.

Debt Recovery

R' 000

Details of the types of account raised and recovered	Year -1		Year 0			Year 1	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	24168893	48%	22003286	13642037	62%	14460559	70%
Electricity – B	47137912	56%	63421803	53123115	84%	56310502	90%
Electricity – C							
Water – B							
Water – C							
Sanitation							
Refuse	11558281	50%	11734358	4576399	39%	4850983	50%
Other							

B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them. *T 3.25.2*

Employees: Financial Services					
	Year -1	Year 0			
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
4 – 6	1	2	2	0	0%
7 – 9	11	11	11	0	0%
10 - 12	8	9	8	1	4%
13 - 15	2	2	2	0	0%
16 - 18	2	2	2	0	0%
19 - 20	1	1	1	0	0%
Total	25	27	26	1	4%

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

Financial Performance Year 0: Financial Services R'000					
	Year -1	Year 0			
Details	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	36 816 977	31 273 051	38 705 854	36 892 197	-1.3%
Expenditure:					
Employees	23 845 057	25 168 169	22 605 172	20 788 178	-17%
Repairs and Maintenance	0	0	0	0	0%
Other	13 438 371	15 279 049	13 470 589	12 558 319	-7%
Total Operational Expenditure	35 060 477	40 447 737	36 075 761	33 346 497	-8%
Net Operational Expenditure	1 756 500	-9 174 686	2 630 093	3 545 700	34%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.25.5*

Capital Expenditure Year 0: Financial Services					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	62 147 850	84 846 351	74 234 387	0%	
Paving of Xholorha Internal Roads	13 850 000	13 850 000	13 982 553	1%	0
KKH Recreation Centre	4 600 000	5 243 000	5 455 372	19%	0
Mlungisi Sportfield	5 400 000	5 400 000	5 059 006	-6%	0
Regraveling of Phumlani Community	4 000 000	4 000 000	3 986 147	0%	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T 3.25.6

The PMU section develops a 3 year plan and present it to Council. Priortiy is given to capital projects selected by Council to be included in the IDP. Additional consideration is given to projects that are in implementation stage. Other than Mlungisi Sportsfield, the 5 year targets set out in the IDP schedule can be obtained. No material variations are expected from the total approved project values.

3.13 HUMAN RESOURCE SERVICES

Human Resources is a strategic approach to managing an organization's valuable assets, its people focussing on Recruitment, training, Performance Management and Employee Relations. HRM plays a crucial role in aligning the workforce with the organisations goals and ensuring a productive work environment.

The following are the lists of positions that were filled in the financial year 2025/2026

FILLED POSITIONS FOR FROM 01 JULY 2025 – 30 JUNE 2026

POSITION	DEPARTMENT	FUNDING STATUS	STARTING NOTCH	TG	CURRENT STATUS
Office Administrator: BTO	**Budget and Treasury Office**	Funded	R180 975.00	06	Commenced duties on 01 October 2025
Interns X 4	**Budget and Treasury Office**	Funded	R100 000.00	N/A	The candidates resumed duties 01 February 2026

POSITION	DEPARTMENT	FUNDING STATUS	STARTING NOTCH	TG	CURRENT STATUS
Traffic Officer	**Community Services Department**	Funded	R261 708.00	09	The candidate resumed duties on 01 February 2026
PMU Manager	**Engineering Services**	Funded	R634 007.00	16	The candidate resumed his duties on 01 September 2025
Manager Roads and Storm water	**Engineering Services**	Funded	R634 007.00	16	The candidate resumed his duties on 01 September 2025
Internal Audit Officers X3	**Executive Services**	Funded	R326 363.00	11	The candidates resumed their duties on 01 July 2025

TRAINING AND DEVELOPMENT

Funding was sourced from LGSETA to conduct the following training.

- Leadership and Development Training which was catered for Managers, Officers, and Supervisors.
- LED Training.
- Pothole Patching Training which catered for (Unemployed and employees from Engineering Services and EPWP.
- Environmental Practice for municipal employees and unemployed
- Municipal Finance Programme

Employees: Human Resource Services 2025/2026					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
No task	1	0	1	0	
0 - 3	1	0	1	0	
4 - 6	6	7	6	0	
7 - 9	8	8	8	0	
10 - 12	6	3	6	0	
13 - 15	1	0	1	0	
16 - 18	1	1	1	0	
19 - 20	0	0	0	0	
Total	24	19	24	0	

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

Performance has been cascaded to employees from Task Grade twelve (12) and above and reviews are co-ordinated by each Head of Department then submitted to IDP/PMS office within three (3) working days of the next month after the end of each quarter. It has not yet been cascaded to employees below task grade 12. All targets have been met except for two targets that the department has to put emphasis on.

3.14 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Introduction to information and communication technology (ICT) services

The Information and Communication Technology (ICT) Services unit plays a critical role in supporting the organization's operational effectiveness, digital transformation, and service delivery capabilities. Over the past year, ICT has continued to align its strategic priorities with the broader institutional objectives, focusing on enhancing system reliability, improving user support services, and advancing digital infrastructure and automation of some of the functions of the municipality.

Key priorities during the year included:

- Strengthening cybersecurity and data protection measures
- Expanding and modernizing network infrastructure
- Enhancing remote working capabilities and collaboration tools
- Streamlining IT service management through automation.
- Strengthening ICT infrastructure to support core municipal services
- Improving staff access to reliable internet and digital tools
- Enhancing cybersecurity and data backup measures
- Reducing system downtime and improving response times for support
- Installation of Wi-Fi nodes across the ALM buildings.

ICT Human Resources

ICT Team includes:

- 2 permanent ICT staff
- 2 ICT interns (joined September 2024 & May 2025)

Infrastructure & Operations:

All municipal buildings are connected via ALM's internal network.

Internet access and **VoIP**, and soft phones are available across the sites.

ISP appointed to improve internet connectivity; **Wi-Fi hotspots installed** at all sites.

Data Management & Continuity

- Disaster Recovery Plan is approved.
- Data backup software is deployed and supports remote backups, reliant on optimal LAN performance.
- Emails migrated to **Microsoft 365** and are fully functional, hosted at an East London data centre.

Significant progress was made in these areas, with notable impact including improved system uptime, faster resolution of support tickets through the online ticketing system that we introduced as an ICT unit, and enhanced user experience across platforms and remote working tools to be able to assist end-users across the scattered municipal buildings timeously. Additionally, the implementation of cloud-based services and upgrades to core infrastructure resulted in greater scalability and cost-efficiency, and fast internet speed through the appointment of the new ISP for the municipality.

To improve performance, ICT introduced new monitoring tools and enhanced ICT staff training in line with evolving technologies through Khan Academy in cybersecurity. These efforts contributed to a measurable increase in system availability and end-user satisfaction. Furthermore, the consolidation of legacy systems and migration to more efficient platforms resulted in substantial operational savings and reduced technical challenges and delays.

In summary, ICT Services has made considerable strides in driving innovation, improving resilience, and delivering value-added support across the municipality. The foundations laid this year will continue to support future initiatives and digital transformation goals.

SERVICE STATISTICS FOR ICT SERVICES

The current manual service incident ticket system is designed to ensure that calls logged by employees are properly tracked and resolved successfully without hindering the business function of the municipality.

The following are the key areas that logged calls were about:

TYPE	NATURE	NO
Request Capture	All request from officials is captured and verified in web-based helpdesk(Spiceworks helpdesk).	85
Request Ticket	Tickets were opened to track the customer name, employee(s)email and incident description.	85
Problem Resolution	IT Technicians attempt to resolve all problems and request supported systems and applications. If the problem remains unresolved it is escalated to the next level of support.	0
Incidents Closure	All incidents are closed when resolution has been offered to the respective employees(s), however a resolution report process is not completed by the unit yet.	0
Customer Satisfaction	Surveys have not been established yet to determine the level of customer satisfaction.	0

- Improved response time: Average ticket resolution time decreased significantly due to a new internal helpdesk system and improved issue tracking.
- Reduced outages: Fewer infrastructure outages were recorded due to proactive maintenance and the replacement of outdated equipment.
- Growth in digital systems: Two new systems were introduced to automate internal processes and support service delivery.

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3				0	0%
4 - 6				0	0%
7 - 9				0	0%
10 - 12	1	1	1	1	100%
13 - 15					0%
16 - 18	1	1	1	1	100%
19 - 20	0	0	0	0	0%
Total	2		2		100%

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

3.15 LEGAL& RISK MANAGEMENT

INTRODUCTION TO LEGAL& RISK MANAGEMENT

Employees: Property; Legal; Risk Management;					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	1	3	0	2	33%
10 - 12	0	1	0	1	0%
13 - 15	0	0	0	0	0%
16 - 18	0	2	1	0	0%
19 - 20	0	0	0	0	0%
Total	1	6	1	3	17%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.28.4*

INTRODUCTION TO LEGAL& RISK MANAGEMENT

The department performed better on its strategic and operational risk management and thus falling above the performance bar of 80%. Both in-year monitoring reports and the annual report show that the department generally fell above 80%. The department further worked on the legal matters in the municipality. A report on legal matters was produced on each quarter and submitted for the standing committee to consider. A challenge with this was only experienced in the second quarter when the responsible employee fell sick and was unable to prepare and submit the report as required. A litigation register is also prepared for the monitoring of the litigations and provision of an opinion to council.

COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD

a) INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW

In the 2025/2026 financial year, attempts were made to ensure that the municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives enshrined in the IDP. The municipality has continued to maintain the effective operation of the following mechanisms:

- The 2022-2027 IDP included strategic objectives, strategies, and key performance indicators (KPIs) as required by the Municipal Systems Act, 32 of 2000;

- The 2025/2026 budget for implementation of the IDP was approved within the prescribed timelines prescribed in the Municipal Finance Management Act, 56 of 2003;

- After approval of the budget, the SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies. The development of the SDBIP was informed by below planning and reporting cycle in the quest to create a balance between integrated planning, reporting and accountability.

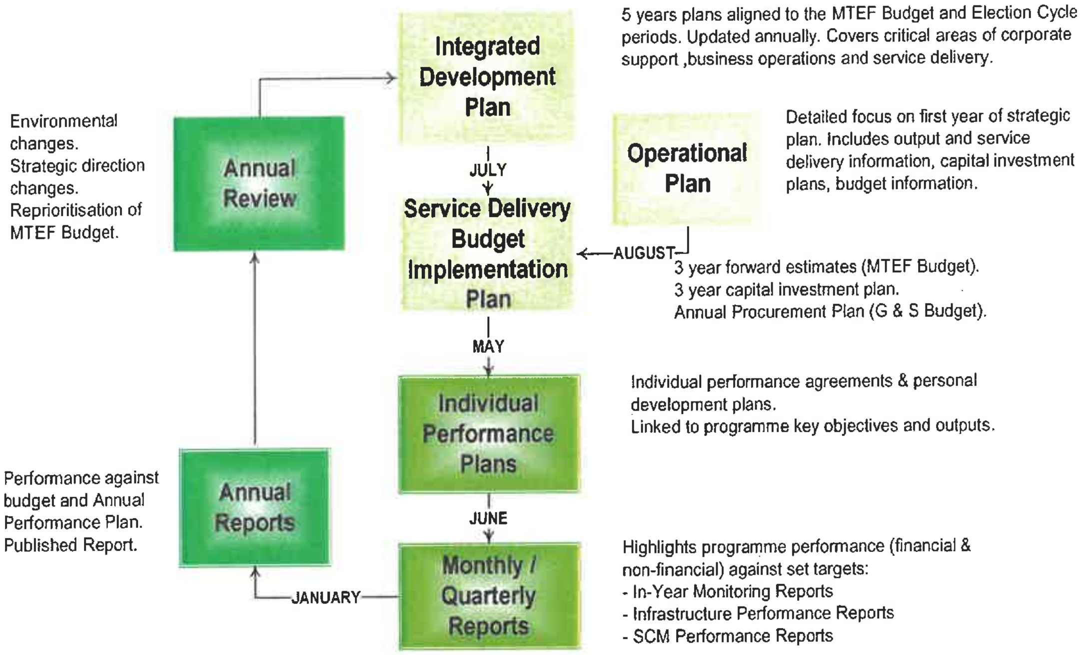


Figure 2: Planning & Reporting Cycle

- Adoption of the 2025/2026 Organizational Performance Management System and score card for monitoring and review of performance;
- Performance agreements with performance plans were developed, signed, and approved by the Honorable Mayor as required by the Municipal Performance Regulations, 2006;
- Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager (MM); and
- Quarterly performance reports were objectively and independently audited by the Internal Audit unit to verify and to confirm performance information as reflected in the reports.

1. CHALLENGES FACED BY THE MUNICIPALITY

The following challenges were encountered in the period under review:

- Slow revenue collection
- Lack of Office Space and tools of trade
- Lack of construction plant.

3.1 STRATEGY TO OVERCOME THE CHALLENGES AND AREAS OF UNDERPERFORMANCE

- Handing over of Government departments to debt collector. Write off debt deemed to be irrecoverable. Escalate the issues with National Treasury.
- Construction or renovation of municipal offices
- Allocate budget for purchase of construction plant

b) CHANGES TO PLANNED TARGETS

Section 72 (1)(a)(ii) of the MFMA states that an accounting officer of a municipality, must by 25 January of each year assess the municipality's service delivery performance during the first half of the financial year, and the service delivery targets, and performance indicators set in the SDBIP.
In preparation for the mid-year review of performance, management prepared quarterly reports, measured and analysed performance of the first six months of 2025/26. During the review management reviewed performance for the first and second quarter and anticipated the last six months of the 2025/26 financial year incognisance of the feasibility to implement certain programmes based on priority and budget availability.

This process culminated to a ***mid-year performance report*** which highlighted achievements, non-achievements with reasons for non-achievement and corrective measures. The process also emerged with targets having to be amended going into the last six months of the financial year. 1 target removed or abandoned challenges encountered during the assessment where it was identified that the Financial Improvement Plan needs to be revised and have realistic targets, Some targets were adjusted due to various reasons reflected on the table below, all these amendments were duly approved by all requisite authorities including Council. The table below depicts the changes made on 2025/26 SDBIP financial year as alluded above.

During the Quarter 3 review of Performance Management, it was identified that an amendment/error had been made to KPI 1.2.3, resulting in the KPI and target reflected in the amended report differing from those contained in the approved SDBIP as at 30 June 2025.The approved SDBIP as at 30 June 2025 reflected a target of **50% progress on the actual upgrade of the 3–5MVA 22/11kV Cathcart Substation**. However, the amended report reflected the KPI as **pre-engineering works on the 3–5MVA 22/11kV Cathcart Substation Upgrade**.

It was further noted that the pre-engineering works had already been completed during the 2024/25 financial year. Therefore, the KPI reflected in the approved SDBIP as at 30 June 2025 was correctly focused on progress towards the actual upgrade, rather than pre-engineering works. No change to this KPI was submitted for consideration during the Mid-year Performance Assessment. The amendment was subsequently submitted to Council for approval in April 2026 and was approved.

(a) REGISTER FOR KPIs REMOVED/ AMENDED ON THE 2025/26 SCORECARD AS APPROVED ON THE 26/02/2026

KPI No	Objective	Strategy	Indicator	Proposed Change	Justification	Custodian	Approved /Not Approved
1.1.1	To ensure provision of a sustainable road network and public infrastructure within Amahlathi LM by 2027	Maintenance and upgrading of the Municipal Road network servicing the Amahlathi Local Municipal Area.	% progress achieved on the surfacing of 2,6km Roads in Keiskammahoek town under the STR Grant	Quarter 2 target moved to 4th quarter and revise Annual target to be quarter 2	The project is funded by OTP and their timelines and approvals are not aligned with the Municipality's timelines. The Municipality has minimal control on achieving project targets	Director Engineering Services	26/02/2026
			% progress achieved on the paving of 1,5km of Amabele Internal Roads with Storm water drains	New target to be created. 50% progress achieved on the paving of 1,5km of Amabele Internal Roads with Storm water drains	The project was planned for implementation in 2026/27 and was brought forward to the 2025/26 financial year to utilise the budget which had been set aside for the Municipal offices thereby avoiding under expenditure. The contractor on the Municipal offices project was terminated due to poor performance.	Director Engineering Services	26/02/2026
1.2.4	To ensure sustainable supply of electricity by developing new infrastructure while upgrading and	Improve electricity infrastructure and reduce losses	% progress achieved on the Upgrading Stutterheim public lighting under the STR grant (Mlungisi, Amatolaville and	Quarter 2 target moved to 4th quarter and revise Annual target to be quarter 2	The project is funded by OTP and their timelines and approvals are not aligned with the Municipality's timelines. The Municipality has minimal control	Director Engineering Services	26/02/2026

KPI No	Objective	Strategy	Indicator	Proposed Change	Justification	Custodian	Approved /Not Approved
	maintaining existing networks by 2027.		Stutterheim Town)		on achieving project targets		
1.2.5			% progress achieved on the upgrading of public lights in Keiskammahoek Town under the STR grant (Sophumelela and KKH Town)		The project is funded by OTP and their timelines and approvals are not aligned with the Municipality's timelines. The Municipality has minimal control on achieving project targets	Director Engineering Services	26/02/2026
1.4.1	To ensure provision of sustainable public facilities by 2027	Facilitate maintenance and upgrade of sport, community halls, hawker stalls, cemeteries, and recreational facilities	% progress towards construction of Langdraai Community Hall	% progress achieved on construction of Langdraai Community Hall	**<u>Inappropriately designed key performance indicators-</u>** identified during the review of municipal internal control checks and balances.	Director: Engineering Services	26/02/2026
1.4.2			% progress towards construction of Phumulani Community Hall	% progress achieved on construction of Phumulani Community Hall			26/02/2026
	To ensure proactive and effective communication	Building and positioning well the municipality brand	No of Publications on Facebook promoting Amahlathi Local Municipality	Include indicator number		Municipal Manager	26/02/2026
3.4.1	To ensure a clean administration by 2027	Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of risk management reports reflecting a total of 80% implementation of risk management action plans (actions due and actions overdue) submitted to the Internal Audit Unit within 3 working days	No. of risk management reports reflecting a total of 80% implementation of risk management action plans (actions due and actions overdue) submitted to the **<u>Risk Management Unit</u>** within 3 working days after the end of each quarter.	Changing the quality assurance unit from Internal Audit to Risk Management Unit due to reporting processes.	Municipal Manager	26/02/2026

KPI No	Objective	Strategy	Indicator	Proposed Change	Justification	Custodian	Approved /Not Approved
			after the end of each quarter.				
2,4,3	To enhance Municipal revenue collection through effective implementation of financial Improvement plan	Implementation of financial Improvement plan	No. of reports outlining 10% increase in revenue based on implementation of Financial Improvement Plan	Request for removal.	The baseline is not clear. The FIP is not aligned with the indicator which also need to be reviewed and have a clear guideline.	All HODs	26/02/2026
3.5.1	Ensure effective & efficient resolution of legal matters	Develop of compliance register and compliance plan	No. of compliance reports developed by HODs and submitted to internal audit within 3 working days after the end of each quarter.	No of compliance reports reflecting a total of 80% implementation of compliance line items reported for the quarter developed by HODs and submitted to the Risk Management Unit within 3 working days after the end of each quarter	**Inappropriately designed key performance indicators-** identified during the review of municipal internal control checks and balances.	Municipal Manager	26/02/2026
5.6.1	To ensure adequate and improved working environment	Upgrading of Offices	% progress achieved on construction of Amahlathi Municipal Offices in Stutterheim	Indicator and Target to be revised. ***Indicator*** No. of funding proposal submitted to potential funders for construction of Amahlathi Municipal offices in Stutterheim submitted to potential funders. ***Target*** 1 funding proposal for construction of Amahlathi Municipal offices in Stutterheim submitted to potential funder	The project was put on hold due to the increase in the scope of work which required more funding than was available	Director Engineering Services	26/02/2026
1.2.2	To ensure sustainable supply of electricity by developing new	Improve electricity infrastructure and reduce losses	% progress on pre-engineering works -3-5MVA 22/11kV Cathcart	50% progress on -3-5MVA 22/11kV Cathcart Substation upgrade phase 2	Difference on the indicator and target was identified during the review of Q3 performance information. The	Director Engineering Services	23/04/2026

KPI No	Objective	Strategy	Indicator	Proposed Change	Justification	Custodian	Approved /Not Approved
	infrastructure while upgrading and maintaining existing networks by 2027.		Substation upgrade phase 2		pre-engineering was completed during 2024/25 financial and planning from the approved 2025/26 SDBIP was on upgrade hence the recommendations to rectify the error was submitted to Council in April 2026.		

c) 3.6 PROGRESS REPORT AUDITOR GENERAL'S FINDINGS: PREDETERMINED OBJECTIVES

Refer to attached AG Action Plan in Chapter 6

d) 3.7 FINANCIAL PERFORMANCE INFORMATION - CAPITAL EXPENDITURE 2025/26

Account Description	***Funding***	***Original Budget***	***Final Adjustments Budget***	**YTD Exp (Incl. Vat)**
Mlungisi Sports field	Municipal Infrastructure Grant	5 600 000.00	5 600 000,00	5 589 254.20
Izidenge Internal Roads	Municipal Infrastructure Grant	3 326 149.00	3 276 419.00	3 259 683.16
Langdraai Community Hall	Municipal Infrastructure Grant	4 501 288.00	4 701 288.40	4 701 277.40
Phumlani Community Hall	Municipal Infrastructure Grant	4 651 162.00	5 161 161.00	5 091 258.96
Ngqeqe Internal Roads	Municipal Infrastructure Grant	3 462 969.00	3 462 969.00	3 456 570.16
Waste Collection Compactor Truck	Municipal Infrastructure Grant	283 196.00	3 283 196.00	3 283 196.00
Keilands Roads	Municipal Infrastructure Grant	700 000.00	347 258.00	347 258.06
Amabele Paving	Municipal Infrastructure Grant	315 036.00	7 447 520.01	7 704 291.57
Stutterheim Streets Paving	Municipal Infrastructure Grant	400 000.00	400 000.00	399 999.45
Keiskammahoek Town Paving	Municipal Infrastructure Grant	400 000.00	400 000,00	399 999.45
Paving of Xholorha Internal Roads	Municipal Infrastructure Grant	1 000 000.00	2 374 363,00	2 288 696.43
Cathcart Town Hall Upgrade	Municipal Infrastructure Grant	400 000.00	400 000,00	399 963.83
Xholorha Paving Phase 2	Disaster Recovery Grant	15 000 000,00	15 000 000,00	15 001 807.34
Ngcamngeni Roads and Storm Water	Disaster Recovery Grant	4 145 000,00	4 145 000,00	4 063 778.76
Additional Allocation	Disaster Recovery Grant		32 000 000.0 0	-
Upgrade Stutterheim Main Intake	Integrated National Electrification Project Grant	5 000 000.00	5 000 000.00	4 999 999.01
Cathcart Substation	Integrated National Electrification Project Grant	12 440 000,00	12 440 000,00	12 482 365.23
Keiskamahoek Electricity	Office of the Premier	1 500 000,00	1 500 000,00	3 771 091.55
Stutterheim Electricity	Office of the Premier	4 000 000,00	4 000 000,00	4 026 852.30
Keiskamahoek Roads	Office of the Premier	5 500 000,00	5 500 000,00	3 630 725.03
Stutterheim Roads	Office of the Premier	4 000 000.00	4 000 000.00	
Vehicles	Own Funding	2 100 000,00	2 060 000,00	2 055 702.79
Furniture and Office Equipment	Own Funding	500 000,00	466 640,00	410 493.81
Computer Equipment	Own Funding	200 000,00	800 000,00	741 752.03

Account Description	***Funding***	***Original Budget***	***Final Adjustments Budget***	**YTD Exp (Incl. Vat)**
Mini Substation	Own Funding	-	517 500,00	
Fence and storage	Own Funding	200 000.00	350 000,00	68 111.92
Landfill Site	Waste Grant	-	976 857,00	247 854.29
		92 121 850,00	**124 775 797,00**	**89 304 659,85**

e) 3.8 PERFOMANCE OF SERVICE PROVIDERS FOR THE YEAR ENDING 30 JUNE 2026

Contract Management assisted in collation and consolidating reported data received from Directorates.
The performance management function of these service providers remained the responsibility of the relevant line managers /project managers in the various Directorates as part of their day to day operational and management function.

Performance evaluation assessment forms must be submitted within 3 business days after the end of each month for all projects procured through the competitive bid process and for goods or services procured through the formal and written quotation be submitted with each invoice approved/submitted to finance for payment.
Project Managers were requested to rate the performance of the suppliers / service providers appointed by Council on the various projects. Service providers and contractors are rated in terms of the following:
Below Standard - The contractor / service provider did not meet the basic requirements as spelt out in the tender or contract. This may result in the contract being cancelled and or the retention fee being withheld from the contractor. The contractor may be asked to rectify the problem, or the contract may be cancelled, and another contractor / service provider may be appointed to complete the contract or project.
Acceptable - The contractor / service provider completed the project and met the basic requirements of the tender / contract. The standard of work was good enough, passable, or adequate in terms of the requirements by Amahlathi Municipality.
Excellent – The contractor / service provider completed the work above the standard required. The requirements of the tender were achieved above the expectation of the Amahlathi Municipality. There is high quality of work and outstanding results were achieved.

PERFORMANCE REPORT AS AT 30 JUNE 2026.
All the projects were quantified in terms of the rating given by the project managers. The contracts that were rated during for the year, (50) fifty companies' performance has been rated as acceptable, none being excellent and one (1) below standard **XPM Group/AVX Engineers**.
Below is the performance rating of the municipality's service providers.

No.	Bid No	Name of Service Provider	Project Name	Rating	Comment
1	SCM/11/2019-20	First Rand Bank Limited	Banking Services	Acceptable	Contract has expired and has been extended.

2	ALM/SCM/17/2021-22	Black Mountain Consulting Engineers	Provision of professional Civil Engineering Services for a period of 36 months	Acceptable	Contract has expired, consultant is finishing the projects it was undertaking (on Practical completion)
3	ALM/SCM/27/2022-23	Lateral Unison Insurance Brokers	Provision of Insurance service for Municipal Assets for a period of 3 years	Acceptable	Contract has expired and has been extended.
4	ALM/SCM/30/2022-23	Utilities World (Pty) Ltd	Provision of prepaid vending solution for a period of three (03) years	Acceptable	Project is proceeding well
5	ALM/SCM/36/2022-23	CCG Systems (Pty) Ltd	Provision of Maintenance, Support, Licensing & upgrade of sage evolution financial system for a period of 3 years	Acceptable	Contract has expired and has been extended. (from 30/05/2026 to 31/06/2027)
6	ALM/SCM/47/2022-23	Black Mountain Consulting Engineers	Panel of three professional Electrical Engineering Services for a period of three years	Acceptable	Contract has expired and has been extended
7	ALM/SCM/47/2022-23	Bigen Africa Services (Pty) Ltd	Panel of three professional Electrical Engineering Services for a period of three years	Acceptable	Contract has expired and has been extended
8	ALM/SCM/35/2022-23	Riley Auctions Africa t/a Riley Auctioneers	Provision of Auctioneering Services for the Disposal of ALM sites	Acceptable	Project is proceeding well
9	ALM/SCM/49/2022-23	Mikuwo Construction	Panel of three Service Providers for Cherry Picker and Crane Truck hire for three (03) years	Acceptable	Project is proceeding well
10	ALM/SCM/04/2023-24	Jemic Motors cc	Panel of three Service providers for provision of fleet maintenance services for a period of three (03) years	Acceptable	No projects were assigned to them during this quarter.
11	ALM/SCM/05/2021-22	Mikuwo Construction	Panel of three service providers for a plant hire for a 36-month period for Amahlathi Local Municipality	Acceptable	Project is proceeding well
12	ALM/SCM/05/2021-22	Lunika Investments (Pty) Ltd	Panel of three service providers for a plant hire for a 36-month period for Amahlathi Local Municipality	Acceptable	Project is proceeding well
13	ALM/SCM/05/2021-22	Express Builders cc	Panel of three service providers for a plant hire for a 36-month period for Amahlathi Local Municipality	Acceptable	Project is proceeding well
14	ALM/SCM/05/2021-22	A 2 A Kopano Incorporated	Update & Maintenance of GRAP-Compliant fixed Asset Register	Acceptable	Project is proceeding well

15	ALM/SCM/47/2023-24	XL Aloe Travel	Panel of Service providers for the provision of Travelling Agency Services for a period of three (03) years	Acceptable	Project is proceeding well
16	ALM/SCM/47/2023-24	City of Choice Travel	Panel of Service providers for the provision of Travelling Agency Services for a period of three (03) years	Acceptable	Project is proceeding well
17	RT15-2021	Mobile Telephone Networks (Pty) Ltd (MTN)	Provision of voice over internet protocol (VOIP) soft calling/cloud hosted PBX system services for ALM for a period of 24 months	Acceptable	Project is proceeding well
18	ALM/SCM/46/2023-24	Penny Lindstrom Valuations cc	Compilation of valuation roll & Supplementary valuation roll for a period 2025-2030	Acceptable	Project is proceeding well
19	ALM/SCM/44/2023-24	ZKS and Nam General Trading	Construction of Mlungisi Sports field phase 3	Acceptable	Project is practical complete
20	ALM/SCM/11/2024-25	Leko Engineering Consultants	Provision of professional Civil engineering Services for the design and construction supervision on the Construction of Keiskammahoek roads under the small-town revitalization programme	Acceptable	Project is proceeding well
21	ALM/SCM/12/2024-25	Leko Engineering Consultants	Provision of professional Civil engineering Services for the design and construction supervision on the Construction of Stutterheim roads under the small-town revitalization programme	Acceptable	Project is proceeding well
22	ALM/SCM/06/2024-25	Yande Engineering & Projects	Provision of professional electrical engineering services for the design and construction supervision of the streetlights and highmast lights in keiskammahoek under the small-town revitalization programme	Acceptable	Project is proceeding well
23	ALM/SCM/01/2024-25	CAB Holdings (Pty) Ltd	Provision of Customer Accounts printing & Distribution Services for a period of 3 years	Acceptable	Project is proceeding well
24	ALM/SCM/19/2024-25	Kufanikiwa Consulting Engineers (Pty) Ltd	Provision of professional civil Engineering Services for the Construction of Phumlani Community Hall	Acceptable	Project is proceeding well
25	ALM/SCM/22/2024-25	Amantilo General Trading	Supply, delivery & Laying of Hot mix and cold Asphalt for a period of 24 months	Acceptable	Project is proceeding well

26	ALM/SCM/32/2024-25	Nemorango Consulting Engineers	Professional services for construction of Stutterheim roads and stormwater structures	Acceptable	Project is proceeding well
27	ALM/SCM/31/2024-25	Kukho Consulting Engineers	Professional services for construction of Keiskammahoek Roads and stormwater structures	Acceptable	Project is proceeding well
28	ALM/SCM/27/2024-25	Fleet Horizon Solutions (Pty) Ltd	Provision of a vehicle monitoring and recovery system with a fuel monitoring device and live video surveillance cameras for a period of 3 years	Acceptable	Project is proceeding well
29	ALM/SCM/33/2024-25	Devomix Construction (Pty) Ltd	Professional Consultant and contractor for construction of Xholorha paving and stormwater control phase 2 on a turnkey contract	Acceptable	Project is proceeding well
30	ALM/SCM/35/2024-25	Leko Engineering Consultants	Professional Services for construction of Kei Lands and stormwater structures	Acceptable	Project is proceeding well
31	ALM/SCM/26/2024-25	Rondo Group (Pty) Ltd	Appointment for a suitable qualified Town Planning Consultancy firm to undertake a Spatial Development Framework (SDF)	Acceptable	Project is proceeding well
32	ALM/SCM/44/2024-25	Max Prof (Maximum Project Recovery)	Appointment of a service provider for Vat and Recovery Services for a period of 36 months	Acceptable	Project is proceeding well
33	ALM/SCM/47/2024-25	Isangqa Somhlaba Group (Pty) Ltd	Appointment of Electrical Contractor for the Construction of 22/11 KV 2x2,5 MVA Cathcart Substation in the ALM	Acceptable	Project is proceeding well
34	ALM/SCM/48/2024-25	Kopano Construction JV	Appointment of Electrical Contractor for Construction of 11KV Stutterheim Main Intake Substation Contract	Acceptable	Project is proceeding well
35	ALM/SCM/12/2025-26	Imivuzo Trading	Construction of Phumlani Community Hall	Acceptable	Project is proceeding well
36	ALM/SCM/16/2025-26	Kukho Consulting Engineers	Professional Services for Cathcart Town Hall upgrade	Acceptable	Project is proceeding well
37	ALM/SCM/18/2025-26	XPM Group/AVX Engineers	Professional Consultant and a Contractor for Construction of Amabele Paving and stormwater Control	Below Standard	Project is not proceeding well, the contractor does not respond to correspondences sent to them, and the project is behind
38	ALM/SCM/04/2025-26	Siya and Aya Engineering	Electrical Contractor for the upgrade of the street lighting and highmast lights in Keiskammahoek	Acceptable	Project is proceeding well

39	ALM/SCM/05/2025-26	M Junior Trading (Pty) Ltd	Turnkey service provider for the upgrade of street lighting and highmast lighting in Stutterheim in the Amahlathi Local Municipality	Acceptable	Project is proceeding well
40	RT3-2022	Konica Minolta	Supply, Installation, commissioning, and Maintenance of office solution for 36 months through RT3-2022	Acceptable	Project is proceeding well
41	ALM/SCM/06/2025-26	Abantsundu 1 Building & Civil Construction	Construction of Keiskammahoek Roads under small town revitalization programme	Acceptable	Project is proceeding well
42	ALM/SCM/34/2025-26	Clark Laing Inc.	Provision of Labor Law Specialist services for a period of 12 months	Acceptable	Project is proceeding well
43	ALM/SCM/21/2025-26	Red Alert Alarms (Pty) Ltd	Supply, Delivery, Installation of alarm system, maintenance, monthly monitoring & response services for a period of 3 years	Acceptable	No projects were assigned to them during this quarter.
44	ALM/SCM/21/2025-26	Nkiseng Solutions (Pty) Ltd	Supply and Delivery of Tools of Trade for Stormwater Management	Acceptable	Awaiting delivery
45	ALM/SCM/24/2025-26	MBSA Consulting CC	Appointment of a service provider to develop of stormwater management and Maintenance plan for Amahlathi Local Municipal	Acceptable	Service provider recently been appointed
46	ALM/SCM/23/2025-26	Kukho Consulting Engineers	Establishment of panels for the provision of Engineering Services for a period of 3 years	Acceptable	Project is proceeding well
47	ALM/SCM/23/2025-26	Lech Consulting Civil & Structural Engineers	Establishment of panels for the provision of Engineering Services for a period of 3 years	Acceptable	Project is proceeding well
48	ALM/SCM/23/2025-26	HSC Consulting cc	Establishment of panels for the provision of Engineering Services for a period of 3 years	Acceptable	No projects were assigned to them during this quarter.
49	ALM/SCM/31/2025-26	Litye One Projects (Pty) Ltd	Supply and Installation of fencing to Mgwali Library	Acceptable	No projects were assigned to them during this quarter.

50	ALM/SCM/32/2025-26	Onele Construction & Cleaning	Construction of Keiskammahoek Roads and associated Stormwater structures	Acceptable	Service provider recently been appointed
51	ALM/SCM/44/2025-26	Tidoo Engineering Services cc	Repairs and Replace the earthing to 22/11kV 3MVA Substation (Cathcart)	Acceptable	Service provider recently been appointed

f) TARGETS NOT MET IN 2024/25

SYMBOL	STATUS
	NO improvement
	Improvement
	Some elements are improving whilst the target has not been achieved.
	Regressed

KPA	Strategic Objective	Annual Target	ACTUAL PERFORMANCE TARGETS	PROGRESS AS AT END 2025/26	STATUS
KPI 1. SERVICE DELIVERY AND INFRASTRUCTURE SERVICES	To ensure provision of a sustainable road network and public infrastructure within Amahlathi LM by 2027.	100% progress achieved on the paving of 2,3km at Xhologha Township	Target not met 90% progress achieved on the paving of 2,3 kilometers at Xhologha Township.	100% progress achieved on the paving of 2,3 kilometers at Xhologha Township.	
	To ensure sustainable supply of electricity by developing new infrastructure while upgrading and maintaining existing networks by 2027.	200 meters electricity installed	Target not met 155 meters electricity installed	The municipality is participating in the RT29 Smart meter grant project, under which a service provider has been appointed to install smart meters in Amahlathi. Phase one of the project, which include audits, has been completed . Phase two involves the physical installation of the smart meters. Installation of smart meters in Amahlathi will proceed under the RT29 contract, which is valid for a three-year period . However, all installations are scheduled to be completed by December 2025. 4 reports on implementation of smart meter project were received.	

KPI 2 MUNICIPAL FINANCIAL VIABILITY	To ensure sustainable supply of electricity by developing new infrastructure while upgrading and maintaining existing networks by 2027.	85% of billed income collected	Target not met 66% of billed income collected.	Target not met 62% of billed income collected.	
		4 reports outlining 10% increase on revenue based on implementation of Financial Improvement Plan	Target not met. Some activities on the Financial Improvement plan decreased instead of increase as planned. Across all departments there is a difficulty understanding the targets and receiving appropriate votes.	TARGET ABANDONED. The management adjusted the target to allow the process to review financial improvement plan and set realistic and achievable targets.	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	To ensure a clean administration by 2027	2 Risk management reports reflecting a total of 80% implementation of risk management action plans (Actions due and Actions overdue) submitted to the Internal Audit unit by HOD's in preparation for risk management committee meeting	Target not met 3 HODs reports reflected percentage less than 80% in Quarter 3 and other in Quarter 4	Target not met Q- 1 Risk management report reflecting a total of 80% implementation of risk management action plans (Actions due and Actions overdue) submitted to the Internal Audit unit by HOD's in preparation for risk management committee meeting however not within the required days as planned."	
		8 risk based internal audit assignments conducted in 2024/25 financial year	Target not met In ability to recover lost hours due to strike by employees leading to delayed submission of information to internal audit unit. The outstanding audits have been rolled forward to quarter 1 of 2025/26 financial year.	Target met 100% of planned internal audit activities implemented by 30 June 2026	

		1 Final Internal Audit Quality Assurance Review Report by 30 June 2025	Target not met Provincial Treasury has been requested to perform quality assurance review of the internal audit function. Information has been submitted and the review is in progress	Provincial treasury completed the review and submitted the report on the review and provided recommendations	↑
	Ensure effective & efficient resolution of legal matters	4 reports on Implementation of developed governance compliance plan submitted to Risk Committee Meeting	Target not met 1 report on Implementation of developed governance compliance plan submitted to Risk Committee Meeting	Target not met. Some Compliance reports not submitted to the internal audit within 3 working days after the end of quarter 1.	↔
		4 reports on legal matters and their status with financial implications and legal opinion presented to Council	Target not met 3 reports on legal matters and their status with financial implications and legal opinion presented to Council	Target met 4 reports on legal matters and their status with financial implications and legal opinion.	↑
	To ensure quality life through integrated welfare services for the children, women, youth, elderly, people with disability, HIV and AIDS by 2027	7 SPU Forums Established and Capacitated	Target not met 6 SPU Forums Established and s Capacitated	Target met 8 SPU vulnerable groups to be provided with supported as per the program of action	↑
LOCAL ECONOMIC DEVELOPMENT	To ensure holistic and economic growth and development by 2027	72 businesses renewed their trading permits	Target not met 48 businesses renewed their permits. Constant change business ownership. Lack of law enforcement Officers to ensure businesses compliance Municipal fleet challenges. Existence of Law enforcement officers to assist with compliance. To be implemented in the next financial year 2025/2026	Target met 121 Renewed Trading Permits	↑
KPI 5. MUNICIP AL TRANSF	To attract, retain, build capacity, and maximize utilization	4 implemented Re-Engineered and Council Approved	Target not met. Amahlathi Job Descriptions were	Target met 6 Local Job Description Writers Committee Meeting convened	↔

	of Amahlathi Human Capital by 2022 and beyond	organogram Action Plan Items	submitted to District Job Evaluation Committee, however due to unavailability of the grading system they could not go through to Provincial Grading Committee for confirmation		
	To ensure adequate and improved working environment	4 reports on fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	Target not met 3 reports on fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee. There were no vehicles to be booked. The full implementation will be applied upon availability of fleet to be booked at end of Q1.	Target met 4 reports on fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	
	To develop and implement effective and compliant frameworks to improve planning and performance management by 2022 and beyond	30% progress achieved on the Construction of Amahlathi Municipal offices in Stutterheim	Target not met 20% progress achieved on the Construction of Amahlathi Municipal offices in Stutterheim	The Contractor was terminated due to poor performance. Council resolved to defer and remove the project from being funded under MIG. Task team made up of MISA,COGTA, Provincial Treasury and the Municipality has been formed to source funding for the project. The project will be implemented once funding has been secured. 1 funding proposal for construction of Amahlathi Municipal offices in Stutterheim submitted to potential funder(Office of the Premier).	

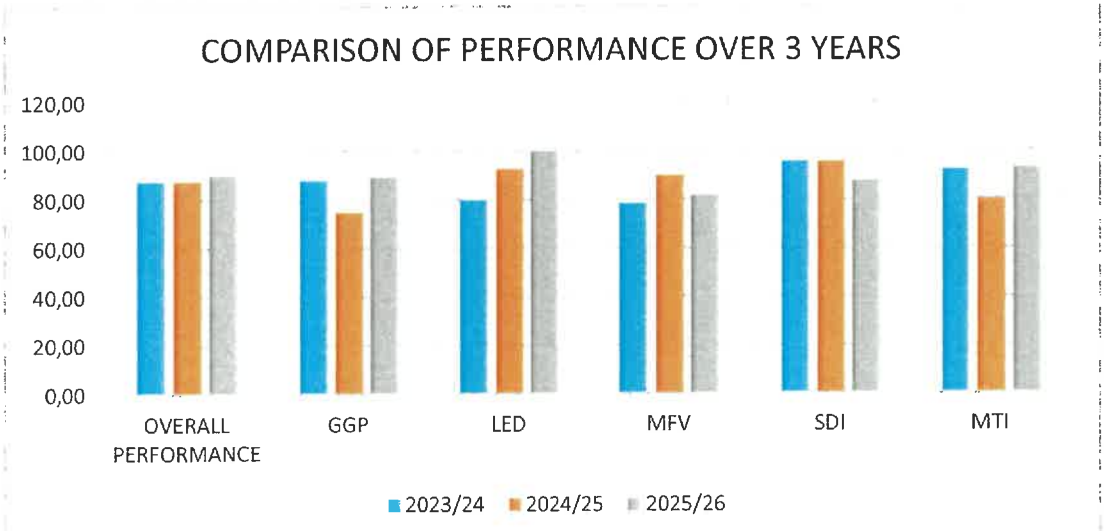
g) INSTITUTIONAL PERFORMANCE

INSTITUTIONAL PERFORMANCE						
KPA	Total targets	N/A Targets	Targets for the period	Met	Not Met	APR 2025/26
SDI	32	0	32	28	4	87,50
MFV	11	0	11	9	2	81.82
GGP	19	0	19	17	2	89,47
LED	15	0	15	15	0	100,00
MTI	14	0	14	13	1	92,86
Overall Performance	91	0	91	82	9	90,11

9.1 COMPARISONS OF PERFORMANCE OVER 3 FINANCIAL YEARS

KEY PERFOMANCE AREA	2023/24	2024/25	2025/26
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	88.24%	75,00	89.47
LOCAL ECONOMIC DEVELOPMENT	80.00%	92,86	100
MUNICIPAL FINANCIAL VIABILITY	78.57%	90,00	81.82
SERVICE DELIVERY AND INSTITUTIONAL DEVELOPMENT	95.65%	95,45	87.50
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	92.31%	80,00	92.86
OVERALL PERFOMANCE	87.80%	87,85	90,11

GRAPHICAL PRESENTATION OF ORGANIZATIONAL PERFORMANCE



2. DEPARTMENTAL PERFORMANCE

The percentages depicted on the table below are only calculated according to the targets met and does not quantify any allocation of performance bonuses. The Core Competency Requirements (CCR's) are not included as the municipality is reflecting departmental performance based on service delivery only.

ENGINEERING SERVICES						
KPA	Total targets	N/A Targets	Targets for the period	Met	Not Met	APR 2025/26
SDI	19	0	19	15	4	78,95
MFV	2	0	2	1	1	50.00
GGP	2	0	2	0	2	0,00
LED	2	0	2	2	0	100,00
MTI	2	0	2	1	1	50,00
Overall Performance	27	0	27	19	8	70.37

COMMUNITY SERVICES						
KPA	Total targets	N/A Targets	Targets for the period	Met	Not Met	APR 2025/26
SDI	10	0	10	10	0	100,00
MFV	2	0	2	1	1	50,00
GGP	2	0	2	2	0	100,00
LED	1	0	1	1	0	100,00
MTI	1	0	1	1	0	100,00
Overall Performance	16	0	16	15	1	93,75

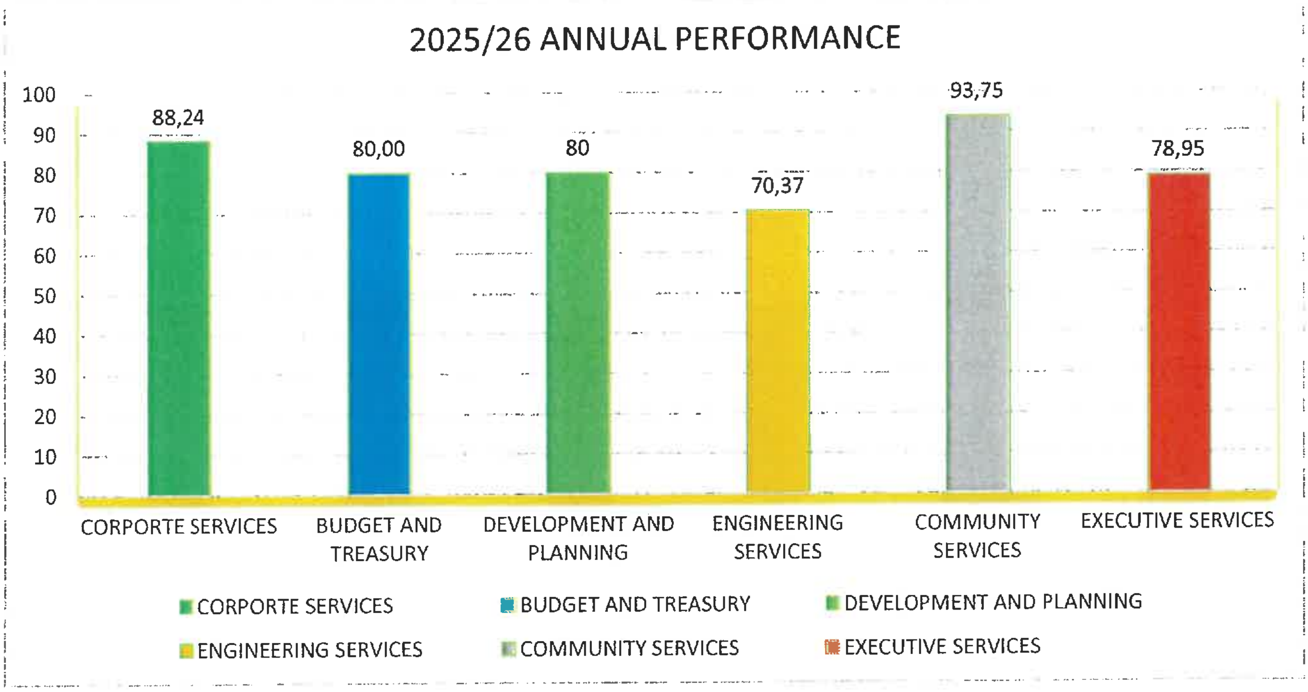
BUDGET AND TREASURY						
KPA	Total targets	N/A Targets	Targets for the period	Met	Not Met	APR 2025/26
MFV	9	0	9	7	2	77.78
GGP	4	0	4	4	0	100,00
LED	1	0	1	1	0	100,00
MTI	1	0	1	0	1	0,00
Overall Performance	15	0	15	12	3	80.00

EXECUTIVE SERVICES						
KPA	**Total targets**	**N/A Targets**	**Targets for the period**	**Met**	**Not Met**	**APR 2025/26**
SDI	1	0	1	1	0	100,00
MFV	1	0	1	0	1	0,00
GGP	14	0	14	12	2	85,71
LED	1	0	1	1	0	100,00
MTI	2	0	2	1	1	50,00
Overall Performance	**19**	**0**	**19**	**15**	**4**	**78,95**

PLANNING AND DEVELOPMENT						
KPA	**Total targets**	**N/A Targets**	**Targets for the period**	**Met**	**Not Met**	**APR 2025/26**
SDI	2	0	2	2	0	100,00
MFV	1	0	1	0	1	0,00
GGP	2	0	2	0	1	0,00
LED	10	0	10	10	1	100,00
Overall Performance	**15**	**0**	**15**	**12**	**3**	**80,00**

CORPORATE SERVICES						
KPA	**Total targets**	**N/A Targets**	**Targets for the period**	**Met**	**Not Met**	**APR 2025/26**
GGP	5	0	5	4	1	80,00
MTI	12	0	12	11	1	91,67
Overall Performance	**17**	**0**	**17**	**15**	**2**	**88,24**

Graphical Presentation



In 2025/26 financial year the performance of Amahlathi Local Municipality reflects a performance rate of 90.11%.

Financial Constraints (Due to budget limitation the full scope of 5km at Izidenge could not be covered priority was given to culvert construction for better access), Underground water encountered in the area that needed treatment and caused delays in construction, Slow progress, cash-flow constraints from the contractor were amongst challenges which could have led to more improvement on institutional performance. The departments should also ensure that the information provided is reviewed by the head of departments to ensure credibility and accuracy. The overall departmental performance regressed during the 2025/26 financial year, primarily due to the late submission of information by departments, which affected the achievement and reporting of planned targets. Performance declined across all departments, except for Corporate Services, which improved from **82.35%** in the previous reporting period to **88.24%** in the 2025/26 financial year.

11.1 KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (SDI (Weight 40)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annul Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
Output 2: Improving access to Basic Services	"To ensure provision of a sustainable road network and public infrastructure within Amahlathi LM by 2027. "	Maintenance and upgrading of the Municipal Road Network Servicing the Amahlathi Local Municipal Area.	% progress achieved on the construction of 2.6 Roads in Keiskammahoek under the STR Grant	15% progress achieved on the construction of 2.6km Roads in Keiskammahoek under the STR Grant	Target met 100% progress achieved on the pre-engineering work on the rehabilitation of Keiskammahoek Roads under the STR grant	Target met 44% progress achieved on the construction of 2.6km Roads in Keiskammahoek under the STR Grant	N/A	Director: Engineering Services	**1.1.1**
			% progress achieved on the gravelling of 3,2km Ngqeqe Internal Road.	100% progress achieved on the gravelling of 3,2km Ngqeqe Internal Road.	New Indicator	Target met 100% progress achieved on the gravelling of 3,2km Ngqeqe Internal Road.	N/A	Director: Engineering Services	**1.1.2**
			% progress achieved on the gravelling of 5km Izidenge Roads and Storm-water	100% progress achieved on the gravelling of 5km Izidenge Roads and Storm-water	New Indicator	"Target not met 24% progress achieved on the gravelling of 5km Izidenge Roads and Storm-water	Due to budget limitation the full scope of 5km could not be covered priority was given to culvert construction for better	Director: Engineering Services	**1.1.3**

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annul Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
							access. A process has been initiated and will be completed in second quarter of 2026/27 financial year to source funding approval to cover the balance of the scope.		
			% progress achieved on the Planning for Stutterheim Streets Paving	100% progress achieved on the Planning for Stutterheim Streets Paving	New Indicator	"Target met 100% progress achieved on planning of Stutterheim streets Paving"	N/A	Director: Engineering Services	1.1.4
			% progress achieved on the Planning for Keiskammahoek Town Paving	100% progress achieved on the Planning for Keiskammahoek Town Paving	New Indicator	Target met 100% progress achieved on the planning for Keiskammahoek Town paving	N/A	Director: Engineering Services	1.1.5

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annul Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
			% progress achieved on the Paving of 2km Xholorha Roads under the Disaster Grant	100% progress achieved on the Paving of 2km Xholorha Roads under the Disaster Grant	New Indicator (Project)	Target not met 83% progress achieved on the Paving of 2km Xholorha Roads under the Disaster Grant	Underground water encountered in the area that needed treatment and caused delays in construction. Subsoil drainage has been installed and construction of road layers is ongoing. The project will be completed in first quarter of 2026/27 financial year.	Director: Engineering Services	**1.1.6**
			% progress achieved on the Planning for Keilands internal roads	100% progress achieved on the Planning for Keilands internal roads	New Indicator	Target met 100% progress achieved on the planning for Keilands internal roads.	N/A	Director: Engineering Services	**1.1.7**
			% progress achieved on the gravelling of 6km Ngcamngeni Internal Roads and Storm-	100% progress achieved on the gravelling of 6km Ngcamngeni Internal Roads and Storm-	New Indicator	Target met 100% progress achieved on the gravelling of 6.4km Ngcamngeni	N/A	Director: Engineering Services	**1.1.8**

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annul Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
			water- Disaster Grant	water- Disaster Grant		Internal Roads with Storm-water drains-Disaster Grant			
			% progress achieved on the paving of 1,5km of Amabele Internal Roads with Storm water drains	50% progress achieved on the paving of 1,5km of Amabele Internal Roads with Storm water drains	New Indicator	Target met 60% progress achieved on the paving of 1,5km of Amabele Internal Roads with Storm water drains	N/A	Director: Engineering Services	1.1.9
			Number of potholes repaired as inspected	200 potholes repaired as inspected	New Indicator	Target met 2641 potholes repaired as inspected	N/A	Director: Engineering Services	1.1.10
			No of reports on implementation of MIG funded (capital) projects	4 reports on implementation of capital projects	Target met 4 reports on implementation of Capital projects submitted	Target met 4 reports on implementation of capital projects	N/A	Municipal Manager	1,1,11
	To ensure sustainable supply of electricity by developing new infrastructure while upgrading	Improve electricity infrastructure and reduce losses	Number of progress reports on implementation of smart meter grants	4 progress reports on implementation of smart meter grants	Target not met 155 meters electricity installed	Target met 4 progress reports on implementation of smart meter grants	N/A	Director: Engineering Services	1.2.1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annul Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
	and maintaining existing networks by 2027.		%progress on 11kV Main Intake SwS Stutterheim upgrade phase 3	50% %progress on 11kV Main Intake SwS Stutterheim upgrade phase 3	Target met 100%progress on pre-engineering works-11kV Main Intake SwS upgrade phase 2	"Target met 50% progress achieved on 11kV Main Intake SwS Stutterheim upgrade phase3"	N/A	Director: Engineering Services	**1.2.2**
			% progress on -3-5MVA 22/11kV Cathcart Substation upgrade phase 2	50% progress on -3-5MVA 22/11kV Cathcart Substation upgrade phase 2	Target met 100%progress on pre-engineering works-11kV Main Intake SwS upgrade phase 2	Target not met 21.42% progress 3-5MVA 22/11kV Cathcart Substation upgrade phase 2	The delays were due to additional rock excavations that was discovered during the excavation of earth mat. An accelerated plan was submitted by the service provider to fast track the program, and weekly progress meetings are held to closely monitor the project. The project is a multi-year	Director: Engineering Services	**1.2.3**

Outcome 9: A Respons ive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annul Actual 2025/26	Comment and Corrective Action	Custodia n	KPI NO
							project and will be completed in the 2026-2027 financial year		
			% progress achieved on the Upgrading of public lights in Stutterheim under the STR grant	25% progress achieved on the Upgrading of public lights in Stutterheim under the STR grant	Target met 100% progress achieved on the pre-engineering work on the Upgrading of 11kv line and Street Lights in Stutterheim under the STR grant	"Target met 50% progress achieved on the Upgrading of public lights in Stutterheim under the STR grant	N/A	Director: Engineeri ng Services	**1.2.5**
			% progress achieved on the upgrading of public lights in Keiskammahoek	20% progress achieved on the upgrading of public lights in Keiskammahoek	Target met 100% progress achieved on the pre-engineering work on the upgrading of High Mast and Street Lights in Keiskammaho ek under the STR grant	"Target met 30% achieved on the upgrading of public lights in keiskammaho ek town under STR grants."	N/A	Director: Engineeri ng Services	**1.2.6**

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annul Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
	To promote safety and security in the municipality by 2027	Implementation of the Community Safety Plan	Number of progress reports on reported disaster incidents submitted to Development and Planning	4 Progress reports on reported disaster incidents submitted to Development and Planning	Target met 4 Progress reports on reported disaster incidents submitted to Development and Planning	Target met 4 Progress reports on reported disaster incidents submitted to Development and Planning	N/A	Director: Community Services	1,3,1
		Implementation of the Integrated Fire Management Plan	No of fire awareness campaigns conducted by June 2026	14 Fire Awareness Campaigns conducted	Target met 14 Fire Awareness Campaigns conducted	Target met 20 Fire Awareness Campaigns conducted	N/A	Director: Community Services	1,3,2
		Conduct roadblocks	No. of roadblocks conducted	40 roadblocks conducted	Target met 54 roadblocks conducted	Target met 57 roadblocks conducted	N/A	Director: Community Services	1,3,3
		Implementation of National Road Traffic Act	No. of tickets issued on law enforcement by June 2026	500 tickets issued on law enforcement	New Indicator	Target met 1073 tickets issued on law enforcement	N/A	Director: Community Services	1,3,4
		Conduct operations on Execution of unpaid traffic fines and warrants by June 2027	No. of operations conducted on Execution of unpaid traffic fines and warrants by June 2026	Conduct 4 operations on Execution of unpaid traffic fines and warrants by June 2026	New Indicator	Target met 5 Conducted operations on Execution of unpaid traffic fines and warrants by June 2026	N/A	Director: Community Services	1,3,5

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annul Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
		Provision of proper road marking and signage	No. of paintable streets with faded road markings painted	8 paintable streets with faded road markings painted	Target met 15 paintable streets with faded road markings painted	Target met 14 paintable streets with faded road markings painted	N/A	Director: Community Services	1,3,6
	To ensure provision of sustainable public facilities by 2027	Facilitate maintenance and upgrade of sport, community halls, hawker stalls, cemeteries, and recreational facilities	% progress achieved on construction of Langdraai Community Hall	100% progress achieved on construction of Langdraai Community Hall	Target met 100% progress achieved on the construction of the Keiskammahoek Recreation Centre. Completion certificate attached.	Target met 100% progress achieved on construction of Langdraai Community Hall"	N/A	Director: Engineering Services	1.4.1
			% progress achieved on construction of Phumulani Community Hall	100% progress achieved on construction of Phumulani Community Hall	New Indicator	Target not met 95% progress achieved on the construction of Phumlani Community Hall"	Slow progress, cash-flow constraints from the contractor. The project is almost complete, materials	Director: Engineering Services	1.4.2

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annul Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
							secured through cession to complete the project. The project will be completed in the first quarter of 2026/27		
			% progress achieved on Planning of Cathcart Town Hall Upgrade	100% progress achieved on Planning of Cathcart Town Hall Upgrade	New Indicator	"Target met 100% progress achieved on the planning of Cathcart townhall upgrade"	N/A	Director: Engineering Services	1,4,3
			% Progress on upgrades of sport facilities(Mlungisi)	100% Progress on upgrades of sport facilities(Mlungisi)	Target met 100% Progress achieved on the upgrading of Mlungisi Sport field. Completion certificate attached	Target met 100% Progress achieved on the upgrading of Mlungisi Sportified"	N/A	Director: Engineering Services	1,4,4
	To promote the culture of reading and effective use of library resources	Conduct library activities that promote the culture of reading and	No. of library awareness campaigns conducted by June 2026	12 library awareness campaigns conducted	Target met 15 Library awareness's campaigns conducted	Target met 19 library awareness campaigns conducted	N/A	Director: Community Services	1,5,1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annul Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
		effective use of library resource							
	Ensure that solid waste is managed in an Integrated environmentally friendly and sustainable manner	Review and Implement the Integrated Waste Management plan	Number of Reports on of solid waste programmes implemented by June 2026	4 reports on solid waste programmes implemented by June 2026 (street cleaning , waste collection and disposal)	Target met 4 reports on solid waste programmes implemented by June 2025 (street cleaning, waste collection and disposal)	Target met 4 reports on Solid waste programmes implemented by June 2026 (Street cleaning, waste collection and disposal)	N/A	Director: Community Services	1,6,1
		Conduct waste management campaigns	No of waste awareness campaigns conducted per cluster by June 2026	4 waste awareness campaigns conducted	Target met 18 waste awareness campaigns conducted	Target met 10 waste awareness campaigns conducted	N/A	Director: Community Services	1,6,2
			Number of illegal dumping sites cleared	8 illegal dumping sites cleared	New Indicator	Target met 30 illegal dumping sites cleared	N/A	Director: Community Services	1,6,3
	To facilitate a balanced spatial development form for the Municipality	Finalize and Implement the Spatial Development Framework (SDF)	Number of Land Use Compliance Reports on Spatial/ Land Use Frameworks and Legislations	4 Quarterly reports submitted on Compliance with Spatial/ Land Use Frameworks and Legislations	Target met 4 progress reports submitted	Target met 4 Quarterly reports submitted on Compliance with Spatial/ Land Use Frameworks	N/A	Director Development and Planning	1,7,1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annul Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
						and Legislations			
	To facilitate access to housing relief	To. monitor the progress and implementation on housing applications submitted to Department of Human Settlements	No of reports on housing implementation status submitted to Standing committee	4 reports on housing implementation status submitted to Standing Committee	Target met 4 reports on housing implementation status submitted to Standing Committee	Target met 4 reports on housing implementation status submitted to Standing Committee	N/A	Director Development and Planning	1,8,1

11.2 KPA 2 MUNICIPAL FINANCE VIABILITY (MFV) – (WEIGHT – 15)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
Output 6: Administrative and Financial Capacity	To continuously ensure an equitable, economical, transparent, fair and value – add supply chain management system/function	Strict adherence to SCM Regulations	No. of quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor by the 15th day after end of the quarter	4 quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor by the 15th day after end of the quarter	Target met 4 quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor by the 15th day	Target met 4 quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor by the 15th day	N/A	Chief Financial Officer	2,1,1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
					after end of the quarter	after end of the quarter			
	To maintain an accurate and complete fixed asset register that is compliant with GRAP by 2027	Maintain a fixed asset register that complies with GRAP	No, of Update Asset Register	1 GRAP Compliant Asset Register	Target met, there were no material findings on asset register raised by AGSA during 2023/24 audit	Target met 1 GRAP Compliant Asset Register	N/A	Chief Financial Officer	2,2,1
	To ensure 100% expenditure of capital budget annually by 2027	Monitoring and reporting on the spending (MIG/INEP grants)	% expenditure of capital budget	100% expenditure of capital budget	Target met 100% expenditure of capital budget	Target met 100% expenditure of capital budget (MIG and INEP)	N/A	Director: Engineering Services	2.3.1
	To improve collection of income due from consumer debtors annually.	Collect 90% of billed income	% of billed income collected from the municipal licensed area	85% of billed income collected from the municipal licensed area	Target not met 66% of billed income collected.	Target not met 62% of billed income collected	Government departments that are not responsive regarding their debt citing budget challenges. Billing done to indigents that needs to be reversed. Smart meter data that needs to be finalized by the	Chief Financial Officer	2,4,1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
							smart meter service provider. Delays in completing the smart meter project phase 1. Handing over of Government departments to debt collector. Write off debt deemed to be irrecoverable. Escalate the issues with National Treasury.		
			% of billed income collected	30% of billed income collected from unlicensed area	New indicator	Target met 71,76% of billed income collected from unlicensed area	N/A	Chief Financial Officer	2,4,2
		Implementation of Financial Improvement Plan	No. of reports outlining 10% increase on revenue based on implementation of Financial Improvement Plan	4 reports outlining 10% increase on revenue based on implementation of Financial	New Indicator	Target not met. Some activities on the Financial Improvement plan decreased	TARGET ABANDONED. The management adjusted the target to allow the process to review	Municipal Manager	2,4,3

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
				Improvement Plan		instead of increase as planned	financial improvement plan and set realistic and achievable targets.		
	To ensure effective, compliant, and credible financial planning, management and reporting by 2027.	Adherence to all applicable financial legislation and regulations	No. of Monthly financial reports (Sec 71 ,sec 52 & sec 72 reports) submitted to Mayor and Treasury on the 10th working day of each month	No. of Monthly financial reports (Sec 71 ,sec 52 & sec 72 reports) submitted to Mayor and Treasury on the 10th working day of each month	Target met 12 Monthly financial report submitted to Mayor and Treasury on the 10th working day of each month 4 sec 52 reports within 30 days to Mayor and Treasury)	Target met 12 Monthly financial report submitted to Mayor and Treasury on the 10th working day of each month 4 sec 52 reports within 30 days to Mayor and Treasury)	N/A	Chief Financial Officer	2,5,1
		Preparation and submission of credible and GRAP compliant annual financial statements	Date on which GRAP compliant annual financial statements prepared and submitted to the Auditor-General	GRAP compliant annual financial statements prepared and submitted to the Auditor-General by 31st August 2025	Target met GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August 2025	Target met GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August 2025	N/A	Chief Financial Officer	2,5,2

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
		Financial Viability as expressed by ratios	% Cost coverage (B+C)÷D B represents all available cash at a particular time C represents investments D represents monthly fixed operating expenditure	To maintain a cost average ratio of 0,07% by June 2025	Target met Maintain 0.61% Cost coverage ratio (B+C)÷D B represents all available cash at a particular time C represents investments D represents monthly fixed operating expenditure	Target met 1.29% Cost coverage ratio (B+C)÷D B represents all available cash at a particular time C represents investments D represents monthly fixed operating expenditure	N/A	Chief Financial Officer	2,5,3
		Adherence to Service Level Agreement signed with Department of Transport	No of weekly reports on motor vehicle registration submitted to Department of Transport within 3 working days after the end of each week	46 weekly reports on motor vehicle registration submitted to Department of Transport within 3 working days after the end of each week	Target met 46 weekly reports on motor vehicle registration submitted to Department of Transport within 3 working days after the end of each week	Target met 50 weekly reports on motor vehicle registration submitted to Department of Transport within 3 working days after the end of each week	N/A	Director: Community Services	2,5,4
	To prepare a realistic budget in line with the objectives and strategies in the IDP based	Coordinate and develop Amahlathi municipality's budget in line developmental	Date on which 2026/2027 budget prepared and submitted to council for approval	2026/2027 budget prepared and submitted to council for approval by 31st May 2026	Target met 2025/2026 budget prepared and submitted to council for	Target met 2026/2027 budget prepared and submitted to council for	N/A	Chief Financial Officer	2,6,1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
	on a three-year Medium-Term Revenue and Expenditure Framework (MTREF)	imperatives in the IDP			approval by 31st May 2025	approval by 31st May 2026			

11.3KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (WEIGHT – 15)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025-26	Annual Actual 2024/25	Annual Target 2025-26	Comment and Corrective Action	Custodian	KPI NO
Output 5: Deepen democracy through a refined ward committee model.	To strengthen democracy through improved public participation.	Public Participation Action Plan	No. of reports analyzing public participation trends	4 reports analyzing public participation trends	Target met 4 reports analyzing public participation trends submitted	Target met 4 reports analyzing public participation trends submitted	N/A	Municipal Manager	3,1,1
			No of followers on social media by the end of the financial year	600 Increase on social media by the end of the financial year	Target met 37% Increase on social media following by the end of the financial year	Target met 3443 Increase on social media by the end of the financial year	N/A	Municipal Manager	3,1,2
			No. of quarterly petition Management status reports submitted to Council	4 Petition Management Status Report submitted to Council	Target met 4 Quarterly reports on the status of petitions received and submitted to Council	Target met 4 Quarterly reports on the status of petitions received and submitted to Council	N/A	Municipal Manager	3,1,3
	To capacitate Satellite offices as one stop shops for service delivery by 2027.	Ensuring Cluster Wide Comprehensive Development	No. of Ward Based Service Delivery Plans	Five ward based plans	Target met 5 Ward Based Service Delivery Plans Developed	Target met Approved 10 Ward Based Plans	N/A	Municipal Manager	3,2,1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025-26	Annual Actual 2024/25	Annual Target 2025-26	Comment and Corrective Action	Custodian	KPI NO
	To regularly coordinate provision of a comprehensive and integrated package of services by all spheres of government.	Strengthening of IGR structures	No. of IGR meetings Convened	4 Broader IGR Meetings Convened	Target met 4 IGR meetings Convened	Target met 4 IGR meetings Convened	N/A	Municipal Manager	3.3.1
	To ensure a clean administration by 2027	Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of risk management reports reflecting a total of 80% implementation of risk management action plans (actions due and actions overdue) submitted to the Risk Management Unit within 3 working days after the end of each quarter.	4 risk management reports reflecting a total of 80% implementation of risk management action plans (actions due and actions overdue) submitted to the Risk Management Unit within 3 working days after the end of each quarter.	Target not met 3 HODs reports reflected percentage less than 80% in Quarter 3 and other in Quarter 4	Target not met Q- 1 Risk management report reflecting a total of 80% implementation of risk management action plans (Actions due and Actions overdue) submitted to the Internal Audit unit by HOD's in preparation for risk management committee meeting however not within the	There was no network due to unplanned outages. Submission was only possible after the following day. The problem was resolved in the second quarter and the department will continue to submit on time.	All HODs	3,4,1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025-26	Annual Actual 2024/25	Annual Target 2025-26	Comment and Corrective Action	Custodian	KPI NO
						required days as planned.*			
			No. of Risk committee meetings organized during 2025/26	4 Risk Committee meetings organized during 2025/26	Target met 4 Risk committee meetings and 1 Strategic, operational and fraud risks assessments Co-ordinated 2024/25	Target met 4 Risk committee meetings and 1 Strategic, operational and fraud risks assessments Co-ordinated 2025/26	N/A	Municipal Manager	3,4,3
			% of planned internal audit activities implemented by 30 June 2026	80% of planned internal audit activities implemented by 30 June 2026	Target met 2 compliance risk based internal audit assignments conducted in 2024/25 financial year	Target met 100% of planned internal audit activities implemented by 30 June 2026	N/A	Municipal Manager	3,4,5
			No. of audit committee meetings organized by 30 June 2026	6 audit committee meetings organized by 30 June 2026	Target met 8 audit committee meetings convened by 30 June 2025	Target met 7 audit committee meetings organized by 30 June 2026	N/A	Municipal Manager	3,4,6
	Ensure effective & efficient resolution of legal matters	Develop of compliance register and compliance plan	No of compliance reports reflecting a total of 80%	4 compliance reports reflecting a total of 80% implementatio	Target not met 1 report on Implementatio n of developed governance	Target not met. Q1- 1 Compliance report not	There was a network problem which was caused by	All HODs	3,5,1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025-26	Annual Actual 2024/25	Annual Target 2025-26	Comment and Corrective Action	Custodian	KPI NO
			implementation of compliance line items reported for the quarter developed by HODs and submitted to the Risk Management Unit within 3 working days after the end of each quarter	n of compliance line items reported for the quarter developed by HODs and submitted to the Risk Management Unit within 3 working days after the end of each quarter	compliance plan submitted to Risk Committee Meeting	submitted to the internal audit within 3 working days after the end of quarter 1. Q2	unscheduled electricity outage. The problem was resolved since the second quarter. The departments will continue to submit in 2026/27.		
		Develop litigation management Strategy	No. of reports on legal matters and their status with financial implications submitted to council	4 reports on legal matters and their status with financial implications and legal opinion	Target not met 3 reports on legal matters and their status with financial implications and legal opinion presented to Council	Target met 4 reports on legal matters and their status with financial implications and legal opinion	N/A	Municipal Manager	3,5,2

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025-26	Annual Actual 2024/25	Annual Target 2025-26	Comment and Corrective Action	Custodian	KPI NO
	To ensure quality life through integrated welfare services for the children, women, youth, elderly, people with disability, HIV and AIDS by 2027	Development and Implementation of Strategy on Special Programmes	No. of SPU vulnerable groups supported as per program of action	4 SPU vulnerable groups to be provided with supported as per the program of action	Target not met 6 SPU Forums Established and s Capacitated	Target met 8 SPU vulnerable groups to be supported as per the program of action	N/A	Municipal Manager	3,6,1
	To ensure proactive and effective communication	Building and positioning well the municipality brand	No. of newsletters developed and published on website and municipal Facebook page	4 newsletters developed and published on website and municipal Facebook page	Target met 4 quarterly newsletters developed and published on website and municipal Facebook page	Target met 4 newsletters developed and published on website and municipal Facebook page	N/A	Municipal Manager	3,7,1
			No of Publications on Facebook promoting Amahlathi Local Municipality	40 Publications on Facebook promoting Amahlathi Local Municipality	New Indicator	Target met 40 Publications on Facebook promoting Amahlathi Local Municipality	N/A	Municipal Manager	3.7.2
	Improvement of ICT infrastructure for efficiency and data recovery	Improvement of ICT infrastructure for efficiency and data recovery and	No of reports on the implementation of ICT infrastructure	4 reports on the implementation of ICT infrastructure	Target met. 4 reports on the implementation of ICT infrastructure	Target met 4 reports on the implementation of ICT infrastructure	N/A	Director Corporate Services	3,8,1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025-26	Annual Actual 2024/25	Annual Target 2025-26	Comment and Corrective Action	Custodian	KPI NO
		Data Recovery	and Data Recovery	and Data Recovery	and Data Recovery	and Data Recovery			
		Modernize the telephone system for customer care and productivity improvement	Turnaround time to attend to logged faults by users	3 working hours to attend to logged faults users	Target met. 1:08 minutes taken to attend to logged faults users	Target met Average of 0.53 working hours' time taken to attend to logged faults users	N/A	Director Corporate Services	3,9,1
	To ensure compliant, effective, and efficient customer management by 2027.	Implementation and monitoring of controls to ensure security of information and business continuity	No. of reports on ICT systems implemented with itemized usage and expenditure reports submitted to ICT Steering committee	4 reports on ICT systems implemented with itemized usage and expenditure reports submitted to standing committee	Target met 4 reports on ICT system implemented projects with itemized usage and expenditure report submitted to standing committee	Target met 3 reports on ICT systems implemented with itemized usage and expenditure reports submitted to ICT Steering committee	N/A	Director Corporate Services	3,9,2
		Provide on-going support to users on system related queries	% of reported system related queries resolved	95% of reported system related queries resolved	Target met 100% of reported system related queries resolved	Target met 100% of reported system related queries resolved	N/A	Chief Financial Officer	3,9,3

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025-26	Annual Actual 2024/25	Annual Target 2025-26	Comment and Corrective Action	Custodian	KPI NO
	To ensure business continuity in the event of a disaster by 2022 and beyond	Implementation and monitoring of controls to ensure security of information and business continuity	Daily backups done on Financial system, Payroll and HR system	Daily backups done on Financial system, Payroll and HR system	Target met Daily backups done on Financial system, Payroll and HR system	Target met All daily backups performed in 3Qs	N/A	Chief Financial Officer	**3,10,1**

11. 4 KPA 4: LOCAL ECONOMIC DEVELOPMENT (LED) – (Weight – 15)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
Output No 3: Implementation of Community Work Programmes	To improve implementation of the government intervention programme to eliminate poverty by 2027	Implementation of the EPWP and municipal job creation programme especially linked to areas of scarce skills and temporal local jobs created during the roll out of capital projects	No. of temporal work Opportunities created	361 Cumulative work opportunities created during 2025/26	Target met 453 Cumulative work opportunities created during 2024/25	Target met 383 Cumulative work opportunities created during 2025/26"	N/A	Director: Engineering Services	**4.1.1**
		Subcontracting of the work to SMMEs residing at Amahlathi LM during the roll out of Capital Projects	No. of Sub-contract agreements signed by the main contractor and sub-contractor	4 Sub-contract agreements signed by the main contractor and sub-contractor	Target met 6 Sub-contractors appointed cumulatively for the 2024/25 Financial year.	Target met 18 Sub-contract agreements signed by the main contractor and sub-contractor	N/A	Director Engineering g Services	**4.1.2**

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
	To ensure holistic and economic growth and development by 2027	Support and development of SMMEs	% of Amahlathi procurement expenditure should benefit SMMEs	25% of Amahlathi procurement expenditure should benefit SMMEs (Average % of the 4 quarters)	Target met 33% of Amahlathi procurement expenditure benefitted by SMMEs	Target met 50.75 of Amahlathi procurement expenditure should benefit SMMEs	N/A	Chief Financial Officer	4,2,1
			No of SMMEs supported to access government Support Programs	100 SMME's supported to access SMME Support Programmes	Target met 443 SMMEs supported to access government Support Programs	Target met 311 SMME's supported to access SMME Support Programmes	N/A	Director: Development and Planning	4.2.2
			No. of businesses issued with new trading permits	30 businesses issued with new trading permits	Target met 130 businesses issued with new trading permits	Target met 51 businesses issued with new trading permits	N/A	Director: Development and Planning	4,2,3
			No of businesses that renewed their trading permits	70 Renewed Trading Permits	Target not met 48 businesses renewed their permits. Variance report attached	Target met 121 Renewed Trading Permits	N/A	Director: Development and Planning	4,2,4
			No. of recycling initiatives undertaken	02 recycling initiatives undertaken	Target met 04 recycling initiatives undertaken	Target met 3 recycling initiatives undertaken	N/A	Director: Community Services	4,2,5

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
		Strengthen relationship with other Strategic Partners	No. of reports on implementation of signed twinning agreements with strategic institutions	4 reports on implementation of signed twinning agreements with strategic institutions	Target met 4 reports on implementation of signed twinning agreements with strategic institutions	Target met 4 reports on implementation of signed twinning agreements with strategic institutions	N/A	Director: Development and Planning	**4.2.6**
	Promotion of Tourism through identification of Tourist arrears.	Finalize the tourism Infrastructure Improvement Process Plan	No. of tourist attractions promoted	8 tourist attractions promoted	Target met 10 tourist attractions promoted	Target met 9 Tourist attractions promoted	N/A	Director: Development and Planning	**4.3.1**
			No. of trainings conducted for both LTOs and CTOs combined	3 support interventions for both LTOs and CTOs combined	Target met 4 Support interventions for LTOs and CTOs,	Target met 4 support interventions for both LTOs and CTOs combined	N/A	Director: Development and Planning	**4.3.2**
	The development of the economic infrastructure required to enable increased economic growth	Provision of capacity building programs to support existing farmers	No. of emerging farmers supported with training	50 emerging farmers to be supported with training	Target met 58 farmers supported with capacity building,	Target met 142 emerging farmers supported with training	N/A	Director: Development and Planning	**4.4.1**
			No. of outreach programmes to promote access to market for	2 outreach programmes to promote access to market for emerging farmers	New Indicator	Target met 2 outreach programmes to promote access to market for emerging farmers	N/A	Director: Development and Planning	**4.4.2**

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
			emerging farmers						
	To ensure value-maximization of the forestry natural resource in line with local economic development by 2027.	Implementation of a forestry strategy in a Co-ordinated manner	Number of capacity building activities provided for timber cooperatives	6 capacity building activities provided for timber cooperatives	Target met 6 support interventions on timber cooperatives.	Target met 6 capacity building activities provided for timber cooperatives	N/A	Director: Development and Planning	**4.5.1**
	To ensure development of the economic infrastructure required to enable increased economic growth	Source funding for a catalytic project	No. of quarterly reports submitted on implementation of catalytic projects	4 quarterly reports on progress in implementation of catalytic projects	Target met 4 reports on implementation of catalytic project	Target met 4 quarterly reports on progress in implementation of catalytic projects	N/A	Director: Development and Planning	**4.6.1**
	To building resilient smart towns	Marketing the Master & Precinct Plans for the 4 towns	No of Publications marketing the Master Precinct Plan	4 Publications marketing the Master Precinct Plan	Target met 1 Business Breakfast held on the 27 September 2024 with the mayor and local major businesses	Target met 4 Publications marketing the Master Precinct Plan	N/A	Municipal Manager	**4,7,1**

11. 5 KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT – MTI (Weight – 15)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
Output 1: Implement and differentiate approach to Municipal Finance, Planning and support	To attract, retain, build capacity, and maximize utilization of Amahlathi Human Capital by 2027 and beyond	Implementation of the approved organizational structure.	No of Local Job Description Writers Committee Meeting convened	4 Local Job Description Writers Committee Meetings Convened	Target not met. Amahlathi Job Descriptions were submitted to District Job Evaluation Committee, however due to unavailability of the grading system they could not go through to Provincial Grading Committee for confirmation	Target met 6 Local Job Description Writers Committee Meeting convened	N/A	Director: Corporate Services	**5.1.1**
			No of implemented programs per Human Resource Strategy implementation plans	4 implemented programs per Human Resource Strategy implementation plans (Recruitment Plan;	Target met 4 implemented programmes per Human Resource Strategy implementation plans (Recruitment	Target met 4 implemented programs per Human Resource Strategy implementation plans (Recruitment	N/A	Director: Corporate Services	**5.1.2**

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
				Institutional & HR Policies and Employee Verification)	Plan; Institutional & HR Policies and Employee Verification)	Plan; Institutional & HR Policies and Employee Verification)			
		Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of EAP programs implemented as per approved plan	8 EAP programs implemented per approved plan.	Target met. 7 EAP programmes implemented per approved plan.	Target met 11 EAP programs implemented per approved plan. Q1= 3 Q2=3 Q3=3	N/A	Director: Corporate Services	**5.1.3**
			No. of reports on health and productivity of the municipality	4 Reports on health and productivity of the municipality	Target met 4 Reports on health and productivity of the municipality	Target met Reports on health and productivity of the municipality	N/A	Director: Corporate Services	**5.1.4**
		Implementation of the approved EEP	No. of quarterly reports prepared on compliance with EEP annual targets submitted to Training and Employment Equity Committee(TEEC)	4 quarterly reports prepared on compliance with EEP annual targets	Target met 4 quarterly reports prepared on compliance with EEP annual targets	Target met 4 quarterly reports prepared on compliance with EEP annual targets	N/A	Director: Corporate Services	**5.1.6**

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
	Promote sound Labor Relations for a conducive work environment through education and legislative compliance	Local Labor Form (LLF) meetings and Labor Relations information sessions held	No of LLF meetings	4 LLF meetings	Target met 4 LLF meetings held	Target met 4 LLF meetings convened	N/A	Director: Corporate Services	5.2.1
			No of LR information sessions / training held	4 LR information sessions / training held	Target met. 4 LR information sessions / training held.	Target met 4 LR information sessions / training held	N/A	Director: Corporate Services	5.2.2
		Develop and implement a blended learning and development programme strategy	No of trainings organized for employees	8 trainings organized for employees	Target met 12 trainings organized for employees	Target met 14 trainings organized for employees register for WSP training	N/A	Director: Corporate Services	5.2.3
	Efficient and economical utilization of council resources	Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of reports on implementation of fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	4 reports on fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	Target not met 3 reports on fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	Target met 4 reports on fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	N/A	Director: Corporate Services	5.3.1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
	To ensure compliant and prudent safeguarding and preservation of institutional memory by 2027	Establishment of legal frameworks, standards, and ethical principles to protect the confidentiality of data	No. of implemented projects on the file plan for all active and archived documents	4 implemented projects with file plan for active and archived documents	Target met. 4 Project implemented on the file plan.	Target met 4 implemented projects with file plan for active and archived documents	N/A	Director: Corporate Services	**5.4.1**
	To optimize and improve data security by 2027	Implementation of digital Transformation Strategy	Developed online database for Amahlathi unemployed youth.	Developed online database for Amahlathi unemployed youth.	Target met. 4 reports on the Implemented Digital Transformation Strategy	Target met Developed online database for Amahlathi unemployed youth.	N/A	Director: Corporate Services	**5.5.1**
	To ensure adequate and improved working environment	Upgrading of offices	No. of funding proposal submitted to potential funders for construction of Amahlathi Municipal offices in Stutterheim submitted to potential funders	1 funding proposal for construction of Amahlathi Municipal offices in Stutterheim submitted to potential funder	Target not met 20% progress achieved on the Construction of Amahlathi Municipal offices in Stutterheim	Target met 1 funding proposal for construction of Amahlathi Municipal offices in Stutterheim submitted to potential funder(Office of the Premier)	N/A	Director: Engineering Services	**5,6,1**

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
	To develop and implement effective and compliant frameworks to improve planning and performance management by 2027 and beyond	Promote accountability whilst creating high performance throughout the organization	No of progress reports on Implementation of approved IDP/Budget/PMS process plan submitted to Standing committee	4 progress reports on Implementation of approved IDP/Budget/PMS process plan submitted to Standing committee	Target met 2 progress reports on Implementation of approved IDP/Budget/ PMS process plan submitted to Standing committee	Target met 4 progress reports on Implementation of approved IDP/Budget/PMS process plan submitted to Standing committee	N/A	Municipal Manager	5,7,1
			No. of reports/documents submitted by HODS to IDP/PMS unit as per approved IDP/Budget/PMS process plan	15 reports submitted by HODS to IDP/PMS unit as per approved IDP/Budget/PMS plan	New Indicator	Target not met Q1- All reports were submitted however not within required time frames Q2 - 2 reports that were not submitted within times frames Q3- 4 reports that were not submitted within times frames by all directorates. Q4-2 reports that were not submitted	There was no network and submissions were only possible the following day, the department will continue submit from first quarter 2026/27.	All HODs	5.7.2

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2025/26	Annual Actual 2024/25	Annual Actual 2025/26	Comment and Corrective Action	Custodian	KPI NO
						within times frames by all directorates.			

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 INTRODUCTION

According to the Amahlathi Local Municipality organisational structure, the Municipality have six (6) section 56 managers who are signing performance agreements and submitted to the Department of Local Government and Traditional Affairs within the required time frames.

The 6 section 56 managers lead the following departments:

DEPARTMENT	FILLED/NOT FILLED
Municipal Managers Office	Filled
Budget and Treasury Office	Filled
Development and Town Planning	Filled
Engineering Services	Filled
Community Services	Filled
Corporate Services	Filled

Full time staff complement per functional area

Employees				
	Employees	2024/2025	Current year 2025/26	Total No
	No.			Employees
Corporate Services	44	29	31	31
Development and Planning	25	15	15	15
Engineering Department	62	67	51	51
Community Services	104	61	65	65
Executive Services	61	59	59	59
BTO	27	28	28	28
Totals	323	259	249	249

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June 2026, as per the approved organogram.

Vacancy Rate: Year 2025/26			
Designations	***Total Approved Posts** **No.**	***Vacancies (Total time that vacancies exist using fulltime equivalents)** **No.**	***Vacancies (as a proportion of total posts in each category)** **%**
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S56 Managers (excluding Finance Posts)	4	0	0%
Senior Manager Levels 17-19	1	0	0%
Highly skilled supervision levels 12-16	38	2	0.87%
Skilled Technical & Academically Qualified Workers, Junior Management 9-11	42	0	14%
Total	87	2	4,3%
Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 252 to give the number of posts equivalent to the accumulated days.			

TERMINATION REPORT AS AT 30 JUNE 2026

DEPARTMENT	RESIGNED	CONTRACT EXPIRED	RETIREMENT	DISMISSAL	DEATH	MEDICAL BOARD	TOTAL
ENGINEERING	0	0	1	1	0	0	2
CORPORATE SERVICES	0	0	0	2	0	0	2
COMMUNITY SERVICES	1	0	1	2	0	1	5
BUDGET AND TREASURY	0	0	0	0	0	0	0
PLANNING & DEVELOPMENT	0	0	0	0	0	0	0
EXECUTIVE SERVICES OFFICE	1	0	0	0	0	0	1
TOTAL	**2**	**0**	**2**	**5**	**0**	**1**	**10**
Note: *The Municipality had a total of 259 employees in the 2025/26 financial year and nine (10) exited due to resignations, dismissed and retirements. The average South African benchmark for employee attrition is 10% and the municipality was able to contain its attrition rate to (10/259) 3.86%.							

COMMENT ON VACANCIES AND TURNOVER:

The table above shows that two (2) employees from Corporate Services were dismissed, two (2) employees from Engineering Services resigned and five (5) employees from Community Services dismissed and resigned and one (1) employee resigned from Executive services.

This shows that ALM has no big problem of labour turnover, as Ten (10) employees left the institution.

4.2 MANAGING THE MUNICIPAL WORKFORCE

Municipal Systems Act 2000 s 67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient and transparent personnel administration in accordance with the Employment Equity Act. The Amahlathi Local Municipality has the policy process plan in place that is followed prior adoption of the institutional policies, policies are workshopped and adopted by the council on 30 June 2026. Below is the policy process plan for the institution:

PROCESS PLAN FOR ALL INSTITUTIONAL POLICIES TO BE REVIEWED / DEVELOPED 2025/2026 FINANCIAL YEAR				
	ACTION REQUIRED	PERSON REPONSIBLE	TIME FRAME	COMMENTS/STATUS
Development/ reviewal of institutional policies	Directorates will discuss their policies, identify areas that need to be reviewed. Develop new policies that are required by the municipality	All HOD'S	26 November 2025	This involves the analysis of the current policies to identify weaknesses and gaps
	Submission of all policies by departments to Corporate Services	All HOD'S	09 December 2025	Submission to Corporate Services after an extensive interaction to ensure joint workforce planning
	Policy workshop by the established policy development committee to engage on extensive interaction by all departments in preparation for the Institutional Policy Workshop	Municipal Manager, All Directors, All Managers and Supervisors	17 & 18 February 2026	Engagements with various departments
	SPECIAL LLF Consultation with Corporate Services Department	Corporate Services	19 March 2026	This involves the analysis of the Corporate Services Policies to identify weaknesses and gaps
	Submission to Corporate Services Standing Committee	Director Corporate Services	08 April 2026	Submission to Standing Committee
	Institutional Policy Workshop	ALL HOD's	28 & 29 April 2026	Scrutinizing and cleaning up of all draft policies for submission to Council.
	Submission of Policies to Council for adoption	Director Corporate Services	28 May 2026	Submission of policies to the Council

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed	Date adopted by council or comment on failure to adopt
1	Code of conduct for councillors	100	June 2022	28 May 2026
2	Council Rules of order	100	June 2022	28 May 2026
4	Expanded Public Works Programme Policy	100	May 2026	28 May 2026
5	Petitions Policy	100	June 2022	28 May 2026
6	Code of conduct for ward committees	100	June 2022	28 May 2026
7	Career Management policy	100	June 2022	28 May 2026
8	Experiential training policy	100	June 2022	28 May 2026
9	Scarce Skills Policy	100	June 2022	28 May 2026
10	Employee study assistance policy	100	June 2022	28 May 2026
11	Training and development policy	100	May 2026	28 May 2026
12	Acting allowance policy	100	June 2022	28 May 2026
13	Bereavement Policy	100	June 2022	28 May 2026
14	Leave Policy	100	May 2026	28 May 2026
15	Policy on policy development	100	June 2022	28 May 2026
16	Fleet management Policy	100	June 2022	28 May 2026
17	Subsistence and Travelling Policy	100	May 2026	28 May 2026
18	Official transport to attend Funerals (Bereavement Policy)	100	June 2022	28 May 2026
19	Job Evaluation review policy	100	June 2022	28 May 2026
20	Occupational health and safety policy	100	June 2022	28 May 2026
21	Overtime and shift allowance policy	100	June 2022	28 May 2026
22	Performance Management and Development	100	June 2022	28 May 2026
23	Recruitment and Selection policy	100	June 2022	28 May 2026
24	Code of conduct for staff members	100	June 2022	28 May 2026
25	Long Service Allowance Policy	100	June 2022	28 May 2026
26	Code of conduct for councillors	100	June 2022	28 May 2026
27	Grievance procedure	100	June 2022	28 May 2026

28	Skills Development policy	100	June 2022	28 May 2026
29	Staff retention policy	100	June 2022	28 May 2026
30.	Telephone usage and cellular allowance phone	100	June 2022	28 May 2026
31.	Records Management Policy	100	June 2022	28 May 2026
32.	Uniforms and Protective Clothing (Health and Safety Policy)	100	June 2022	28 May 2026
32.	Placement Policy	100	June 2022	28 May 2026
33.	Covid 19 Management Policy	100	June 2022	28 May 2026
Use name of local policies if different from above and at any other HR policies not listed.				T 4.2.1

4.3 SICK LEAVE

Number and Cost of Injuries on Duty					
Type of injury	**Injury Leave Taken** Days	**Employees using injury leave** No.	**Proportion employees using sick leave** %	**Average Injury Leave per employee** Days	**Total Estimated Cost** R'000
Required basic medical attention only	63	1	1%	63	R25 666.00
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
Total	**63**	**1**	**1**	**63**	**R25 666.00**
The claim was lodged with department of Labour and we are waiting from them with the issue of compensation. T 4.3.1					

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	**Total sick leave** Days	**Proportion of sick leave without medical certification** %	**Employees using sick leave** No.	**Total employees in post*** No.	***Average sick leave per Employees** Days	**Estimated cost** R' 000
Lower skilled /Unskilled (Levels 2-5)	114	16.7%	19	67	18%	R40 512.03
Semi-Skilled (Levels 6-11)	271	16%	44	97	42%	R145 102.30
Highly skilled production (levels 12-19)	291	11%	33	74	32%	R111 433.46
Interns	72	7%	5	5	5%	R 15 550.20
Other (task grade pending)	0	0%	0	0	0	R0.00
MM and S57	21	9%	2	6	2%	R51 500.30
Total	**769**	**59.7%**	**103**	**249**	**99%**	**R 364 098.29**
249 Number of employees in post at the beginning of the year including BTO Interns						T 4.3.2

Number and Period of Suspensions					
	Department	**Position**	**Nature of Alleged Misconduct**	**Date of Suspension**	**Status**
1	Community Services	Senior Enquiries Clerk	Fraud	2024/04/03	Pending
2	Corporate Services	Cleaner Messanger/Comm	Illegal Strike	2024/10/16	Pending
3	Corporate Services	Cleaner Messanger/Comm	Illegal Strike	2024/10/16	Pending
4	Community Services	Senior DTLC Clerk	Insolent behaviour	2025/02/07	Pending
5	LED	Senior Manager	Insolent Behaviour	2025/02/07	Pending
6	Corporate Services	Conditions of Service	Fraud	2025/04/07	Pending
7	BTO	Payroll	Fraud	2025/04/07	Pending
8	BTO	Payroll	Fraud	2025/04/10	Pending
9	BTO	Free Basic	Fraud	2025/04/10	Pending
10	BTO	Bank Recon.	Fraud	2025/04/10	Pending

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	**Nature of Alleged Misconduct and Rand value of any loss to the municipality**	**Disciplinary action taken**	**Date Finalised**
Enquiries Clerk	Fraud	03/04/2024	Pending
BTO Payroll	Fraud	07/04/2025	Pending
BTO Payroll	Fraud	10/04/2025	Pending
BTO Free basic	Fraud	10/04/2025	Pending
Conditions of services	Fraud	07/04/2025	Pending
			T 4.3.6

4.4 CAPACITATING THE MUNIPAL WORKFORCE - SKILLS DEVELOPMENT AND TRAINING

SKILLS DEVELOPMENT MATRIX

Skills Matrix														
Employees in post as at 30 June Year 2026														
Management Level	Gender		Learnershi p			Skills programmes & other short courses								
		No.	Actual: End of Year 2026	Actual: End of Year 2026	Year 2026 Target	Actual: End of Year 2026	Managemen t	Gender	No.	Actual: End of Year 2026	Actual: End of Year 2026	Year 2026 Target	Actual: End of Year 2026
MM and s56	Female	0	3	0	0	0	MM and s56	F	0	3	0	0	0
	Male	0	0	0	0	0		Male	0	2	0	0	0
Councillors, senior officials and managers	Female	0	4	0	0	0	Councillors, senior officials and managers	Female	0	6	0	0	0
	Male	0	5	0	0	0		Male	0	7	0	00	0
Technicians and associate professionals*	Female	0	0	0	0	0	Technicians and associate professional s*	Female	0	12	0	0	0

	Male	0	1	0	0	0		Male	0	8	0	0	0
Professionals	Female	0	0	0	0	0	Professionals	Female	0	16	0	0	0
	Male	0	1	0	0	0		Male	0	13	0	0	0
Semi-Skilled and Unskilled	Female	0	12	0	0	0	Semi-Skilled and Unskilled	Female	0	7	0	0	0
	Male	0	9	0	0	0		Male	0	5	0	0	0
Sub total	Female	0	20	0	0	0	Sub total	Female	0	52		0	0
	Male	0	15	0	0	0		Male	0	28			
Total		0	35	0	0	0			0	80			

*Registered with professional Associate Body e.g. CA (SA)

Financial Competency Development: Progress Report*						
Description	**A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))**	**B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)**	**Consolidated: Total of A and B**	**Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))**	**Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))**	**Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))**
Financial Officials						
Accounting officer	0	0	0	0	0	0
Chief financial officer	0	0	0	0	0	0
Senior managers	0	0	0	0	0	0
Any other financial officials	0	0	0	0	0	0

Supply Chain Management Officials						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	0	0	0	1	1	1
TOTAL	**0**	**0**	**0**	**1**	**1**	**1**

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

T 4.5.2

4.5 MANAGING THE WORKFORCE EXPENDITURE

Designation	Wages and benefits 2024/25	Wages and benefits 2025/26
Municipal Manager	R 1 582 334	R2 300 930
Corporate Services Manager	R 1 300 184	R1 658 346
Planning and Development Manager	R 1 300 184	R1 653 788
Engineering Services Manager	R 1 300 184	R1 637 500
Community Services Manager	R 1 300 184	R1 653 977
Finance Manager (CFO)	R 1 038 188	R1 619 819

EMPLOYEE RELATED COSTS	2024/25	2025/26
Basic	87 681 708	88 951 834
Bonus	6 478 209	6 560 072
Medical aid contributions	6 098 663	6 538 377
UIF	515 955	522 631
Cell phone and other allowances	1 085 629	2 199 620
Overtime payments	1 387 068	1 203 992
Acting allowance	666 978	342 433
Travel allowance	4 532 502	4 706 732
Housing benefit and allowances	2 429 783	2 444 600
Industrial Council Levy	35 593	38 301
Employee benefits and contribution plans	514 955	
Pension fund contributions by Council	13 601 869	14 196 517

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	**Gender**	**Total**
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels9-12)	Female	0
	Male	0
Senior management (Levels13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0
Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right-hand side of the column (as illustrated above).		*T 4.6.2*

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	**Number of employees**	**Job evaluation level**	**Remuneration level**	**Reason for deviation**
N/A	0	0 0	0	N/A
				T 4.6.3

Employees appointed to posts not approved				
Department	**Level**	**Date of appointment**	**No. appointed**	**Reason for appointment when no established post exists**
N/A	N/A	N/A	0	N/A
				T 4.6.4

CHAPTER 5: FINANCIAL PERFORMANCE

5.1 INTRODUCTION

This chapter contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

Reconciliation of Table A1 Budget Summary

Description	Year 2025/26											Year -2025/26			
R thousands	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates	26 745 685	–	26 745 686	–		26 745 686	22 003 286		-18%	82%	82%				24 168 893
Service charges	62 934 831	18 702 931	81 637 762	–		81 637 762	80 667 375		-1%	99%	119%				62 808 380
Investment revenue	3 892 102	–	3 892 102	–		3 892 102	3 420 580		-26%	74%	74%				3 455 509

Transfers recognised – operational	145 504 900	780 000	146 284 900	–		146 284 900	146 341 300		1%	100%	101%				146 341 300
Other own revenue	27 094 869	26 399 651	53 494 520	–		53 494 520	54 641 728		16%	116%	116%				30 410 055
Total Revenue (excluding capital transfers and contributions)	**266 172 387**	**45 882 582**	**312 054 970**	–	–	**312 054 970**	**277 715 199**		**-1%**	**99%**	**104%**				**267 184 137**
Employee costs	141 493 420	- 9 972 883	131 520 537	–		131 520 537	124 980 464		-5%	95%	89%	–	–	–	136 206 071
Remuneration of councillors	15 030 680	–	15 030 680	–		15 030 680	14 005 898		7%	93%	93%	–	–	–	13 595 241
Debt impairment	26 000 000	–	26 000 000			26 000 000	28 601 670		8%	92%	92%	–	–	–	25 872 214
Depreciation & asset impairment	24 185 885	–	24 185 885			24 185 885	30 528 899	- 4 561 366	-7%	119%	119%	- 4 561 366	–	–	24 778 718
Finance charges	3 000 000	- 500 000	2 500 000	–		2 500 000	7 068 822		19%	81%	68%	–	–	–	15 523 956
Materials and Bulk	57 964 760	–	57 964 760	–	–	57 964 760	59 229 95 4	-1 265 194	2%	102%	102%	-1 265 194	–	–	51 809 374
Transfers and grants	-	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Other expenditure	40 902 349	197 581	41 099 930		2	41 099 930	52 875 392	–	-14%	86%	87%				39 566 177
Total Expenditure	**308 577 094**	**-10 275 302**	**298 301 792**	–	–	**298 301 792**	**317 291 099**	**-5 826 560**	**-3%**	**97%**	**93%**	**-5 826 560**			**306 742 073**
Surplus/(Deficit)	**-42 404 707**	**56 157 884**	**13 572 179**			**13 572 179**	**-10 216 830**								**-40 167 614**
Transfers recognised - capital	59 537 850	19 554 001	79 091 851			79 091 851	77 507 219		-2%	98%	130%				46 078 107
Contributions recognised - capital & contributed assets			–			–									
Surplus/(Deficit) after capital transfers & contributions	**17 133 143**	**75 711 885**	**92 844 030**	–	–	**92 844 030**	**67 290 389**	-	**11%**	**111%**	**387%**				**5 910 493**
Loss on disposal of assets	-	**- 1 000**	**-1 000**			**-1 000**	**-1 705 302**								- 453 804
Fair value gain on biological assets															-1 743 607
Loss on disposal of biological assets			–			–									– –
Surplus/(Deficit) for the year	**17 133 143**	**42 856 613**	**59 989 756**	–		**59 989 756**	**64 635 482**								**3 713 082**
<u>Capital expenditure & funds sources</u>															
Capital expenditure	**62 147 850**	**24 198 502**	**86 346 352**	–		**86 346 352**	**73 580 677**		**-15%**	**85%**	**118%**				**47 937 088**

Transfers recognised - capital	59 537 850	20 154 001	79 691 851			79 091 851	77 507 219		-2%	98%	130%				50 956 366
Public contributions & donations															–
Borrowing	–		–												–
Internally generated funds	2 610 000	4 044 500	6 654 500			6 654 500	5 543 570		17%	83%	212%				8 785 011
Total sources of capital funds	**62 147 850**	**24 198 501**	**86 346 352**		–	**85 746 351**	**83 050 789**	–	**-330%**	**107%**	**90%**	–	–	–	**59 741 377**
Cash flows															
Net cash from (used) operating	75 884 011	28 884 914	104 768 925			104 768 924	57 810 810		-3%	97%	122%				57 942 083
Net cash from (used) investing	(71 240 028)	(15 106 324)	(86 346 352)			(86 346 3 52)	(68 006 352)		-15%	87%	90%				50 310 960
Net cash from (used) financing	-	–	–			–	(230 575)								288 495
Cash/cash equivalents at the year end	**21 091 550**	**13 033 489**	**34 125 039**			**34 125 039**	**12 554 267**		**-30%**	**70 %**	**70 %**				**22 980 213**

T 5.1.1

Notes
3 = sum of column 1 and 2
2 represents movements in original budget to get to final adjustments budget (including shifting of funds)
Virements must offset each other so that virements in Total Expenditure equals zero

6 = sum of column
3, 4 and 5
8 does not necessarily equal the difference between 9 and 8 because overspending is not the only reason for unauthorised expenditure
9 = 7 - 6
10 = (7/6)*100
11 = (9/1)*100
14 = 13 - 12
15 in revenue equals Audited Outcome plus funds actually recovered
15 in expenditure equals Audited Outcome less funds actually recovered
15 in Cash Flow equals Audited Outcome plus funds recovered

This schedule must be part of the financial statements of the municipality (all other schedules, A2 - A7, should form part of the annexures to the financial statements. These schedules do not directly form part of the audit opinion)

Financial Performance of Operational Services R '000						
Description	Year -2025/26	Year 2025/26			Year 2025/26 Variance	
	Actual	Original Budget	Adj Budget	Actual	Original Budget	Adj Budget
Operating Cost						
Electricity	67 069 214	91 369 000	101 393 00	67 069 214	-2%	-6%
Waste Management	14 985 243	19 155 000	19 755 000	13 322 000	12%	7%
Housing	86 325	75 000	5 000	17 000	0%	12%
Component A: sub-total	**82 140 782**	**81 397 625**	**85 121 053**	**82 140 782**	**1%**	**-4%**
Roads	52 742 070	56 608 000	57 614 000	53 798 000	-19%	-13%
Component B: sub-total	**134 882 852**	**144 202 396**	**144 731 772**	**134 882 852**	**-7%**	**-7%**
Planning & Development	8 842 075	9 042 000	9 326 000	9 768 000	-15%	-5%
Component C: sub-total	**143 374 927**	**153 978 412**	**153 645 346**	**143 374 927**	**-7%**	**-7%**
Community & Social Services	11 004 741	8 202 000	9 187 000	9 038 000	1%	4%
Public Safety	2 633 107	2 566 000	2 409 000	2 307 000	-44%	-5%
Sport and Recreation	-	-	-	-	-	-
	157 012 775	**168 626 923**	**166 947 507**	**157 012 775**	**-7%**	**-6%**

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

During the year permanent employees was employed by the municipality in the Town planning, resulting in increased costs. This required the budget for housing to be increased during the adjustments budget. This was however not enough which resulted in the 12% variance. The reduction in variance percentage from Original Budget to Adjustments budget indicate management's ability to identify errors in estimates. This underlying assumptions will be implemented when preparing future budgets.

T 5.1.2

Grant Performance R' 000						
Description	Year -2025/26	Year 2025/26			Year 2025/26 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adj Budg et (%)
Operating Transfers and Grants						
National Government:	**136 913 150**	**149 936 300**	**149 936 300**	**149 936 300**	**100%**	**100 %**

Equitable share	138 370 000	137 520 000	137 520 000	137 520 000	100%	100%
FMG Grant	2 200 000	2 200 000	2 200 000	2 200 000	100%	10%
EPWP Grant	1 511 000	1 799 000	1 799 000	1 799 000	125%	100%
PMU 5%	1 870 150	1 986 150	1 986 150	1 986 150	100%	100%
Disaster Relief Grant			–			
Provincial Government:	**1 311 149**	**1 854 000**	**1 854 000**	**1 841 400**	**100%**	**100 %**
		2 103 000	2 052 000	1 854 000		
		62 000	62 000	49 400		100%
	1 792 000				100%	
Sports and Recreation Human Settlements	49 400				80%	80%
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:	1 823 000	1 823 000	1 823 000	1 823 000	**100%**	**100 %**
Seta Grant	1 823 000	1 823 000	1 823 000	1 823 000	100%	100%
Total Operating Transfers and Grants	**138 412 335**	**146 203 900**	**146 503 900**	**146 341 301**	**100%**	**100 %**

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The Municipality received an additional R300,000 for EPWP, which resulted in the 25% from the original budget.
The Municipality employed a permanent employee in town planning during the year. This resulted in one of the interns paid for by the Department of Human Settlements were no longer required, which resulted in the 20% variance.

T 5.2.1

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	**Actual Grant Year -2025/26**	**Actual Grant Year 2025/26**	**Year 2024/26 Municipal Contribution**	**Date Grant terminates**	**Date Municipal contribution terminates**	**Nature and benefit from the grant received, include description of any contributions in kind**
Parastatals						
A – Sports and Recreation	1 200 000	1 792 000	-	N/A	N/A	Funding for Library

B – Human Settlements	111 149	49 400	-	N/A	N/A	Intern funded by the Department of Human Settlements
C – LG Seta	249 785	398 750	-	N/A	N/A	Mandatory Grant
Foreign Governments/Development Aid Agencies						
A - "Project 1"	-	-	-	N/A	N/A	N/A
Private Sector / Organisations						
A - "Project 1"	-	-	-	N/A	N/A	N/A
Provide a comprehensive response to this schedule						*T 5.2.3*

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

No grants were surrendered to the National Revenue Fund.

5.2. ASSET MANAGEMENT

The Amahlathi Local Municipality believes that an Asset Management Policy is essential to ensure effective and efficient utilization of public monies and accountability thereof is heavily dependent on accurate recoding and accounting with the compilation of the Asset Register that is GRAP compliant. The policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The prime objective of the policy is to ensure that the assets of Amahlathi Municipality are properly managed and accounted for by:-

- Ensuring the accurate recording of asset information

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2025/26				
Asset 1				
Name	Paving of Xholorha Phase 2			
Description	Construction and Surfacing of Roads			
Asset Type	Road Infrastructure			
Key Staff Involved	2			
Staff Responsibilities	Monitoring, Managing & Reporting on the implementation of the Project			
Asset Value				**Year 2025/26**
				13 606 644.60
Capital Implications	Xholorha roads will be surfaced			
Future Purpose of Asset	To provide the community with at least a basic level of service			
Describe Key Issues	Project to be completed during the 2026/27 FY. No issues to report			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 2				
Name	Cathcart Substation			
Description	Construction of Cathcart Substation			
Asset Type	Electricity Infrastructure			
Key Staff Involved	2			
Staff Responsibilities	Monitoring, Managing & Reporting on the implementation of the Project			
Asset Value				**Year 2025/26**
				10 817 000.51
Capital Implications	Improved office space for administration and service delivery			
Future Purpose of Asset	To provide the community with at least a basic level of service			
Describe Key Issues	Additional funds required to complete project			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 3				
Name	Amabele Paving			
Description	Construction of Access Road and Storm Water Structure			
Asset Type	Roads Infrastructure			
Key Staff Involved	2			
Staff Responsibilities	Monitoring, Managing & Reporting on the implementation of the Project			
Asset Value				**Year 2025/26**
				6 699 489.98
Capital Implications	Amabele roads were			
Future Purpose of Asset	To provide the community with at least a basic level of service			
Describe Key Issues	Completed during the year. No issues to report			
Policies in Place to Manage Asset	Asset Management Policy, Roads Maintenance Policy			
				T 5.3.2

- The accurate recording of asset movements
- Exercising strict control over all assets

- Providing correct and meaningful management information
- Affecting adequate insurance of all assets
- Maintenance of Council's Assets

The policy is reviewed and amended by council annually during IDP and Budget process. The last review was done in May 2024.

An asset tracking system using bar-coded discs and scanners is implemented. The system allows for regular audits of all assets to be completed in a shorter time frame and therefore allowing for more regular updates of the register.

The projects listed above are Municipal Infrastructure Grant and Disaster Recovery Grant funded projects. With regards to the MIG funded projects. The Engineering Department develops a 3-year implementation plan, which is presented to Council. This implementation plan is linked to the projects per the IDP. With regards to the Disaster projects, these are projects to return municipal infrastructure assets to the state before the disaster occurred

Repair and Maintenance Expenditure: Year 2025/26				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	2 975 000	3 287 000	3 278 000	0.3%
				T 5.3.4

Repairs and maintenance budgeted for are significantly less than required by Treasury guidelines of 8% of Property, plant, and equipment. This is due to budget constraints and the large value of Property, plant, and equipment due to conditional grant funded projects.

Financial Ratios

`FINANCIAL VIABILITY ASSESSMENT			
		As at 30 June 2026	As at 30 June 2025
Expenditure management			
1.1	Creditor-payment period	412 Days	357,8 Days
Revenue management			
2.1	Debt-collection period (after impairment)	371.5 days	225,1 Days
2.2	Debt-impairment provision as a percentage of accounts receivable	69%	69%
	· Amount of debt-impairment provision	R137 111 340	R118 538 731
	· Amount of accounts receivable	R187 208 663	R163 133 144
Asset and liability management			
3.1	A deficit for the year was realised (total expenditure exceeded total revenue)	No	No
	· Amount of the surplus / (deficit) for the year	80 106 199	R68 046 415
3.2	A net current liability position was realised (total current liabilities exceeded total current assets)	Yes	Yes
	· Amount of the net current assets / (liability) position	R7 760 219	R58 903 517
3.3	A net liability position was realised (total liabilities exceeded total assets)	No	No
	· Amount of the net asset / (liability) position	R420 172 473	R332 476 342
Cash management			
4.1	The year-end bank balance was in overdraft	No	No
	· Amount of year-end bank balance (cash and cash equivalents) / (bank overdraft)	R41 910 985	R12 554 267
4.2	Net cash flows for the year from operating activities were negative	No	No
	· Amount of net cash in / (out)flows for the year from operating activities	R103 850 185	R57 810 810
4.3	Creditors as a percentage of cash and cash equivalents	1012%	1299%
	· Amount of creditors (accounts payable)	R119 162 122	R163 049 478
	· Amount of cash and cash equivalents / (bank overdraft) at year-end	R11 952 730	R22 980 213
4.4	Current liabilities as a percentage of next year's budgeted resources **	32%	51%
	· Amount of current liabilities	R183 463 430	R162 737 942
	· Amount of next year's budgeted income	R422 272 434	R322 007 776

The financial ratios per the above table are unfavourable. The ratios indicate that the municipality's financial is under pressure and action will have to be taken.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants and internally generated funds

Capital Expenditure - Funding Sources: Year -2025/26 to Year 2025/26							
							R' 000
Details		Year -2025/26	Year 2025/26				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adj to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans						
	Public contributions and donations						
	Grants and subsidies	46 078 107	59 537 850	79 091 851	77 507 219	32%	30%
	Other	8 785 011	2 610 000	6 654 500	5 543 570	155%	112%
Total		**54 863 122**	**62 147 850**	**85 746 351**	**83 050 789**	**34%**	**34%**
Percentage of finance							
	External loans	-	-	-			
	Public contributions and donations	-	-	-			
	Grants and subsidies	84%	96%	92%	93%	4%	3%
	Other	16%	4%	8%	7%	30%	31%
Capital expenditure							
	Waste Projects	-	560 000	560 000	430 387	0%	-23%
	MIG Projects	22 431 264	35 532 850	35 532 850	29 074 516	0%	-18%
	Other	28 525 102	18 055 000	42 060 652	44 075 774	133%	144%
Total		**50 956 366**	**54 147 850**	**78 153 502**	**73 580 677**	**44%**	**36%**
Percentage of expenditure							
	Electricity	15%	9%	8%	22%	1%	13%
	Roads	23%	60%	28%	25%	32%	35%
	Other	61%	31%	64%	53%	67%	52%
							T 5.6.1

The municipality is highly reliant on conditional grant funding to fund capital projects. During the 2025/26 financial year only 7% of the projects were funded by internally generated funds. The large variances between the amounts disclosed under sources of funding and the capital expenditure, is due to the sources of funding and capital expenditure budget are presented inclusive of VAT and the actual capital expenditure presented exclusive of VAT.

Capital Expenditure of 5 largest projects*					
					R' 000
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Paving of Xholorha Internal Roads	13 850 000	13 850 000	13 982 553	1%	1%
KKH Recreational Centre	4 600 000	5 243 000	5 455 372	19%	4%
Mlungisi Sportfield	5 400 000	5 400 000	5 059 006	-6%	-6%
Regraveling Cenyu Village Internal Roads	3 500 000	3 500 000	3 499 775	0%	0%
Regraveling of Phumlani Community	4 000 000	4 000 000	3 986 147	0%	0%
** Projects with the highest capital expenditure in Year 0*					
Name of Project - A	Paving of Xholorha Internal Roads				
Objective of Project	Upgrade of internal road network of Xholorha from gravel to paving				
Delays	Additional scope for storm water pipes which had not been anticipated had to be done due to unforeseen circumstances.				
Future Challenges	The project has been completed so no future challenges have been anticipated.				
Anticipated citizen benefits	The upgraded road will ensure ease of access within the township				
Name of Project - B	KKH Recreational Centre				
Objective of Project	To provide a meeting place for the community with a library for recreational purposes.				
Delays	Unforeseen challenges and delays due to underground water				
Future Challenges	Currently the project has no budget. A budget maintenance application is being prepared for additional budget				
Anticipated citizen benefits	The Recreation Centre will provide a meeting place for the community. The center will also provide a library for the community				
Name of Project - C	Mlungisi Sportfield				
Objective of Project	To provide sporting facilities for multiple sporting codes				
Delays	Poor performance by previously appointed contractors resulted in delays.				
Future Challenges	The project is almost complete, and no challenges are anticipated				
Anticipated citizen benefits	The project will provide quality sporting facilities to the community				
Name of Project - D	Regraveling Cenyu Village Internal Roads				
Objective of Project	Rehabilitation of disaster rain damaged roads				
Delays	Project was completed as planned.				
Future Challenges	The project is complete, no challenges are anticipated				
Anticipated citizen benefits	The project restored access to the Cenyu community				
Name of Project - E	Regraveling Phumlani Community				
Objective of Project	Provide a meeting place for the community.				
Delays	Project is on schedule				
Future Challenges	The project is proceeding smoothly and currently no challenges are anticipated.				
Anticipated citizen benefits	The project will provide the Phumlani community with a formal meeting place				
					T 5.7.1

Other than an increase in the budget allocated to KKH Recreational Centre, due to underground water, there has not been any significant variances for the 5 projects presented above. For future projects, the municipality should reduce the time between the conclusion of planning and obtaining funding for execution of capital projects.

Municipal Infrastructure Grant (MIG)* Expenditure Year 0 on Service backlogs						R' 000
Details	**Budget**	**Adjustments Budget**	**Actual**	**Variance**		**Major conditions applied by donor (continue below if necessary)**
				Budget	**Adjust-ments Budget**	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges	37 737		37 737 000	0%	%	Relevant Division of Revenue Act conditions. Office of the Premier reviewed procurement process
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation						Relevant Division of Revenue Act conditions. Office of the Premier reviewed procurement process
Street Lighting				%	%	
Infrastructure - Water				%	%	
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation				%	%	
Infrastructure - Sanitation				%	%	
Reticulation				%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:				%	%	
Community	13 300 000	14 300 000	13 617 724	2%	-5%	Relevant Division of Revenue Act conditions
Other	8 382 850	8 000 000	8 088 512	-4%	1%	Relevant Division of Revenue Act conditions

				%	%	
Total	77 770 049	97 532 199	74 776 570	-4%	-30%	

** MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

The amounts disclosed above are including VAT and relate to only Grant funded capital projects. T 5.8.3

Service Backlogs as at 30 June Year 0				
				Households (HHs)
	***Service level above minimun standard**		****Service level below minimun standard**	
	No. HHs	**% HHs**	**No. HHs**	**% HHs**
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management		%		%
Housing		%		%

*% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.* T 5.8.2

COMPONENT C: CASH FLOW STATEMENT

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS
Cash flow management is crucial for the financial stability and sustainability of a municipality. It ensures that the municipality has enough cash and cash equivalents available to meet its short-term obligations. Cash flow management assist in safeguarding the municipality against financial risk and uncertainties, promotes financial accountability, and enables effective delegation of financial responsibilities. By implementing sound cash flow management practices, the municipality can enhance its financial stability and improve overall performance.

Cash Flow Outcomes				
				R'000
Description	Year -2025/26	Current: Year 2025/26		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts	**261 965 412**	**312 802 609**	**366 317 438**	**288 066 673**
Ratepayers and other	62 931 180	93 067 759	121 280 549	74 103 518
Government – operating	146 808 018	146 250 000	146 284 900	130 878 277
Government – capital	46 078 107	59 537 850	79 091 851	77 507 219
Interest	6 148 298	13 947 000	19 660 138	5 577 659
Dividends	-	-	-	-
Payments	**-207 849 611**	**-236 173 496**	**-261 548 513**	**-230 255 863**
Suppliers and employees	-209 802 739	-233 173 496	-259 048 513	-230 226 939
Finance charges	-46 872	- 3 000 000	-2 500 000	-28 924
Transfers and Grants	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**52 115 801**	**76 629 113**	**104 768 925**	**57 810 930**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				1 404 878
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	-44 484 678	-71 240 028	-86 346 352	-69 411 059
NET CASH FROM/(USED) INVESTING ACTIVITIES	**-44 484 678**	**-71 240 028**	**-86 346 352**	**-68 006 181**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				

Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	-288 495	–	–	-230 575
NET CASH FROM/(USED) FINANCING ACTIVITIES	**-288 495**	**–**	**–**	**-230 575**
NET INCREASE/ (DECREASE) IN CASH HELD	**7 342 628**	**5 389 085**	**18 422 573**	**-10 245 946**
Cash/cash equivalents at the year begin:	**15 637 585**	**15 702 466**	**15 702 466**	**22 980 213**
Cash/cash equivalents at the year-end:	**22 980 213**	**21 091 551**	**34 125 039**	**12 554 267**
Source: MBRR A7				*T 5.9.1*

The variance in increase in cash and cash equivalents are due to the decrease in Small Town Revitalisation project funding during the 2024-25 financial year. Cash receipts from consumers are less due to the collection rate being less than anticipated. This resulted in less available funds to pay suppliers. The municipality do not have cash backed reserves.

BORROWING AND INVESTMENTS

The municipality invests conditional grants and portions of unconditional grant funding for employee related costs in short term investments (call accounts). The municipality is part of the Eskom Debt relief program and one of the requirements of the program is that the municipality limit borrowing.

Actual Borrowings: Year -2021/22 to Year 2025/26 R' 000				
Instrument	**Year 2021/22**	**Year 2022/23**	**Year 2025/26**	**Year 2025/26**
Municipality	-	-	-	-
Long-Term Loans (annuity/reducing balance)	-	-	-	-
Long-Term Loans (non-annuity)	-	-	-	-
Local registered stock	-	-	-	-
Instalment Credit	-	-	-	-
Financial Leases	-	-	-	-
PPP liabilities	-	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-	-
Marketable Bonds	-	-	-	-
Non-Marketable Bonds	-	-	-	-
Bankers Acceptances	-	-	-	-

Financial derivatives	-	-	-	-
Other Securities	-	-	-	-
Municipality Total	-	-	-	-
	-	-	-	-
Municipal Entities	-	-	-	-
Long-Term Loans (annuity/reducing balance)	-	-	-	-
Long-Term Loans (non-annuity)	-	-	-	-
Local registered stock	-	-	-	-
Instalment Credit	-	-	-	-
Financial Leases	-	-	-	-
PPP liabilities	-	-	-	-
Finance Granted By Cap Equipment Supplier				
Marketable Bonds				
Non-Marketable Bonds				
Bankers Acceptances				
Financial derivatives				
Other Securities				
Entities Total	-	-	-	
			T 5.10.2	

Municipal and Entity Investments R' 000				
Investment* type	**Year 2022/23**	**Year 2024/25**	**Year 2025/26**	
	Actual	**Actual**	**Actual**	
Municipality				
Securities - National Government				
Listed Corporate Bonds				
Deposits – Bank	14 960	22 324	11 997	
Deposits - Public Investment Commissioners				
Deposits - Corporation for Public Deposits				
Bankers Acceptance Certificates				
Negotiable Certificates of Deposit – Banks				
Guaranteed Endowment Policies (sinking)				
Repurchase Agreements – Banks				
Municipal Bonds				
Other				
Municipality sub-total	14 960	22 324	11 997	
Municipal Entities				
Securities - National Government				
Listed Corporate Bonds				
Deposits – Bank				
Deposits - Public Investment Commissioners				
Deposits - Corporation for Public Deposits				
Bankers Acceptance Certificates				
Negotiable Certificates of Deposit – Banks				
Guaranteed Endowment Policies (sinking)				
Repurchase Agreements – Banks				
Other				
Entities sub-total	-	-	-	
Consolidated total:	14 960	22 324	11 997	
			T 5.10.4	

COMMENT ON BORROWING AND INVESTMENTS:

The municipality does not have any borrowings and did not enter into any new borrowing agreements during the year. Investments relate to short term investments in call accounts) and are dominated in Rand.

5.3 SUPPLY CHAIN MANAGEMENT

Section 3(1) (b) and (c) of the SCM regulations states that the accounting officer of a municipality must at least annually review the implementation of SCM policy and when necessary, submit proposal for the amendments of the policy to council. The SCM policy was initially developed in 2005 and implemented to give effect to the SCM regulations, and it was last reviewed in May 2017. Amahlathi has established an SCM unit which comprises of four officials. The code of conduct, oath of secrecy and declaration forms are signed by all officials involved in supply chain management. The SCM manager has reached prescribed levels as required by the Minimum Competency Regulations Guidelines and the other three officials are still in process. In line with Municipal Finance Management Act (MFMA), the accounting officer has also established various bid committees that are consistent with the SCM regulations and any applicable legislation for competitive bidding i.e.

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

5.4 GRAP COMPLIANCE

The municipality is required by legislation to report on its financial affairs using GRAP Reporting Framework. The Annual Financial Statements and Fixed Asset Register have been prepared and submitted using applicable GRAP standards. In the current year, the municipality has not adopted any new standards and interpretations as there are none effective in the current financial year.

CHAPTER 6: AUDITOR GENERAL FINDINGS

6.1. AUDITOR GENERAL OPINION 2024/25

The Amahlathi Local Municipality received an unqualified audit opinion in 2024/2025 audit and the following issues were raised.

MATERIAL GOING CONCERN

The municipality is unable to pay creditors within due dates and has negative key financial ratios, and that net current liabilities were realised. As stated in note 49, these events or conditions, along with the other matters as set forth in note 49, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of Matters

- The financial statements, as disclosed on note 47, the corresponding figures for 30 June 2024 were restated as a result of an error in the financial statements of the Local Municipality at, and for the year ended, 30 June 2025.

- On note 4 and 5 to the financial statements, material cumulative allowance for impairment losses of R118,5 million (2023-24: R89 million) and R55,5 million (2023-24: R53,7 million) was incurred as a result of a provision for impairment of debtors.

- On note 54 to the financial statements, material electricity losses of R12 million (2023-24: R18,4 million) were incurred, which represents 20% (2023-24: 35,3%) of total electricity purchased. The total losses are attributable to normal losses and illegal connections.

6.2 AUDIT ACTION PLAN TO ADDRESS 2023/24 FINDINGS

COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Prog
COAF 006	AFS	1. Electricity – Classification issue	For the General expenditure – Electricity amount recorded on the financial statements amounting to R4 178 562 as illustrated on note 39, it was identified that the transaction included expenditure for water and sanitation amounting to R3 849 540,93. Therefore, this means that the amount recorded on the financial statements is misleading to the users of the financial statements	This is due to failure to separate the expenditures for water and sanitation from the electricity expenditure on the financial statements or to be aligned with the vote for 'Electricity, Water and sanitation' as per the general ledger	Misstatement in Annual Financial Statement	Management should ensure that the amounts presented on the financial statement are accurate, appropriately presented and are not misleading to the users of the financial statements	1. Adequate time for the reviewal of Annual Financial Statements to Lead Schedules and supporting documents with sign-off. 2. Submission of AFS to Internal Audit for review. 3. Allow sufficient time to for Reviewal AFS in the Audit Plan	Expe Class on Ar Finar State corre

COAF 009	SCM	1. Commitments - Inaccurate amount recorded	Commitments were identified to have been inaccurately calculated in the commitments register as follows	The cause was due to management incorrectly allocating payments made to suppliers for services rendered, therefore resulting in an inaccurate balance	Misstatements in financial statements	Management should ensure that adequate reviews are performed on the Commitments Register and the inputs in the calculation relating to the contract value, payments made to suppliers and variation orders have been accurately recorded	Compare commitments Register to WIP and Retentions Registers		15/08/2025	Budget and Treasury	

COAF 009	AFS	2. Cash Flow Statement Differences	The following differences were identified in the Cash Flow Statement	Lack of reviews on the calculations of cash flows included in the statement of cash flows and making sure that GRAP standard is complied with. Further, it was noted that VAT was not separated between revenue (VAT payable) and expenditure (VAT receivable) the same way it has been separated in the Annual Financial Statements	Misstatements in financial statements	Management should make sure that calculations relating to receipts and payments is properly done taking into account all elements relating to cash flow items. Further to that, management should make the necessary adjustments to the annual financial statements to ensure that the annual financial statements are fairly presented as required by the MFMA.	1. Adequate time for the reviewal of Annual Financial Statements to Lead Schedules and supporting documents with sign-off. 2. Submission of AFS to Internal Audit for review. 3. Allow sufficient time to for Reviewal AFS in the Audit Plan		22-Aug-25	Budget and Treasury	

COAF 009	AFS	4. Prior Period Error – Note 46	It was noted that the prior period Note 46 omitted to disclose the previously reported amount per the prior year for unspent conditional grants restated as follows	Through enquiry with management it was noted that the differences were due to omitting to include appropriated amounts as required by GRAP 3	Misstatements in financial statements	Management should ensure that Prior Period Error Note completely and accurately disclosed in that it correctly includes the amount previously reported, the correction of the error and the restated figure.	1. Adequate time for the reviewal of Annual Financial Statements to Lead Schedules and supporting documents with sign-off. 2. Submission of AFS to Internal Audit for review. 3. Allow sufficient time to for Reviewal AFS in the Audit Plan		22-Aug-25	Budget and Treasury	

COAF 018	Purchases and Payables	1. Supplier invoices not paid within 30 days from invoice receipt date	Supplier invoices were not paid within 30 days from date of receipt of the invoices, refer to the tables below for details	This is due to management lack of oversight in ensuring that invoices are paid within the legislated 30 days	Non-compliance	Before undertaking any procurement processes the municipality must first confirm that sufficient funds have been allocated and cash is available for the procurement of the required goods, works or services. This must be confirmed in writing by the Chief Financial Officer. If this is not confirmed, then no orders must be placed, or no such procurement must be allowed to proceed. Accordingly, it is incumbent on the accounting officer, chief financial officer and head of procurement to ensure municipal officials are aware of the control measures and service providers informed before any orders are placed or approved	In instances, where supplier invoices will not be paid within 30 days, contact suppliers and make relevant payment arrangements	On going	30/06/2025	Budget and Treasury	

Material Irregularity	Environmental Audit	1. Cathcart Waste Landfill and Transfer Station findings and impacts reported	The Amahlathi Local Municipality's waste management and disposal activities sometimes contravene or failed to comply with the requirements of section 28 (1) (Duty of Care) of the NEMA, section 19 (Prevention and remedying effects of pollution) of the NWA, 1998 (Act No. 36 of 1998. Requirements within the NEMWA, sections 16(1) (c) where waste must be disposed of, ensure that the waste is treated and disposed of in an environmentally sound manner & (d) manage the waste in such a manner that it does not		Material Irregularity		1.Commence operation of Transfer station. 2. Closure and rehabilitation of the Cathcart waste disposal site		30 June 2025 30 June 2026	Community Services	

			endanger health or the environment or cause a nuisance through noise, odour or visual impacts, are not always adhered to. The NEMWA, section 26(1)(a) prohibits disposing waste, or knowingly, or negligently causing or permitting waste to be disposed in or on land, water body unless disposal of that waste is authorized and (b) disposing of waste in a manner that is likely to harm the environment or harm to the health or well-being								

Material Irregularity	Eskom	Eskom	The Amahlathi Local Municipality incurred excessive interest on outstanding Eskom Debt		Material Irregularity		1. Finalise and approve Eskom Repayment plan 2. Comply with Eskom Debt relief programme		30/06/2025	Budget and Treasury	

6.3 AUDIT REPORT OF THE AUDITOR GENERAL 2024/25 FINANCIAL YEAR

Opinion

1. I have audited the financial statements of the Amahlati 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, cashflow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Amahlati Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and 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.

Material uncertainty relating to going concern

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

7. I draw attention to note 49 to the financial statements, which indicates that the municipality is unable to pay creditors within due dates and has negative key financial ratios, and that net current liabilities were realised. As stated in note 49, these events or conditions, along with the other matters as set forth in note 49, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

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

9. As disclosed in note 47 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of an error in the financial statements of the Local Municipality at, and for the year ended, 30 June 2025.

10. As disclosed in note 4 and 5 to the financial statements, material cumulative allowance for impairment losses of R118,5 million (2023-24: R89 million) and R55,5 million (2023-24: R53,7 million) was incurred as a result of a provision for impairment of debtors.

11. As disclosed in note 54 to the financial statements, material electricity losses of R12 million (2023-24: R18,4 million) were incurred, which represents 20% (2023-24: 35,3%) of total electricity purchased. The total losses are attributable to normal losses and illegal connections.

Other matter

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

13. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the Accounting Officer for the financial statements

14. The Accounting Officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA); and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

15. 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

16. 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.

17. 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 [insert page number of the annexure to the auditor's report on the settings sheet], forms part of my auditor's report.

Report on the annual performance report

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected material performance indicators presented in the annual performance report. The Accounting Officer is responsible for the preparation of the annual performance report.

19. I selected the following material performance indicators related to KPA 1: Service Delivery and Infrastructure Services 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.

% progress achieved on the surfacing (paving) of Xholorha Main Road

- % progress achieved on the rehabilitation of Mandlakapheli Village Road.
- % progress achieved on the rehabilitation of Langdraai Village Road.
- % progress achieved on the rehabilitation of Stutterheim - Landfill Site Road
- % progress achieved on the rehabilitation of Upper to Lower Ngqumeya road in Keiskammahoek
- % progress on the rehabilitation of Tshoxa road in Keiskammahoek
- % progress achieved on the rehabilitation of Kubusie road in Stutterheim
- % progress achieved on the rehabilitation of Mahanjane to Ohlson farm road in Stutterheim
- % progress on the reconstruction of Bridge between Rhawini and Bongweni
- % progress achieved on the rehabilitation of Amabele Road in Stutterheim
- % progress on the rehabilitation of Stanhope to Jerseyvale Road in Stutterheim
- % progress achieved on the rehabilitation of Gasela Road in Stutterheim
- % progress on the rehabilitation of Mlungisi township roads in Stutterheim
- % progress achieved on the rehabilitation of Cenyulands Village Roads in Stutterheim
- % progress achieved on the rehabilitation of Emagcumeni Road in ward 10
- % progress achieved on the rehabilitation of Road between Peer to Nxawe & Matsa to Nxawe in Ethembeni (ward 7)
- % progress achieved on the rehabilitation of Goshen Road in Cathcart
- % progress achieved on the rehabilitation of Sophumelela Roads in Keiskammahoek
- % progress achieved on the rehabilitation of Ngxondorheni village Roads in Keiskammahoek

- % progress achieved on the rehabilitation of Phumulani village Roads in Keiskammahoek
- % progress achieved on the rehabilitation of Bumbani village Roads in Keiskammahoek
- % progress achieved on the rehabilitation of Kom village Roads in Keiskammahoek
- % progress on pre-engineering work on the rehabilitation of Keiskammahoek Roads under the STR grant
- No of electricity meters installed
- % progress on the upgrade of streetlights and highmast lights
- No of fire awareness campaigns conducted
- % progress towards construction of Keiskammahoek Recreation Centre
- No. of paintable streets with faded road markings painted
- % progress towards construction of Mbaxa Community Hall
- % Progress on upgrades of sport facilities(Mlungisi)

20. 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.

21. 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 and verifiable to ensure that they are easy to understand and apply consistently and 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 what was 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 for the measures taken to improve performance

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

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

Other matter

1. I draw attention to the matter below.

Achievement of planned targets

KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE SERVICES

Targets achieved: 95% *Budget spent 94%*		
Key indicator not achieved	**Planned target achievement**	**Reported**
1.1.1 % progress achieved on the surfacing (paving) of Xholorha Main Road	100% progress achieved on the paving of 2,3 kilometers at Xholorha Township	90% progress achieved on the paving of 2,3 kilometers at Xholorha Township
1.2.1 No of electricity meters installed	200 meters electricity installed	Target not met 155 meters electricity installed

Report on compliance with legislation

24. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Accounting Officer is responsible for the Municipality's compliance with legislation.

25. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa

(AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

26. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the Municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

Annual financial statements, Annual performance report, Annual report

.

28. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

29. Material misstatements of revenue and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

30. Sufficient appropriate audit evidence could not be obtained that goods and services with a transaction value of below R300 000 were procured using price quotations as required by SCM Regulation 17(1)(c).

31. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM Regulation 5.

32. The performance of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year

Expenditure management

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

34. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R4,7 million, as disclosed in note 52 of the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by non-compliance with section 65(2)(e) of the MFMA.

Governance and oversight

1. The audit committee did not submit an audit report on the review of the performance management system to the council, at least twice during a financial year, as required by regulation 14(4)(a)(iii) on Municipal Planning and Performance Management.

Human resource management

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

Consequence management

3. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.

Other information in the annual report

4. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.

5. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

6. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in development priority presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

7. 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

35. 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.

36. 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.

37. 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.

38. 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.

39. Leadership did not provide effective oversight responsibility regarding compliance and financial reporting. The slow progress in implementing the prior year action plan has resulted in repeat findings on compliance in the current year.

40. Leadership and senior management did not effectively monitor compliance with laws and regulations resulting in material non-compliance with laws and regulations included in this report.

Material irregularities

41. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Status of previously reported material irregularities

Cathcart Waste Landfill site: Non-compliance with environmental management legislation

42. The municipality is operating a landfill site in Cathcart without a valid licence. The site was licensed for closure on 18 July 2013, with closure and rehabilitation required within a period of two years. This means that the license has lapsed, requiring a new closure license application for and upon closure. The site continues to be used for waste disposal and treatment.

43. This resulted in a material non-compliance with section 28(1) of the National Environmental Management Act 107 of 1998 (NEMA) and section 16 (1) of the National Environmental Management: Waste Act 59, of 2008 (NEMWA) which resulted in pollution of the environment, mainly due to the following:
    - No signs to and from the site observed.
    - No access control (nor security) – no official after hours (only a spotter during day to monitor the waste dumping that incur).
    - Waste disposal still incur.
    - No or ineffective control over waste receive / disposed.
    - Scavenging / recycler activities on site – burning of waste and smoke pollution.
    - No proper treatment / compaction / closure of waste.
    - No yellow assets – vehicles and equipment needed to compact / close – treat the waste upon disposal.
    - No dust suppression.
    - No weighbridge or billing system (or waste recording).
    - Serious windblown litter / pollution of the areas on / surrounding the site.
    - No gas, water, leachate monitoring.

- No ablution facilities / guard house or other equipment / needs

- Perfect breeding ground for vermin, vector and other unwanted elements (health and safety concerns)

44. There is a clear indication of significant air pollution, the degradation of the environment and other nuisances caused by improper landfilling. The pollution could cause serious health, safety and injury risks to the surrounding communities, including workers using the site or communities in nearby areas and substantial harm to the public.

45. The accounting officer was notified of the material irregularity on 28 March 2024 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded, and it was concluded that appropriate actions have been taken. The actions taken and planned are as follows:

- The municipality compiled and submitted an action plan to the Department of Economic Development Environmental Affairs and Tourism (DEDEAT) on 26 January 2024, for the activities towards closure of the site and operationalisation of the transfer station.
- The municipality managed to source funding for conducting the basic assessment, this being the first step to outline the following processes.

o The tender advertisement for conducting the basic assessment of the site towards closure and rehabilitation closed on 19 April 2024.

o A draft transfer station operational plan was submitted to DEDEAT for inputs and comments. Two skip bins were procured and delivered on 15 April 2024; however these still need to be adjusted to properly fit onto the skip bin truck.

o A concept document was developed requesting further intense training of identified recyclers around the area of Cathcart, who are going to operate the transfer station was submitted to the DEDEAT.

46. Most of the actions taken by the accounting officer that are expected to bring improvement have been affected and some are still in progress. The service provider was appointed to assist the process and now the municipality is waiting for the waste licence application submitted to DEDEAT on 30 May 2025.

47. The progress will be followed up in the next financial year.

Auditor-General
East London
12 December 2025

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

- **Professional judgement and professional scepticism**

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the Municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a Municipality to cease operating as a going concern.

evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Accounting Officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Selected legislation and regulations	Consolidated firm level requirements
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)

MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation: 43
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)

Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2),11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

6.4 DRAFT AUDIT ACTION PLAN TO ADDRESS 2024/25 FINDINGS

No.	COAF No.	WAAP Reference	Material / Immaterial Issues Raised by the AGSA	Time Frame	Department	Responsible Director	Line Manager	Progress %	Implementation progress	Comment
1	COAF 001	AAP92387-2025	Immaterial	30/06/2026	Budget and Treasury	B Ngwendu	C Samuels	100%	Completed	
2	COAF 002	AAP92388-2025	Material	28/08/2026	Budget and Treasury	B Ngwendu	C Samuels	85%	In Progress	Will be complete after draft internal audit is complete
3	COAF 003	AAP76575-2025	Material	30/06/2026	Executive Services	N Mbende	M Magida	100%	Completed	
4	COAF 003	AAP77302-2025	Immaterial	30/06/2026	Corporate Services	N Nqulo	T Ndlamhlaba	85%	In Progress	
5	COAF 004	AAP92389-2025	Material	01/04/2026	Corporate Services	N Nqulo	T Ndlamhlaba	53%	In Progress	
6	COAF 005	AAP92390-2025	Immaterial	30/06/2026	Budget and Treasury	B Ngwendu	S Kambi	100%	Completed	

No.	COAF No.	WAAP Reference	Material / Immaterial Issues Raised by the AGSA	Time Frame	Department	Responsible Director	Line Manager	Progress %	Implementation progress	Comment
7	COAF 007	AAP92391-2025	Immaterial	30/06/2026	Budget and Treasury	B Ngwendu	S Kambi	100%	Completed	
8	COAF 008	AAP92392-2025	Immaterial	30/06/2026	Corporate Services	N Nqulo	T Ndlamhlaba	50	In Progress	
9	COAF 008	AAP92393-2025	Immaterial	18-Jul-26	Budget and Treasury	B Ngwendu	B Mashiyi	100%	Agreed Finding Addressed	
10	COAF 009	AAP92395-2025	Immaterial	31/03/2026	Budget and Treasury	B Ngwendu	S Kambi	100%	Agreed Finding Addressed	
11	COAF 009	AAP92396-2025	Immaterial	31/03/2026	Budget and Treasury	B Ngwendu	S Kambi	100%	Agreed Finding Addressed	
12	COAF 009	AAP92398-2025	Immaterial	31/03/2026	Budget and Treasury	B Ngwendu	S Kambi	100%	Agreed Finding Addressed	
13	COAF 009	AAP92399-2025	Immaterial	31/03/2026	Budget and Treasury	B Ngwendu	S Kambi	100%	Agreed Finding Addressed	

No.	COAF No.	WAAP Reference	Material / Immaterial Issues Raised by the AGSA	Time Frame	Department	Responsible Director	Line Manager	Progress %	Implementation progress	Comment
14	COAF 010	AAP92400-2025	Immaterial	30/06/2026	Budget and Treasury	B Ngwendu	S Kambi	100%	Completed	
15	COAF 011	AAP92401-2025	Immaterial	30/06/2026	Budget and Treasury	B Ngwendu	B Mashiyi	100%	Completed	
16	COAF 012	AAP92402-2025	Immaterial	22-Aug-26	Budget and Treasury	B Ngwendu	C Samuels	100%	Agreed Finding Addressed	
17	COAF 013	AAP92403-2025	Immaterial	31/03/2026	Budget and Treasury	B Ngwendu	S Kambi	100%	Completed	
18	COAF 013	AAP92404-2025	Immaterial	31/03/2026	Budget and Treasury	B Ngwendu	S Kambi	100%	Agreed Finding Addressed	
19	COAF 013	AAP92405-2025	Immaterial	31/03/2026	Budget and Treasury	B Ngwendu	S Kambi	100%	Completed	

20	COAF 014	AAP92406-2025	Immaterial	31/03/2026	Budget and Treasury	B Ngwendu	S Kambi	100%	Completed	

No.	COAF No.	WAAP Reference	Material / Immaterial Issues Raised by the AGSA	Time Frame	Department	Responsible Director	Line Manager	Progress %	Implementation progress	Comment
21	COAF 014	AAP92407-2025	Immaterial	31/03/2026	Budget and Treasury	B Ngwendu	S Kambi	100%	Agreed Finding Addressed	
22	COAF 015	AAP92408-2025	Immaterial	31/01/2026	Budget and Treasury	B Ngwendu	C Samuels	100%	Agreed Finding Addressed	
23	COAF 016	AAP92409-2025	Material	31/03/2026	Engineeing / Budget and Treasury	N Dlova / B Ngwendu	B Mguni / C Samuels	100%	Agreed Finding Addressed	
24	COAF 017	AAP92410-2025	Immaterial	31/03/2026	Budget and Treasury	B Ngwendu	B Mashiyi	100%	Agreed Finding Addressed	
25	COAF 018	AAP92411-2025	Immaterial	31/03/2026	Budget and Treasury	B Ngwendu	B Mashiyi	100%	Agreed Finding Addressed	
26	COAF 018	AAP92412-2025	Immaterial	31/03/2026	Budget and Treasury	B Ngwendu	B Mashiyi	100%	Agreed Finding Addressed	

No.	COAF No.	WAAP Reference	Material / Immaterial Issues Raised by the AGSA	Time Frame	Department	Responsible Director	Line Manager	Progress %	Implementation progress	Comment
27	COAF 019	AAP92413-2025	Material	15/08/2026	Budget and Treasury	B Ngwendu	S Kambi	85%	In Progress	Will be complete after draft internal audit is complete
28	COAF 020	AAP92416-2025	Immaterial	15/08/2026	Executive Services	N Mbende	A Garetshi	68%	In Progress	
29	COAF 021	AAP92419-2025	Immaterial	15/08/2026	Executive Services	N Mbende	A Garetshi	50%	In Progress	
30	COAF 022	AAP92420-2025	Immaterial	31/03/2026	Budget and Treasury	B Ngwendu	B Mashiyi	100%	Completed	
31	COAF 023	AAP92421-2025	Material	30/06/2026	Budget and Treasury	B Ngwendu	B Mashiyi	100%	Completed	
32	COAF 023	AAP92422-2025	Material	30/06/2026	Budget and Treasury	B Ngwendu	S Kambi	100%	Completed	

No.	COAF No.	WAAP Reference	Material / Immaterial Issues Raised by the AGSA	Time Frame	Department	Responsible Director	Line Manager	Progress %	Implementation progress	Comment
33	COAF 023	AAP92423-2025	Immaterial	31/03/2026	Budget and Treasury	B Ngwendu	C Samuels	100%	Agreed Finding Addressed	
34	COAF 024	AAP92424-2025	Immaterial	31/03/2026	Budget and Treasury	B Ngwendu	B Mashiyi	100%	Agreed Finding Addressed	
35	COAF 026	AAP92425-2025	Immaterial	15/08/2026	Executive Services	N Mbende	A Garetshi	54%	In Progress	
36	COAF 027	AAP92426-2025	Immaterial	18-Jul-26	Budget and Treasury	B Ngwendu	C Samuels	85%	In Progress	Will be complete after draft internal audit is complete

No.	COAF No.	WAAP Reference	Material / Immaterial Issues Raised by the AGSA	Time Frame	Department	Responsible Director	Line Manager	Progress %	Implementation progress	Comment
37	COAF 027	AAP92427-2025	Immaterial	18-Jul-26	Budget and Treasury	B Ngwendu	C Samuels	85%	In Progress	Will be complete after draft internal audit is complete
38	COAF 029	AAP92428-2025	Material	31/03/2026	Budget and Treasury	B Ngwendu	C Samuels	100%	Agreed Finding Addressed	
39	COAF 029	AAP92429-2025	Material	31/03/2026	Budget and Treasury	B Ngwendu	S Kambi	100%	Agreed Finding Addressed	
		AAP77326-2025		1. 30/04/2026 31/08/2026				75%	In Progress	

REPORT OF THE AUDIT COMMITTEE

1. PURPOSE
The function of the Audit Committee and performance (herein referred to as the Committee) is primarily to assist the Amahlathi Municipality (hereinafter referred to as the Council) in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes, performance information and the preparation of financial reports and statements.

2. LEGAL / STATUTORY REQUIREMENTS
The Committee operates in terms of Section 166 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003 and has endeavoured to comply with its responsibilities arising from those requirements. Other pieces of legislation that regulates the functions of the Committee are:-
- Municipal Structures Act
- Municipal Systems Act 32 of 2000

3. BACKGROUND
An audit committee is an independent advisory body which must sit at least four times a year in order to perform the following duties:

1. Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to—
    a) internal financial control and internal audits.
    b) risk management.
    c) accounting policies.
    d) the adequacy, reliability and accuracy of financial reporting and information.
    e) performance management.
    f) effective governance.
    g) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation.
    h) performance evaluation; and
    i) any other issues referred to it by the municipality or municipal entity.
2. Review the annual financial statements to provide the council of the municipality or, in the case of a municipal entity, the council of the parent municipality and the board of directors of the entity, with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
3. Respond to the council on any issues raised by the Auditor-General in the audit report.
4. Carry out such investigations into the financial affairs of the municipality or municipal entity as the council of the municipality, or in the case of a municipal entity, the council of the parent municipality or the board of directors of the entity, may request; and
5. Perform such other functions as may be prescribed.

4. AUDIT COMMITTEE MEMBERS AND ATTENDANCE
The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference.
In terms of the Audit Committee Charter, the committee should consist of a minimum of 3 members.

During 2024/25 financial year, the AC held 6 meetings, 4 Ordinary AC and 2 Special AC Meetings.

Name of Member	Number of Ordinary Meetings Attended	Number of Special AC meetings attended
Ms L. Smith - AC Chairperson	4	4
Ms N. Mabuza – Hermanus	4	4

Mr M. Mdani	3	4
Mr M. Manxiwa	4	4

The Audit Committee meetings are attended by the Municipal Manager, Section 56 Managers, General Manager, Legal Manager, Internal Auditors, External auditors and other relevant stakeholders.

Auditor-General SA, COGTA, ADM and Provincial Treasury have standing invitation to attend AC Meetings.

5. EFFECTIVENESS OF INTERNAL CONTROLS

Audit Committee has assessed the internal controls for the municipality through a review of Internal Audit reports and close monitoring on implementation of 2024/25 Approved Risk- Based Internal Audit Plan.

6. RISK MANAGEMENT REPORTS .

Risk Management Reports were discussed during Risk Committee meetings and were standing item in Audit Committee Meetings.
Chairperson of the Risk Committee / Municipal Manager / his delegate presented the reports to the Audit Committee.

Implementation of risk action plans was monitored and assessed by Internal Audit.

7. REVIEW OF ANNUAL FINANCIAL STATEMENTS

- 2023/24 Annual Financial Statements were reviewed by both Audit Committee and Internal Audit and submitted to Council in August 2024.
- 2023/24 Interim Annual Financial Statements as at 31 December 2023 were also reviewed by both AC and Internal Audit.

8. PERFORMANCE MANAGEMENT

• 2023/24 Annual Performance was reviewed by both Audit Committee and Internal Audit and submitted to Council in August 2024.

- 2023/24 Mid-Term Performance as at 31 December 2024 was also reviewed by both AC and Internal Audit and tabled to Council.
- All Quarterly Performance reports are reviewed by AC and Internal Audit and submitted to Council.
- It was noted that the Municipality has not fully implemented the Performance Management System.

9. FOLLOW-UP ON AG ACTION PLANS

Management reports quarterly on the implementation of AG Action Plans.
Action plans as at 30 June 2024 were submitted to Internal Audit for review.

10. FOLLOW-UP ON IA ACTION PLANS

The internal audit function conducted follow up audits to review the status of the implementation of the internal audit recommendation in audits carried out in 2023/24 financial year. The implementation status is summarized below:

Name of the audit	Number of Internal audit Recommendations	Percentage recommendations implemented	Percentage recommendations the implementation is in progress	Percentage of recommendations not yet implemented

Revenue Management Review	15	0%	53.33%	46.67%
Human resources Management Review	30	56.67%	23.33	20%
Property Plant and Equipment	3	33.33%	33.33%	33.33%

The implementation status of the majority of the recommendations made by the internal audit function were in progress during the 2024/25 financial year. Further, based on the implementation status, there is a room for improvement in the implementation of the internal audit recommendations.

11. REVIEW OF MANAGEMENT REPORTS

Audit Committee has reviewed the following Management Reports which are standing items on the Audit Committee Agenda.

7.1 ICT Performance Report
7.2 Legal Matters
7.3 Finance Reports
7.4 Performance Reports
7.5 Report on the filing of critical vacant and funded posts

No emerging risks or new areas of concern or challenges that the AC would like to highlight for the Council in relation to the listed management reports.

12. OVERALL CHALLENGES RELATING TO INTERNAL AUDIT UNIT

The following challenges have been noted impacting on performance of Internal Audit as well as Audit Committee.

- Lack of office spaces for officials since the offices burnt during the October 2018 community protests.
- The Municipality does not have Risk Management Unit or Risk Management Personnel, risk management activities are performed by Internal Auditors.
- Lack of adequate tools of trade for internal audit function.
- Lack of funding for internal auditors to attend continuous professional development trainings.
- Lack of financial resources to develop business continuity plans.
- Lack of timely responses to internal audit requests for information

There is a sound and professional relationship between the Audit Committee and the Office of the Auditor General to ensure compliance.

CHAPTER 7 APPENDICES

APPENDIX A: COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

Council Members	24-Jul 2025	28-Aug 2025	09-Sept 2025	30-Oct 2025	11-Dec 2025	22-Jan 2026	25-Feb 2026	25-Mar 2026	No. of meetings	percentage % of council meetings	percentage apologies for non	percentage absenteeism
1. Cllr. Nomakhosazana Nongqayi	P	P	P	P	P	P	P	P	8	100	0	0
2. Cllr. Nokuzola Mlahleki	P	P	P	P	P	P	P	P	8	100	0	0
3. Cllr. Onke Mgunculu	AWL	APOLOGY	P	P	P	P	P	P	8	75	12.5	12.5
4. Cllr. Pateka Qaba	APOLOGY	P	P	P	P	P	P	P	8	88	12	0
5. Cllr. Nobathembu Manyika	P	P	P	P	APOLOGY	P	P	AWL	8	75	12.5	12.5
6. Cllr.Xola Moses Tokwe	P	P	P	P	P	P	P	P	8	100	0	0
7. Cllr. Busisa Xongwana	P	P	P	P	P	P	P	P	8	100	0	0
8. Richard Pickering	APOLOGY	P	P	P	P	P	P	AWL	8	75	12.5	12.5
9. Phakama Budaza	P	LEAVE	P	P	P	P	P	P	8	88	12	0
10. Cllr. Patience	AWL	APOLOGY	APOLOGY	P	APOLOGY	AWL	P	AWL	8	25	37.5	37.5

Nomonde Onceya-Sauti												
11. Cllr. Ntombizonke Vivian Mjandana	P	ABSENT	P	P	APOLOG Y	P	P	P	8	75	12.5	12.5
12. Cllr.Moslina Nqini	P	P	APOLOG Y	P	P	P	P	P	8	88	12	0
13. Cllr. Nicholas Ncevu	P	P	P	P	P	P	P	P	8	100	0	0
14. Cllr.Nosipho Mkiva	P	LEAVE	P	APOLOG Y	P	P	P	P	8	75	12.5	12.5
15. Cllr.Zukisa Anda Qonto	P	P	P	P	P	P	P	P	8	100	0	0
16.Cllr. Nontembiso Nyangwa	P	P	P	LEAVE	P	P	P	P	8	88	12	0
17. Cllr. Nonkanyiso Charlie	AWL	APOLOG Y	APOLOG Y	P	P	P	P	AWL	8	50	25	25
18. Cllr.Mandlenkos i Busakwe	AWL	P	APOLOG Y	P	P	P	AWL	P	8	63	12	25
19. Cllr. Xoliswa Neti	P	P	P	P	P	P	P	APOLOG Y	8	88	12	0
20. Cllr. Mbeko Neku	P	P	P	APOLOG Y	P	P	P	P	8	88	12	0
21. Cllr. Sizeka Mqwebedu - Matini	P	P	APOLOG Y	P	P	P	P	AWL	8	75	12.5	12.5
22. Cllr. Phathuxolo Able Simandla	P	P	APOLOG Y	P	APOLOG Y	P	P	P	8	75	25	0

23. Cllr. Melikaya Maweni	P	ABSENT	P	P	P	P	P	P	8	88	0	12.5
24. Cllr. Nomfuneko Salaze	P	P	P	P	P	P	P	P	8	100	0	0
25. Cllr. Nomvuyo Zelna Klaas	P	P	APOLOGY	APOLOGY	P	P	P	P	8	75	25	0
26. Cllr. Zola Gavini	P	P	P	P	P	P	P	LEAVE	8	88	12.5	0
27. Cllr. Ndileka Ngxakangxaka	P	P	P	P	P	P	P	APOLOGY	8	88	12.5	0
28. Cllr. Neliswa Magaret Mbulana	P	P	P	AWL	P	P	AWL	P	8	75	0	25
29. Cllr. Masixole Gantsho	AWL	LEAVE	P	AWL	P	P	P	P	8	62.5	12.5	25
30.Cllr. Zani Ngozi	P	P	APOLOGY	P	P	P	P	AWL	8	75	12.5	12.5
31.Traditional Leader: Mr. N.J. Ulana	P	P	AWL	AWL	AWL	AWL	AWL	AWL	8	25	0	75
32.Traditional Leader: Mrs.P. Gaika	P	P	P	AWL	AWL	AWL	AWL	P	8	50	0	50

APPENDIX B: COUNCIL COMMITTEES (Other than Mayoral/ Executive Committee) and Purposes of the Committees

Municipal Committees	Purpose of Committee
Budget and Treasury	The purpose of the Budget and Treasury Standing Committee as a Section 79 Committee of Council is to:-
	Provide Political Leadership by being responsible for Policy outcomes, oversight and holds the Chief Financial Officer accountable for
	Performance by regular and consistent reporting to Council through the Committee.
Service Delivery	Report on Progress and Challenges on Capital Projects.
	Report on work done as per the Maintenance programme of Roads, also alerting the committee of the repairs done on Machinery
	That might have caused delays in the Programme.
	Challenges in the Department in General.
	Amount of Jobs created.
	The response time in repairing any complaints from the Community.
	Report on Budget Expenditure.
	To create a conducive environment for business to invest at Amahlathi area.
Development and Planning	To encourage business to create jobs in order to reduce unemployment.
	To promote SMME's and co-operatives within Amahlathi.
	To promote tourism as a vehicle for Job creation within Amahlathi.
	To support emerging farmers that are within Amahlathi and link them with business in order to sell their products.
Community Services	To provide accessible, affordable, equitable and sustainable service as well as a healthy environment to residents and business operating in the Amahlathi Local Municipality.

Municipal Committees	Purpose of Committee
	To contribute towards a safe and secure environment.
	To promote a clean and healthy environment.
	To promote a culture of reading and learning.
	To ensure that Public Amenities are improved and well managed.
Corporate Services	To oversee the proper, efficient, and effective operations of Human Resources and Administration Department.
	To ensure that Policy Formulation and recommendation from both Sections are in line with vision and mission of the municipality as well as
	Compliant with National and Provincial Legislation.
	To represent employer component in Provincial Institution Cluster of SALGA, Amathole District Municipality
	To champion good working relations between the employer and employee component of the municipality.
	To ensure that Departmental goals and Departmental Budget are aligned.
	To devise programs for imparting of skills to Stakeholders within the municipal area.
	To oversee that proper employment procedures are undertaken without disadvantaging anyone.

APPENDIX C: THIRD TIER STRUCTURE

Third Tier Structure	
Directorate	**Director/Manager (State title and name)**
EXECUTIVE SERVICES	DR. Z. SHASHA
BUDGET AND TREASURY OFFICE	MS. B. NGWENDU
CORPORATE SERVICES DEPARTMENT	MS. N. NQULO
ENGINEERING SERVICES DEPARTMENT	MS. N. DLOVA
COMMUNITY SERVICES DEPARTMENT	MS. A. NOHOLOZA
PLANNING AND DEVELOPMENT DEPARTMENT	MR. S. MNWEBA
Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).	*T C*

APPENDIX D: FUNCTIONS AND POWERS

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	No
Building regulations	Yes	Yes
Childcare facilities	Yes	No
Electricity and gas reticulation	Yes	Yes
Firefighting services	Yes	Yes
Local tourism	Yes	Yes
Municipal airports	No	No
Municipal planning	Yes	Yes
Municipal health services	No	No
Municipal public transport	No	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Storm water management systems in built-up areas	Yes	Yes
Trading regulations	Yes	Yes
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	No	No
Beaches and amusement facilities	Yes	No
Billboards and the display of advertisements in public places	Yes	Yes
Cemeteries, funeral parlours and crematoria	Yes	Yes
Cleansing	Yes	No
Control of public nuisances	Yes	Yes
Control of undertakings that sell liquor to the public	Yes	Yes
Facilities for the accommodation, care and burial of animals	Yes	No
Fencing and fences	Yes	No
Licensing of dogs	Yes	No
Licensing and control of undertakings that sell food to the public	Yes	Yes
Local amenities	Yes	No
Local sport facilities	Yes	Yes
Markets	Yes	Yes
Municipal abattoirs	Yes	No
Municipal parks and recreation	Yes	Yes
Municipal roads	Yes	Yes

Noise pollution	Yes	No
Pounds	Yes	No
Public places	Yes	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes	Yes
Street trading	Yes	Yes
Street lighting	Yes	Yes
Traffic and parking	Yes	Yes
**** If municipality: indicate (yes or No); * If entity: Provide name of entity***		

APPENDIX E: WARD REPORTING

Ward Name (Number)	Name of Ward Councillor and elected Ward Committees 2023-2024	Name of Ward Councillor and elected Ward Committees June 2024-2025	Committee established (Yes /NO)	Number of Committee meetings held during the year	Number of quarterly reports submitted to the Speaker on time	Number of quarterly public meeting held during year
WARD 1	Cllr N.Mkiva 1.Phila Zini 2.Sandla Soka 3.David Nkosinathi Mzili 4.Loyiso Bazi 5.Yoliswa Fikelepi 6.Noluthando Gwane 7.Nosibusiso Vumindaba 8.Ovayo Ndlangalavu 9.Sandisiwe Nzwanana 10.Thembakazi Gege	Cllr N.Mkiva 1.Phila Zini 2.Sandla Soka 3.David Nkosinathi Mzili 4.Loyiso Bazi 5.Fikiswa Lugwali 6.Noluthando Gwane 7.Nosibusiso Vumindaba 8.Ovayo Ndlangalavu 9.Sandisiwe Nzwanana 10.Thulani Magingxa	YES	12	4	4
WARD 2	Cllr Z.Qonto 1.Khanyisa Khumbaca 2.Nobesuthu Zolidayi 3.Nomalulama Manyika 4.Sophumelela Mfecane 5.Gcobani Matutu 6.Simphiwe Kulati 7.Aviwe Rolisisu 8.Kwakhanya Mpange 9.Mongameli Rode 10.Athenkosi Ganjana	Cllr Z.Qonto 1.Khanyisa Khumbaca 2.Nobesuthu Zolidayi 3.Nomalulama Manyika 4.Sophumelela Mfecane 5.Gcobani Matutu 6.Simphiwe Kulati 7.Aviwe Rolisisu 8.Kwakhanya Mpange 9.Mongameli Rode 10.Athenkosi Ganjana	YES	12	4	4
WARD 3	Cllr N.Nyangwa 1.Ayanda Faniso 2.Thozama Sweetness Mhluzi 3.Nompumezo Socishe 4.Nomakholwa Petronela Zotsha 5.Kwandiwe Gida 6.Zimasa Mti 7.Mfuyo Jumba 8.Nkosabantu Busika 9.Nandipha Sweetness Nyovane 10.Luleka Nonzame Matso Yiyane	Cllr N.Nyangwa 1.Ayanda Faniso 2.Thozama Sweetness Mhluzi 3.Nompumezo Socishe 4.Nomakholwa Petronela Zotsha 5.Thembisa Gida 6.Zimasa Mti 7.Mfuyo Jumba 8.Nkosabantu Busika 9.Nandipha Sweetness Nyovane 10.Bongani Mguye	YES	12	4	4
WARD 4	Cllr N.Charlie 1.Nocwaka Nonyongo 2.Bongeka Phendu 3.Wandile Lalo 4.Thobela Qoto 5.Yongama Feni 6.Sibusiso Nojoko	Cllr N.Charlie 1.Nocwaka Nonyongo 2.Bongeka Phendu 3.Wandile Lalo 4.Thobela Qoto 5.Yongama Feni 6.Sibusiso Nojoko	YES	12	4	4

	7.Melikhaya Nqaba 8.Kholiwe Mabunzane 9.Thabiso Mohautse 10.Wanga Lihleli Dlai	7.Melikhaya Nqaba 8.Kholiwe Mabunzane 9.Thabiso Mohautse 10.Wanga Lihleli Dlai				
WARD 5	Cllr N.Klaas 1.Thobeka Mevi 2.Dumisa Khepu 3.Mninawa Richard Mbolekwa 4.Yoliswa Mancam 5.Zukile Tadeus Madolwana 6.Mlindeli Thandiwe 7.Ntombekhanyo Rululu 8.Sihle mpahla 9.Zinzi Ngalo 10.Nomakhosazana Sili	Cllr N.Klaas 1.Thobeka Mevi 2.Dumisa Khepu 3.Mninawa Richard Mbolekwa 4.Yoliswa Mancam 5.Zukile Tadeus Madolwana 6.Makuthulwe Gerrard Vellem 7.Ntombekhanyo Rululu 8.Sihle mpahla 9.Nwabisa Bacela	YES	12	4	4
WARD 6	Cllr M.Busakwe 1.Zimasa Patricia Sokuyeka 2.Lukhanyo Jaji 3.Ntombekhaya Manoni 4.Marlon Curtis Jacobs 5.Gavin Ignatius Jacobs 6.Nontekelelo Josephine Xinwe 7.Ntomboxolo Gqwaka 8.Gudiswa Matomela 9.Zoliswa Mpangise 10.Zukiswa Jongilanga	Cllr M.Busakwe 1.Lukhanyo Jaji 2.Ntombekhaya Manoni 3.Siphelele Elma Nanto 4.Gavin Ignatius Jacobs 5.Nontekelelo Josephine Xinwe 6.Ntomboxolo Gqwaka 7.Gudiswa Matomela 8.Zoliswa Mpangise 9.Zukiswa Jongilanga	YES	12	4	4
WARD 7	Cllr Z.Mfulana 1.Akhona Geza 2.Babalwa Bhuqekile 3.Fundile Gebe 4.Nozipho Manyonga 5.Phumza Jaji 6.Zuziwe Lwana 7.Neliswa Nyhwagi 8.Mandilakhe Ngcukana 9.Sondezwa Mxayiya 10.Zoleka Mabetha	Cllr Z.Ngozi 1.Akhona Geza 2.Babalwa Bhuqekile 3.Fundile Gebe 4.Nozipho Manyonga 5.Phumza Jaji 6.Zuziwe Lwana 7.Neliswa Nyhwagi 8.Mandilakhe Ngcukana 9.Sondezwa Mxayiya 10.Zoleka Mabetha	YES	12	4	4
WARD 8	Cllr X.Neti 1.Bulelwa Tela 2.Sydney Mbekeni 3.Londozwa Lillian Cengani 4.Nelson Kondile 5.Thobeka Veronica Songololo 6.Nomasixole Ngangelizwe 7.Nosiphiwo Mvolontshi 8.Bayanda Mketshana	Cllr X.Neti 1.Bulelwa Tela 2.Sydney Mbekeni 3.Londozwa Lillian Cengani 4.Nelson Kondile 5.Thobeka Veronica Songololo 6.Nomasixole Ngangelizwe 7.Nosiphiwo Mvolontshi 8.Bayanda Mketshana	YES	12	4	4
WARD 9	Cllr M.Nqini	Cllr M.Nqini	YES	12	4	4

	1.Nonkosi Sibawu 2.Thozama Dyosi 3.Zukisani Tshudu 4.Veliswa Lwana 5.Xolani Mpingelo 6.Ziyanda Butsha Sinyamb a 7.Nandipha Maneli 8.Busisiwe Miranda Mzondi 9.Zoleka Mbekeni 10.Zameka Sotyantsi	1.Nonkosi Sibawu 2.Thozama Dyosi 3.Zukisani Tshudu 4.Veliswa Lwana 5.Xolani Mpingelo 6.Ziyanda Butsha Sinyamba 7.Nandipha Maneli 8.Busisiwe Miranda Mzondi 9.Zoleka Mbekeni 10.Zameka Sotyantsi				
WARD 10	Cllr M Neku 1.Simphiwe Majiki 2.Sinoxolo Wilberforce Dya ntyi 3.Bukelwa Sooi 4.Buntu Masonwabe Mpondo 5.Thabisa Mhlahlo 6.Nomalizo Mkhefe 7.Phumzile Mbaza 8.Mamela Makhongolo 9.Nomfusi Sthetho 10.Siphamandla Qaba	Cllr M Neku 1.Simphiwe Majiki 2.Sinoxolo Wilberforce Dyantyi 3.Bukelwa Sooi 4.Buntu Masonwabe Mpondo 5.Thabisa Mhlahlo 6.Nomalizo Mkhefe 7.Phumzile Mbaza 8.Mamela Makhong 9.Siphamandla Qaba	YES	12	4	4
WARD 11	Cllr N.Sidinana 1.Cordelia Nosipho 2.Makuzeni 3.Mhleli Hejane 4.Mazande Ndesi 5.Cornia Nontando Kasba 6.Nomsebenzi Gloria Lantu 7.Zamekile Blom Simon Feni 8.Yandiswa Ngemntu 9.Nozuko Ngamlana 10.Thandiwe Virginia Mag Waca	Cllr S.Mqwebedu-Matini 1.Cordelia Nosipho.Makuzeni 2. Sonele Zitha 3.Cornia Nontando Kasba 4.Nomsebenzi Gloria Lantu 5.Yandiswa Ngemntu 6.Nozuko Ngamlana 7.Thandiwe Virginia Magwaca. 8. Loraine Nomzamo Mtyi 9. Ntsikane Mesele 10.. Pelisa Xamtwana	YES	12	4	4
WARD 12	Cllr P.Simandla 1.Khanyiswa Mazosiwe 2.Anele Tole 3.Mandla Victor Mditshwa 4.Norah Ntshanta 5.Thembelani Makisi 6.Velisani Dumezweni 7.Charles Sibuyile Maqaqa 8.Nopinki Gloria Skeyi 9.Yandiswa Mhanya 10.Thozamile Ascension K Humbaca	Cllr P.Simandla 1.Aviwe Mbekeni 2. Sibulele Gede 3.Thandolwethu Manyama 4.Norah Ntshanta 5.Velisani Dumezweni 6.Charles Sibuyile Maqaqa 7.Nopinki Gloria Skeyi 8.Yandiswa Mhanya 9. Thando Loliwe	YES	12	4	4

		10. Simphiwe Mangxola				
WARD 13	Cllr N.Ncevu 1.Sivuyile Cetwayo 2.Monde Mzimba 3.Lindelwa Mbandezi 4.Sipho Patric Ntuthu 5.Bonelwa Nikani 6.Yandiswa Thembani-Siswana 7.Vuyelwa Veronica Nyamakazi 8.Vuyo Jakuja 9.Akhona Sontaba 10.Melikhaya Gladman Go Niwe	Cllr N.Ncevu 1.Sivuyile Cetwayo 2.Lindelwa Mbandezi 3.Sipho Patric Ntuthu 4.Bonelwa Nikani 5.Yandiswa Thembani-Siswana 6.Vuyelwa Veronica Nyamakazi 7.Vuyo Jakuja 8.Akhona Sontaba 9.Melikhaya Gladman Goniwe	YES	12	4	4
WARD 14	Cllr M.Maweni 1.Caciswa Portia Mjali 2.Zandile Mavela 3.Mangaliso Bhatayi 4.Thembile David Tyelento mbi 5.Siphokazi Sinoxolo Hlanganise 6.Desmond Dyosi 7.Luxolo Magalela 8.Nomthandazo Mbolani 9.Fundiswa Patricia Sofatsha 10.Zukiswa Silere	Cllr M.Maweni 1.Caciswa Portia Mjali 2.Zandile Mavela 3.Mangaliso Bhatayi 4.Thembile David Tyelentombi 5.Siphokazi Sinoxolo Hlanganise 6.Desmond Dyosi 7.Luxolo Magalela 8.Nomthandazo Mbolani 9.Fundiswa Patricia Sofatsha	YES	12	4	4
WARD 15	Cllr N.Salaze 1.Luxolo Ncumani 2.Zola Gavini 3.Gcobani Gwebushe 4.Nobuntu Mbende 5.Thembisile Mavela 6.Babalwa Kwanini 7.Makhwenkwe Gwebani 8.Prince Qinga 9.Thembisa Nkangala 10.Nombulelo Mbekeni	Cllr N.Salaze 1.Luxolo Ncumani 2.Zoliswa Kweleta 3.Gcobani Gwebushe 4.Nobuntu Mbende 5.Thembisile Mavela 6.Babalwa Kwanini 7.Makhwenkwe Gwebani 8.Prince Qinga 9. Zolile Ntshoko 10.Nombulelo Mbekeni	YES	12	4	4

APPENDIX F: MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
1	**2025/26 Operational plan for Internal Audit** It was **resolved** that the Internal Audit should submit a three-year rolling plan (2025/28) together with the 2025/26 Operational Plan for approval on the next AC Meeting scheduled for August 2025 (date was not confirmed in the meeting.)	01-Aug-25	Manager Internal Audit	2025/26 Annual Internal Audit Plan was submitted to APC for approval. Per the review of the legal and professional framework for IA, there is no specific requirement for the development of a three year rolling plan.	21-Aug-25	Implemented
2	**Electricity Management Review** Internal Audit conducted consulting review on Electricity Management, report with was presented to the Audit Committee and Management. It was **resolved** that the Internal Audit Unit will follow up on management's progress in implementing improvements.	01-Aug-25	Manager Internal Audit	Items identified relating to Electricity Management Internal Review, form part of the internal Audit Follow ups during 2025/26	31-Dec-25	Implemented
3	**Q4 Litigations Report**	01-Aug-25	CFO		Not provided	Implemented

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
	Challenges regarding validation of Legal Invoices were presented by Municipal Manager, upon discussions it was **resolved** that the Municipal Manager, CFO and Mr Manxiwa (Audit Committee Member - Legal Specialist) should have discussion and find possible solutions to address the matter.			All invoices were share to Mr Magida for Mr Manxiwa we have not received any report till date.		
4	Members resolved to approve the 2025/26 plan, on condition that the three-year rolling plan is attached, the audit scopes are expanded, and the training plan is properly explained.	21-Aug-25	Manager Internal Audit	The three year rolling plan has been updated, it includes the scope as guided by key controls identified by management during the risk assessment.	31-Aug-25	Implemented
5	Annual financial statements	21-Aug-25	General Manager		27-Aug-25	Implemented

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATIO N DATE	STATUS as t 30 June 2026
	Members resolved that the annual financial statements could not be referred to the council, as the Audit Committee had proposed certain adjustments to the submitted statements. It was further agreed that a special meeting would be convened once the outstanding sections had been completed and the Audit Committee's comments adequately addressed.			A follow up session sat with AC on the 27th August 2025 and clear all the findings raised.		
6	Annual performance report Members resolved that the annual performance report could not be referred to the council at this stage, as the Audit Committee had proposed certain adjustments to the submitted annual performance report. It was further agreed that a special meeting would be convened once t the Audit Committee's comments adequately addressed.	21-Aug-25	General Manager	Implemented: APC inputs were considered before the APR was submitted to the council.	27-Aug-25	Implemented

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
7	Members resolved that the APR be recommended to Council for submission to the Auditor-General, as long as all the corrections discussed are properly included in the final version.	27-Aug-25	General Manager	Implemented: APC inputs were considered before the APR was submitted to the council.	27-Aug-25	Implemented
8	The Committee agreed that the AFS can be recommended to Council for submission to the Auditor-General, but only once: - the last formatting and disclosure issues are sorted out, - the budget vs actual variances are properly explained, and - the contingent asset matter is revisited when stronger evidence is available.	27-Aug-25	CFO	Implemented	Not provided	Implemented
9	**Matters arising and AC resolution of the previous meeting**	21-Oct-25	Director Corporate Services	Awaiting revised budget	Not provided	In progress

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
	Management should prepare a cost-benefit comparison between appointing a Legal Manager and continuing with outsourced legal work.					
10	Prepare a presentation on standardization that will be tabled at the next meeting 21 November 2025 when AGSA will be presenting Management Report.	21-Oct-25	Director Corporate Services	Presentation on standardisation is done	15-Nov-25	Implemented
11	The Committee requested structural change (Separation of risk management from the internal audit unit) be finalised in the organogram.	21-Oct-25	Director Corporate Services	Awaiting the review of the current organogram	Not provided	In progress
12	**Municipal Manager's update** Then the committee agreed that the action plan must be one of the standard item to ensure monitoring of the implementation by the Audit and Performance Committee. Internal Audit Manager was requested to share audit action plan after the meeting.	21-Oct-25	Manager Internal Audit	2023/24 Audit Action Plan was shared with Audit and Performance committee	14-Nov-25	Implemented

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
13	Chief Finance Officer to present the revenue enhancement plan or strategy on the APC meeting	21-Oct-25	CFO	Were still looking for a date to have a session during the first quarter of 2026/27.	N/A	In progress
14	The committee requested management to explore all other opportunities at their disposal with regards to factoring of the debtors.	21-Oct-25	CFO	The municipality currently agreed to hand over business that are municipal licence under the debt recovery while we are introducing Revenue Debt Scheme.	Not provided	In progress
15	**Progress in addressing Material Irregularities** The committee requested that Municipal Manager should update the committee of any escalation that will be communicated by the AGSA then the committee will take it from there.	21-Oct-25	Municipal Manager	A material irregularity update presentation has be completed and will be submitted to the next APC meeting.	18-May-26	Implemented
16	**Finance Reports** On the deviation register the committee recommended that the municipality can have a narration that says all the deviations are complying or in accordance with SCM policy and regulations and none of those are classified as irregular.	21-Oct-25	CFO	Implemented in Q2 report	31-Dec-25	Implemented

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
17	**Report on expertise, resources and experience of BTO personnel** Internal Audit Manager to get BTO structure and circulate to the APC committee.	21-Oct-25	Manager Internal Audit	Institutional Organogram circulated to APC members.	05-Jan-26	Implemented
18	**Report on Legal Matters** The committee agreed that the item be deferred, to the next meeting.	21-Oct-25	General Manager	Report presented on 22 March	22-Mar-26	Implemented
19	**Internal Audit Comments on 2025/26 Quarter 1 Performance Information** The committee agreed that the Internal Audit Manager should table the report to management meeting then incorporate their inputs then in the next audit and performance committee it can be tabled.	21-Oct-25	General Manager	The performance report was reviewed and a final report was submitted to the council with inputs from management.	30-Oct-25	Implemented
20	Committee referred the report to management and internal unit and submission to the committee be made Friday the 24 October 2025 and will be noted again through round-robin.	21-Oct-25	ALL	APC recommendations were effected in the report, and the report was circulated to APC members.	23-Oct-25	Implemented

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
21	The committee requested that on the quarter two reporting management should capture what has been outstanding in quarter one and indicate what was not achieved was subsequently achieved in quarter two.	21-Oct-25	General Manager	Those indicators that accumulate performance are inherently catering for that however there are indicators that do not and cannot be fixed in the subsequent quarter. Where missing a submission date was the reason for under performance and there is no way to fix that in the subsequent quarter. The new quarter has its own submission date.	N/A	Not Applicable
22	The committee requested that when the submission is made again management should submit an excel document together with the word document where all the target that have not been met are extracted to give a snapshot to the committee as to the reasons of why the target were not met	21-Oct-25	General Manager	The word report was requested by chairperson. On a quarterly basis the report is made available to the chairperson. The standard format of reporting is the excel document that gets presented in the committee.	08-Apr-26	Implemented
23	**Overtime Standby and other Allowances Review**	21-Oct-25	Manager Internal Audit	Overtime Standby and other allowances review	05-Jan-26	Implemented

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
	The Internal Audit Manager noted the committee comments, and the unit will go back to management to provide updated comments on deliberations that were provided.			report updated and sent to audit and performance committee members.		
24	**2025/26 Quarter 1 Risk Management and Compliance Reports** Chairperson commented on the structure that Chief Audit Executive cannot be a member of the risk committee the Chief Audit Executive can only attend as an advisor.	21-Oct-25	Risk Officer	Risk Report has been revised. Chief Audit Executive has been removed from the list of Members of the Risk Management Committee.	16-Jan-26	Implemented
25	The committee suggested that the report be changed not to reflect internal audit as commented as if the report was audited by the internal audit.	21-Oct-25	Risk Officer	Report amended as per APC resolutions. Paragraph indicating that the Internal Audit Unit will provide assurance has been removed.	16-Jan-26	Implemented
26	Internal Audit/Secretariat must compile a record/minutes for the engagement session held on 26 November 2025 and circulate it for round-robin review and approval.	21-Jan-26	Manager Internal Audit	Minutes of the meeting organised by AG were circulated to APC members	21-Jan-26	Implemented

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
27	ICT reports must be included in future agendas	21-Jan-26	Audit committee	ICT report has been included in the 21 April 2026 agenda	10-Apr-26	Implemented
28	Management must actively engage creditors and relevant institutions to explore feasible options (including interest waivers where possible)	21-Jan-26	CFO/PT	The municipality met with SIU and presented with the case ad the status to date , SIU will submit our request to their national office so that we can be able to gets updates on the case , the municipality is advised to make a representation to National Treasury on the debt.	30-Apr-26	In progress
29	Provincial Treasury must share best practices from municipalities that have achieved clean audits.	21-Jan-26	CFO/PT	Resolved, Best practice was shared on a provincial platform at the Municipal Provincial Post Audit Workshop recently held on the 16 March 26.	16-Mar-26	Implemented

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
30	Treasury to engage outside the meeting on the matter of long outstanding creditors and provide advice to support management's approach. PT to advise the municipality on whether it is legally possible for the municipality to factor its debtors	21-Jan-26	CFO/PT	The municipality resolved to request an intervention form the Premier and PT MEC as government department continue not responding to its debts.	Not provided	In progress
31	Management must update outstanding resolutions and revised timelines will be presented at the Special Audit Committee sitting	21-Jan-26	ALL	Management held a meeting on 20 April 2026, wherein dates in for the implementation of APC resolutions were reviewed and reasons for the indicated dates were considered and accepted by management.	Not provided	Implemented
32	PT to assist with reviewing the municipality's Final Draft of the Annual Report	21-Jan-26	General Manager	No reason provided	Not provided	Not Applicable
33	MM has requested that PT assists with facilitating a meeting with ESKOM, to assist them with requesting ESKOM for a transfer of ratepaying consumers within the municipality's jurisdiction to the municipality	21-Jan-26	General Manager	No reason provided	Not provided	Not Applicable

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
34	PT to assist with following up on the Debt Relief write-off letter, as the municipality has not yet received a response even though the submission was completed. PT to also share the contact details of the National Treasury official responsible for Debt Relief write-offs.	21-Jan-26	CFO/PT	The municipality received the 2nd write off	Not provided	Implemented
35	Internal Audit to perform a high-level comparison of the Quarter 1, Quarter 2 and Mid-Term reports to confirm consistency, and will provide written comfort to members via email to enable a round-robin review prior to tabling to Council	21-Jan-26	Manager Internal Audit	A comparison of quarterly performance reports and midterm has been performed and work done submitted to APC members.	21-Jan-26	Implemented
36	Finance to share Section 71 reports monthly with members via email (in addition to portal submission)	21-Jan-26	CFO	S71 shared with the APC except for June as were busy with its finalisation	18-May-26	Implemented

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
37	The Committee resolved that it will be afforded a further opportunity to review the amended Annual Report and may utilise a round-robin process to note and/or recommend approval once Internal Audit has confirmed that the required amendments have been affected.	21-Jan-26	Audit committee	An email requesting APC members to submit their inputs regarding Annual Report was sent to APC members on 29 Jan 2026. APC comments from one of the APC members were received on the 31 Jan 2026. The report was sent to APC on 11 Feb 2026	11-Feb-26	Implemented
38	The Committee resolved that, going forward, reports on legal matters must include improved case context (including the nature and/or cause of action) as well as the current stage of court proceedings	21-Jan-26	General Manager	The last report provided the details.	31-Mar-26	Implemented
39	Combined Assurance Framework, Internal Audit Charter, and APC Charter were deferred from the agenda and will be tabled at the Audit and Performance Committee meeting scheduled for 22 May 2026.	21-Apr-26	Manager Internal Audit	Items have been included on the 22 May 2026 APC Agenda	22-May-26	Implemented

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
40	The Risk Management Report, which is ordinarily a standing item on the agenda, was not included for consideration at this APC meeting as it was held prior to the Risk Committee meeting scheduled for 21 May 2026. The Chairperson of the Risk Committee and the Risk Officer confirmed that the report would be submitted to the Audit and Performance Committee meeting scheduled for 22 May 2026, inline with the approved institutional calendar	21-Apr-26	Risk Officer	Quarter 3 Risk Reports were not yet tabled to RIMCO for Quarter 4, RIMCO was scheduled for 21 May 2026 as per approved Institutional Calendar for 2025/26. Reports were subsequently submitted to the Internal Audit Unit after the RIMCO that was held on 21 May 2026 in preparation for the APC that was scheduled for 22 May 2026. Quarter 3 Risk Management Reports were not discussed on the 22 May 2026, the nature of meeting changed from Ordinary to Special Meeting.	13-Jul-27	Implemented

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
41	Management and Internal Audit should begin tracking and actioning Audit Committee resolutions immediately after each meeting and the resolution register must distinguish clearly between completed actions and the implementation of subsequent steps.	21-Apr-26	ALL	Resolutions have been presented to MANCO meeting.	29-Jun-26	In progress
42	A consolidation session on progress with resolutions should be held at least two weeks before the next Audit Committee meeting.	21-Apr-26	Municipal Manager	A consolidation progress session of resolutions was held on 18 May 2026. Municipal Manager suggested that Management should complete resolution register and where there are gaps, they should be presented to MANCO.	5/18/2026	Implemented
43	Clean audit progress should remain a standing item in future meetings.	21-Apr-26	Manager Internal Audit	The status regarding the progress towards resolving findings that had impact to the audit opinion has been included in the audit action plan	10-Jul-26	Implemented

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
44	CFO to organize a meeting with AGSA Senior Manager and APC Chairperson to discuss the MI matter at AGSA offices on the week ending 01 May 2026.	21-Apr-26	CFO	APC Chairperson requested information be forwarded to him for analysis post visit to AGSA offices. Information has been to the Chairperson via the office of the CFO.	Not provided	Implemented
45	CFO should strengthen the mSCOA report to clearly reflect the risks associated with changing systems close to year-end and during the audit period.	21-Apr-26	CFO	The report was raised and submitted to council for approval	Not provided	Implemented
46	Management should share the full External Audit Action Plan with the Audit and Performance Committee before the next meeting.	21-Apr-26	CFO	The APP has been shared with the APC members	Not provided	Implemented
47	Matters identified by Internal Audit on the External Audit Action plan as not adequately addressed should be tabled in sufficient detail for Committee consideration.	21-Apr-26	Manager Internal Audit	Internal audit report on review of external audit action plan will include an annexure with the detailed audit findings.	21-Jul-26	Implemented
48	Outstanding External Audit action-plan improvements should be monitored through Internal Audit follow-up where they can no longer be amended in the system.	21-Apr-26	Manager Internal Audit	External audit items have been included in the Internal Audit Follow Up report and has been circulated to BTO	10-Jul-26	Implemented

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
49	Management should urgently follow up with Provincial Treasury on the unresolved portal / system issue affecting the status of submitted FMCMM information.	21-Apr-26	CFO	BTO engaged PT and some issues were resolved but will assess again when capturing 2026/27 year. Its	Not provided	Implemented
50	Management should ensure that Internal Audit findings and action-plan progress are discussed in management meetings.	21-Apr-26	Municipal Manager	Included in MANCO agenda	13-Jul-26	Implemented
51	Management should indicate what has been done on older findings so that Internal Audit can confirm whether those findings should fall off from the follow-up report.	21-Apr-26	Municipal Manager	Management has updated the follow up working paper to reflect the status for implementation of action plan	13-Jul-26	Implemented
52	Information should flow timeously between Management and Internal Audit so that Internal Audit reports can be finalised at least fourteen (14) days before future Audit Committee meetings.	21-Apr-26	Municipal Manager	Internal audit reports have been presented to MANCO	13-Jul-26	Implemented
53	Management should continue monitoring long outstanding legal matters and provide clearer progress in future reports.	21-Apr-26	General Manager	The long-standing matters are explained in the report.	30-Mar-26	Implemented

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
54	Management should strengthen the risk articulation in the ICT report and actively pursue funding options for replacement / upgrade of the municipality's server and disaster-recovery environment.	21-Apr-26	Director Corporate Services		Not provided	In progress
55	The Committee resolved that the required Audit and Performance Committee assessments and related annual tools must be completed before year-end.	25-May-26	Manager Internal Audit	Assessment documents have been sent to APC members and some of the APC members have responded	05-Jun-26	Implemented
56	The Committee resolved to approve the Internal Audit Methodology subject to the inclusion of paragraphs on the evaluation of good governance, ethics and professionalism. The Committee further resolved that the Internal Audit Manager must amend the methodology accordingly and circulate the amended version to APC members for noting.	25-May-26	Manager Internal Audit	Issued an email to APC members requesting guidance relating to the submitted inputs during the APC meeting.	05-Jun-26	In progress

Item #	MATTERS RAISED	DATE OF APC MEETING	RESPONSIBILITY	PROGRESS	IMPLEMENTATION DATE	STATUS as t 30 June 2026
57	The Committee resolved to recommend the Combined Assurance Framework to Council for approval, subject to the correction of the paragraph and sub-paragraph numbering issues noted by the Acting Chairperson.	25-May-26	Manager Internal Audit	Correction have been made the combined assurance has been submitted to council for approval.	28-May-26	Implemented

APPENDIX G: DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2025 to 30 June of Year 2026		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
(Executive) Mayor	Cllr N Nongqayi	Nil
Member of EXCO	Cllr. P Qaba	Nil
	Cllr. NP Mlahleki	Nil
	Cllr. B Xongwana	Nil
	Cllr. XM Tokwe	Nil
	Cllr. NA Kato-Manyika	Nil
	Cllr. RB. Pickering	Nil
Councillor	Cllr. ZA Qonto (MPAC Chair)	Nil
	Cllr. PM Onceya-Sauti	Nil
	Cllr. P Budaza	Nil
	Cllr. N Ngxakangxaka	Nil
	Cllr. RB Pickering	Nil
	Cllr. N Mbulana	Nil
	Cllr. M Gantsho	Nil
	Cllr. NV Mjandana	Nil
	Cllr. NC Mkiva	Nil
	Cllr. N Nyangwa	Nil
	Cllr. N Charlie	Nil
	Cllr. NZ Klaas	Nil
	Cllr. M Busakwe	Nil
	Cllr. Z Gavini	Nil
	Cllr. X Neti	Nil
	Cllr. M Nqini	Nil
	Cllr. M Neku	Nil
	Cllr. Z. Ngozi	Nil
	Cllr. PA Simandla	Nil
	Clr. N Ncevu	Nil
	Cllr. ME Maweni	Nil
	Cllr. N Salaze	Nil
	Cllr. O Mgunculu	Nil
	Traditional Leader P. Gaika	Nil
	Traditional Leader NJ. Ulana	Nil
Municipal Manager	Dr. Z Shasha	Nil
Chief Financial Officer	Mrs. B. Ngwendu	Nil
Directors	Mr. S Mnweba	Nil

	A Noholoza	Nil
	N Nqulo	Nil
	N Dlova	Nil
Other S57 Officials		
** Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A* *T J*		

APPENDIX H: REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote R' 000						
Vote Description	Year 2025/26	Current: Year 2025/26			Year 2025/26 Variance	
	Actual	Original Budget	Adj Budget	Actual	Original Budget	Adj Budget
Vote 1 - Executive & Council	127 287	139 976	142 657	145 234	4%	2%
Vote 2 - Budget & Treasury Office	39 758	27 631	28 423	43 298	36%	34%
Vote 3 - Corporate Services	–	–	–	–	0%	0%
Vote 4 - Planning & Development	33 129	32 991	61 041	48 975	33%	-25%
Vote 5 - Community & Social Services	–	1 380	1 428	6 120	77%	77%
Vote 6 - Housing	4 728	53	53	505	90%	90%
Vote 7 - Public Safety	117	5 001	5 001	4 959	-1%	-1%
Vote 8 - Sport & Recreation	–	–	–	–	0%	0%
Vote 9 - Waste Management	5 047	17 346	21 627	12 613	-38%	-71%
Vote 10 - Road Transport	35 562	5 512	6 182	5 232	-5%	-18%
Vote 11 - Electricity	11 661	41 674	45 307	46 291	10%	2%
Vote 12 - Environmental Protection		212	328	144	-47%	-128%
Total Revenue by Vote	**257 289**	**271 776**	**312 047**	**257 647**		

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3 — *T K.1*

APPENDIX I: LONG TERM CONTRACTS

Long Term Contracts (20 Largest Contracts Entered into during Year 2025/26					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
None					
					T H.1

Public Private Partnerships Entered into during Year 2025/26					R' 000
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2025/26
None					
					T H.2

APPENDIX J: MUNICIPAL ENTITY

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose	(a) Service Indicators	Year 0		Year 1			Year 2	Year 3	
	(b) Service Targets	Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
N/A									

*Note: This statement should include no more than the top four priority indicators. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.* T I

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
						R '000
Description	Year 2025/26	Year 2025/26			Year 2025/26 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adj Budget
Property rates	22 178	24 424	24 424	24 168	-1%	-1%
Property rates - penalties & collection charges	38 857	41 674	45 307	45 966	9%	1%
Service Charges - electricity revenue	–	–	–	–	0%	0%
Service Charges - water revenue	–	–	–	–	0%	0%
Service Charges - sanitation revenue	–	-	-	-	0%	0%
Service Charges - refuse revenue	10 856	12 320	12 707	11 558	-7%	-10%
Service Charges - other	–	5 634	5 841	5 238	-8%	-12%
Rentals of facilities and equipment	171	100	291	500	80%	42%
Interest earned - external investments	366	1 158	3 710	3 445	66%	-8%
Interest earned - outstanding debtors	8 182	11 849	14 527	15 177	22%	4%
Dividends received	–	–	–	–	0%	0%
Fines	12	27	27	12	-125%	-125%
Licences and permits	1 780	2 252	2 922	2 481	9%	-18%
Agency services	1 059	1 829	1 829	1 343	-36%	-36%
Transfers recognised - operational	121 995	138 420	138 309	138 142	0%	0%
Other revenue	5 037	862	474	19 154	95%	98%
Gains on disposal of PPE	1 005	–	–		0%	0%
Total Revenue (excluding capital transfers and contributions)	**211 499**	**240 449**	**250 078**	**267 184**	**10%**	**6%**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						*T K.2*

APPENDIX L: CONDITIONAL GRANTS EXCLUDING MIG

Conditional Grants: excluding MIG						
						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adj Budget	
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
Other Specify:						
FMG Grant	2 200 000	2 200 000	2 200 000	0%	0%	Yes
MSIG Grant	–	–	–	0%	0%	Yes
EPWP Grant	1 211 000	1 511 000	1 511 000	25%	0%	Yes
Equitable Share	138 370 000	138 370 000	138 370 000	0%	0%	Yes
PMU 5%	1 870 150	1 870 150	1 870 150	0%	0%	Yes
Disaster Relief Grant	19 145 000	33 377 199	33 564 699	75%	1%	
Provincial						
Library Grant	1 792 000	1 792 000		0%	0%	Yes
Total	**164 588 150**	**179 120 349**	**177 515 849**	**8%**	**-1%**	

** This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.* T L

APPENDIX M: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*

R '000

Description	Year 2025/26			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2025/26	FY + 2025/26	FY + 2026/27
Capital expenditure by Asset Class						
Infrastructure - Total	33 877	65 477	50 310	–	–	–
Infrastructure: Road transport - Total	5 426	36 228	19 147	–	–	–
Roads	5 426	36 228	19 147			
Capital Spares						
Infrastructure: Electricity - Total	–	–	–	–	–	–
Power Plants						
LV Networks	–	–	–			
Capital Spares	–	–	–			
Infrastructure: Water - Total	–	–	–	–	–	–
Dams & Reservoirs						
Water purification						
Reticulation						
Infrastructure: Sanitation - Total	–		–	–	–	–
Reticulation						
Sewerage purification						
Infrastructure: Other - Total	–	2 526	7 867	–	–	–
Waste Management	–	2 526	7 867			
Transportation						
Gas						
Other						

Community - Total	**25 901**	**24 156**	**20 789**	–	–	–
Halls			2 487			
Centres	25 901	24 156	17 976			
Crèches						
Clinics/Care Centres						
Fire/Ambulance Stations						
Testing Stations						
Museums						
Galleries						
Theatres						
Libraries						
Cemeteries/Crematoria						
Police						
Purls						
Public Open Space			326			

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Capital Expenditure - New Assets Programme*

R '000

Description	Year 2025/26			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2025/26	FY + 2025/26	FY + 2026/27
Capital expenditure by Asset Class						
Heritage assets - Total	–	–	–	–	–	–
Buildings						
Other						
Investment properties - Total		600		–	–	–

Housing development						
Other		600				
–						
Other assets	**2 550**	**1 967**	**2 332**	–	–	–
General vehicles	2 200	557	557			
Specialised vehicles						
Plant & equipment			1 368			
Computers - hardware/equipment	350	910	403			
Furniture and other office equipment		500	4			
Abattoirs						
Markets						
Civic Land and Buildings						
Other Buildings						
Other Land						
Surplus Assets - (Investment or Inventory)						
Other		–				
Agricultural assets	–	–	–	–	–	–
List sub-class						
Biological assets	–		–	–	–	–
List sub-class						
Intangibles	–	–	–	–	–	–
Computers - software & programming						
Other (list sub-class)						

Total Capital Expenditure on new assets	33 877	65 477	50 135	–	–	–
Specialised vehicles	–	–	–	–	–	–
Refuse				–	–	–
Fire						
Conservancy						
Ambulances						

** Note: Information for this table may be sourced from MBRR (2009: Table SA34a)*

T M.1

Capital Expenditure - Upgrade/Renewal Programme*

R '000

Description	Year 2025/26			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2025/26	FY + 2025/26	FY + 2026/27
Capital expenditure by Asset Class						
Infrastructure - Total	175	175	175	–	–	–
Infrastructure: Road transport -Total	–	–	–	–	–	–
Roads, Pavements & Bridges						
Storm water						
Infrastructure: Electricity - Total	175	175	175	–	–	–
Power Plants		–	–	–	–	–
LV Networks	175	175	175			
Capital Spares						
Infrastructure: Water - Total	–	–	–	–	–	–
Dams & Reservoirs						
Water purification						

Reticulation						
Infrastructure: Sanitation - Total	–		–	–	–	–
Reticulation						
Sewerage purification						
Infrastructure: Other - Total	–	–	–	–	–	–
Waste Management	–		–			
Transportation						
Gas						
Other						
Community	–	–	–	–	–	–
Parks & gardens						
Sports fields & stadia	–	–	–	–	–	–
Swimming pools	–	–	–	–	–	–
Community halls	–	–	–	–	–	–
Libraries	–	–	–	–	–	–
Recreational facilities	–	–	–	–	–	–
Fire, safety & emergency	–	–	–	–	–	–
Security and policing	–	–	–	–	–	–
Buses	–	–	–	–	–	–
Clinics	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–
Cemeteries	–	–	–	–	–	–
Social rental housing	–	–	–	–	–	–
Other	–	–	–	–	–	–
	–	–	–			
Heritage assets	–	–	–	–	–	–
Buildings						
Other						

Table continued next page

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Capital Expenditure - Upgrade/Renewal Programme*						
						R '000
Description	Year 2025/26			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2025/26	FY + 2025/26	FY + 2026/27
Capital expenditure by Asset Class						
Investment properties	–	–	–	–	–	–
Housing development						
Other						
Other assets	–	–	–	–	–	–
General vehicles						
Specialised vehicles						
Plant & equipment						
Computers - hardware/equipment						
Furniture and other office equipment						
Abattoirs						
Markets						
Civic Land and Buildings						
Other Buildings						
Other Land						
Surplus Assets - (Investment or Inventory)						
Other	–	–	–	–	–	–
Agricultural assets	–	–	–	–	–	–
List sub-class						

Biological assets	–	–	–	–	–	–
List sub-class						
Intangibles	–	–	–	–	–	–
Computers - software & programming						
Other (list sub-class)						
Total Capital Expenditure on renewal of existing assets	–	–	–	–	–	–
Specialised vehicles	–		–	–	–	–
Refuse						
Fire						
Conservancy						
Ambulances						

** Note: Information for this table may be sourced from MBRR (2009: Table SA34b)*

T M.2

APPENDIX N: CAPITAL PROGRAMME

Capital Programme by Project: Year 2025/26					R' 000
Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Executive & Council					
Vehicles	750	752	558	-35%	-34%
Budget & Treasury					
Furniture and Office Equipment	-	150	4	-3650%	0%
Corporate Services					
Computer Equipment	150	727	404	-80%	63%
Waste Management					
Landfill Site	1 550	2 578	7 867	67%	80%
Road Transport					
Machinery and Equipment	50	254	1 367	81%	96%
Electricity					
Electricity Projects	-	173	–	0%	0%
Project Management Unit					
MIG Projects	30 377	29 231	25 419	-15%	-20%
Other Projects	-	30 285	14 692	-106%	0%
Town Halls and Municipal Buildings					
Buildings	1 000	1 500	–		
	33 877	**65 650**	**50 311**		

APPENDIX O: Capital Programme by Project by Ward:

Capital Programme by Project by Ward: Year 25/26		
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
Mlungisi sport field	15	Yes
Izidenge Internal Roads	6	Yes
Langdraai Community Hall	4	Yes
Phumlani Community Hall	2	Yes
Ngqeqe Internal Roads	11	Yes
Waste Collection Compactor Truck	All	Yes
Paving of Xholorha Internal Roads	13	Yes
Amahlathi Municipal Offices	13	No
Infrastructure plans	All	Yes
Amabele Paving	9	No
Keilands Roads -Planning	5	Yes
Stutterheim Town Roads and storm water structures – Planning	13	Yes
Keiskammahoek Town Roads and storm water structures – Planning	13	Yes
Cathcart Town Hall Upgrade – Planning	4	Yes
Construction of Keiskammahoek Roads (STR)	1	No
Construction of Stutterheim Roads (STR)	13	No
Xholorha Paving and Stormwater under MDRG	13	No
Ngcamngeni Roads and Storm Water under MDRG	10	Yes
Electricity		
Upgrade of Cathcart Substation Phase 3	4 & 5	Yes, multiyear project. Complete in 26/27
Upgrade of Stutterheim Main intake substation Phase 3	13	Yes, multi-year project. Complete in 26/27
Electricity Maintenance Plan	Amahlathi Licenced Areas	Yes

STR Stutterheim electrical project	6, 13, 14 & 15	Multiyear project. Completion September 2026
STR Keiskammhoek electrical	1	Multiyear project. Completion September 2026
Housing		
Refuse removal		
Storm water		
N/A		
Economic development		
Sports, Arts & Culture		
Mlungisi Sports field Phase 3	15	Yes
Environment		
Health		
Safety and Security		
ICT and Other		
		TO

APPENDIX P: Declaration of Loans and Grants made by the municipality

Declaration of Loans and Grants made by the municipality: Year 2025/26				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
None				
* Loans/Grants - whether in cash or in kind				T R

APPENDIX Q: Service Delivery Backlog experienced by the community where another sphere of government is responsible for service provision

Services by Sector Departments	Services Implemented/Provided	Service Backlogs
Access to Sanitation	93%	5,9%
Access to Water	89.7%	10.3%
Electricity	85.9%	10,3% (New extensions)
Housing	459	3 172
Refuse Removal	30,8%	69,2%
Roads	18%	82%

ANNEXURE R: COGTA KEY PERFORMANCE INDICATORS

RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS IN THE ANNUAL REPORT FOR 2025/26 FINANCIAL YEAR

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;	7	7	100%	Positions that appeared on 2025/2026 financial year were seven (7) and all of them have been filled.
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	6	6	100%	All positions that were vacant due to Expired contract have been filled.
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	6	3	50%	Due to municipal financial constraints the municipality relied on the LGSETA DG Funding for training of the managers.
4	Percentage of Managers in Technical Services with a professional qualification	4	4	100%	There are no gaps identified
5	Level of effectiveness of PMS in the LM – (LM to report)	**PMS has been cascaded to employees from TG12 and above.**			
6	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5-year term	257	69	27%	Submission was done by 69 employees
7	Percentage of councillors who attended a skill development training within the current 5-year term	30	7	23%	No training has been conducted internally in the current financial year. COGTA and SALGA assisted the municipality with other workshops conducted for councillors in their respective sections as department Portfolio heads

	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
9	Percentage of staff complement with disability	257	3	1.6%	
10	Percentage of female employees	257	98	38%	
11	Percentage of employees that are aged 35 or younger	257	47	18%	
12	Adoption and implementation of a District Wide/ Local Performance Management System	1	1	100%	The municipality has developed Performance Management System Policy Framework which was adopted in 2011 and is reviewed annually in line with IDP processes. The municipality has thus far cascaded performance management system from task grade 12upwards and is planning to cascade to lower levels in 2026/27 financial year.

CHAPTER: BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS (KPA 2)

Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customers expected to benefit Total House Holds=34159	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	24 269	3 429	20 840	20 840	100
2	Percentage of indigent households with access to basic electricity services	24 269	3 429	24 269	20 840	86
3	Percentage of indigent	24 269	886	886	886	100

	households with access to free alternative energy sources					

Electricity – 2016 Community Survey as per the table above indicates that 92.7% of households at Amahlathi uses electricity for lighting compared to 87.4% calculated in the Census 2011 meaning there is a great improvement of about 5.3%.

Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customers 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 without access to gravel or graded roads	33 621	5043	2800	2800	100
2	Percentage of road infrastructure requiring upgrade	567.71 km	515.46km	2km	2 km	100
3	Percentage of planned new road infrastructure actually constructed	561.71km	515.6km	12 km	12 km	100
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	R 522 m	R 522m	R 36.85m	R 36.85	100

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customers 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.	No. of households and businesses with basic waste collection	29 994 House Holds	23 536 households and businesses with access to basic waste. (29 994- 6458 =23 536)	6458 households and businesses with access to basic waste	**21,53%** in the Amahlathi Municipality (6458 / 29 994 X 100= 21.53%)	Percentage of households with access to refuse removal services **21.53%**
2	Existence of waste management plan	• Integrated Waste Management Plan (2022 – 2027) was approved by Council on the 25th of January 2023 and submitted to DEDEAT for endorsement by the MEC.				

Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customers 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	4,4%	1527	N/A	N/A	0%
2	Percentage of informal settlements that have been provided with basic services	N/A	N/A	N/A	N/A	N/A
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	57%	19950	N/A	N/A	N/A
4	Existence of an effective indigent policy	There is Indigent policy that has been adopted, and it is reviewed annually.				
5	Existence of an approved SDF	Amahlathi Local Municipality Draft SDF has been gazetted in November 2022.				
6	Existence of Land Use Management	The development of a SPLUMA compliant Wall to Wall Land Use Scheme has been conducted during the 2022/23 financial year.				

	System (LUMS)	

CHAPTER: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)
Annual performance as per key performance indicators in LED

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	None	- No new recruitments	0%
2	Percentage of LED Budget spent on LED related activities.	None	None	None
3	Existence of LED strategy	Reviewed LED Strategy		
4	Number of LED stakeholder forum meetings held	8	- 4 LED Forum meetings - 3 SMME meetings held - 1 meeting with Amahlathi Crafters Association - 1 General Hawkers meeting held - 4 Cooperative meeting held (Amahlathiwethu Secondary Co-op) - 1 Amahlathi Agricultural Forum meeting	100%
5	Plans to stimulate second economy	- 4 Reports on Implementation of Catalytic projects - 9 reports on implementation of signed twinning agreements with strategic institutions	- 4 reports on implementation of catalytic projects - 4 interventions on implementation of MOU with Lamspringe Local Municipality.(Germany) - 3 interventions on implementation of MOU with Fort Cox Agriculture, Forestry Training Institution. - 1 intervention on implementation of MOU with Nekho Occupational Health and Enviro Build Consultant. - 1 intervention on implementation of MOU with Lovedale College	100%

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
			- Stutterheim Master and Precinct Plan Developed and adopted by Council. - Action plan for Implementation of Stutterheim Master and Precinct Plan developed.	
6	Percentage of SMME that have benefited from a SMME support program	-100 SMME's supported to access SMME support programmes 4 trainings conducted for Community Tourism Organisation (CTO) and Local Tourism Organisations (LTO'S) 40 farmers to be supported with capacity building. 2 Outreach programmes (Access to market) 1 tourism events attended to provide access to market for Crafters Implementation of Forestry Strategy	- **305 SMME's benefited on SMME Support Programs from all clusters.** 5 trainings for Community and Tourism Organisations - - **144 Farmers supported** - **2 outreach programmes held** Amahlathi Crafters Association member attended the Makhanda National Art Festival dated 25 June -05 July 2026.	100

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
7	Number of job opportunities created through EPWP		**383 EPWP**	127%
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	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	R 65 649 950	R 50 310 960	76.6%
2		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
3	Salary budget as a percentage of the total operational budget *(Including Councillor Allowances)*	R149 313 610 / R309 640 890	R149 801 312 / R305 243 484	49%
4		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
5	Total municipal own revenue as a percentage of the total actual budget	R111 768	R122 575	109.7%
6		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
7	Rate of municipal consumer debt reduction	10 000	-R15 134	-151%
8	Percentage of MIG budget appropriately spent	R30 770	R30 770	100%
9	Percentage of MSIG budget appropriately spent	R 0	R 0	0%
10	AG Audit opinion	Unqualified	Unqualified	
11	Functionality of the Audit Committee	4 meetings	4 meetings	100%
12	Submission of AFS after the end of financial year	31 August 2025	31 August 2025	100%

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	% war room	12 meetings	12	100%

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
3	Existence of an effective system to monitor CDWs	The CDWs are part of the key stakeholders of Public Participation. They are invited to participate during mechanisms such as mayoral imbizos (or roadshows) and representative forums that feed directly into IDP and Budget. These events are convened on quarterly basis. CDWs also participate in the annual report roadshows. Their key role is to assist the municipality capture well the public perceptions on development versus the service delivery outputs reported on. The municipality coordinate this work of CDWs through the Public Participation function. The municipality is part of the quarterly roundtable sessions organised by CDWs to make reflections on the work of the CDWs. The municipality provides venues and ensures communication of information to relevant stakeholders when required to do so.		
5	Effective of IGR structural meetings	Amahlathi Political IGR forum meetings sit on a quarterly basis and are led by the Honourable Mayor. All the Executive Committee members of the Council also form part of the forum as required by the terms of reference of the committee. The IGR is currently coordinated in the Office of the MM and is attached to the Office Administrator.		
6	Existence of an effective communication strategy	The Communication Strategy of Amahlathi Local Municipality is in place. It was first adopted by council in February 2015. The strategy is being implemented through tools such as communications policy and communications operational plan. These tools are reviewed annually to ensure their relevance.		
6	Existence of an effective communication strategy	Communication Strategy adopted by council February 2015, and it is reviewed on an annually basis by reviewing the Communication Action Plan		
7	Number of mayoral imbizos conducted	2	2	100% The mayoral imbizo's were conducted during the second and third quarter.
8	Existence of a fraud prevention mechanism	The Municipality has developed a Fraud Prevention Plan which was adopted by Council. The Fraud Prevention Plan was last reviewed by Council in May 2026. The main objectives of the Fraud Prevention Plan are as follows: • To create a culture that is ethical and intolerant to fraud and corruption. • To prevent and detect fraud and corruption that cannot be effectively deterred through existing preventive measures. • To ensure that the municipality detects fraud and corruption. • To ensure that the municipality investigates detected fraud and corruption. • To ensure that the municipality takes appropriate action in the event of such irregularities, e.g., disciplinary action, recovery of losses, prosecution, etcetera; Risk and Compliance Management Unit conducts Fraud Awareness Campaigns twice a year and action plans responding to the issues raised at the fraud awareness's are presented to Management Committee.		

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
		The municipality is currently using the Presidential Fraud Hotline where members of the communities can report fraud related issues. The Presidential Fraud Hotline number is 0860 701 701. The Municipal Council has adopted a Whistle-Blowing Policy, which complements the Municipality's fraud prevention mechanisms by providing employees and other stakeholders with appropriate channels to report suspected fraud, corruption, and other unethical conduct.		

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