



MAKANA LOCAL MUNICIPALITY



sustainable,
just,

Makana Municipality strives to ensure
affordable, equitable and quality services in a
friendly, secure and healthy

FINAL ANNUAL REPORT 2024 – 2025

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- 7.2 Annexure B: Audited Financial Statement Report
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ii) ACRONYMS AND ABBREVIATIONS:

IDP	Integrated Development Plan
LM	Local Municipality
STATS SA	Statistic South Africa
EPWP	Extended Public Works Programme
AFS	Annual Financial Statements
MSA	Municipal systems act 32 of 2000
IGR	Inter-Governmental Relations
MOU	Memorandum of understanding
MISA	Municipal Infrastructure Support Agent
FAME	Finance, Administration, Monitoring & Evaluation
GRAP	General Recognised Accounting Practice
MUNI-MEC	An intergovernmental body that meets quarterly to analyse the state of local government and is made up of the MEC'S, the municipal mayors and municipal managers
MIG	Municipal Infrastructure Grant
NERSA	National Energy Regulator of South Africa
COGTA	Corporative Governance & Traditional Affairs
SPLUMA	Spatial Planning and Land Use Management Act
SBDM	Sarah Baartman District Municipality
HR	Human Resources
IT	Information technology
SDF	Spatial Development Framework
CWP	Community Worker's Programme
MFMA	Municipal Finance Management Act
LED	Local Economic Development
PMS	Performance Management System
SMME	Small, Medium & Micro Enterprise

This document has been prepared for public consumption for the 2024-2025 Financial Year.

Signed:

MR. M.P. KATE
MUNICIPAL MANAGER

ON THIS DAY ___ OF _____ 2026

MS. Y. VARA
EXECUTIVE MAYOR

ON THIS DAY ___ OF _____ 2026

III) EXECUTIVE MAYOR FOREWORD

In 2022, the Council adopted a five-year Integrated Development for the term of office with 6 development priorities to ensure the need to meet the requirements of our rapidly changing and growing Municipality. These development priorities are encapsulating in our drive for great place to be, are also aligned to the Provincial Growth and Development Strategy and the National Development Plan. It seeks to ensure sustainable, affordable, equitable and quality services in a just, friendly, secure and healthy environment, which promotes social and economic growth for all and also to create an enabling environment for growth; development; employment and job creation; enhancing the quality of life of our residents; maintaining good corporate governance; and sound financial management.

Good governance entails addressing the needs of the public through consultation and communication; and being accountable to the citizens of Makana as required by the Municipal Systems Act, 2000 (Act 32 of 2000). Council undertook several processes to achieve this goal, including establishing ward committees; issuing quarterly newsletters and communicating via social media and online platforms such as the municipal website; Speaker and Mayor are holding consultative meetings with a wide range of stakeholders. Accountability is enforced through performance contracts signed by the Senior Management and is monitored by the Municipal Manager and Council through quarterly performance reports that are validated by the Audit Committee.

Makana population has grown to an estimated 97 815 persons as per a report by the Census 2022 which is 1.07 % rate compared to 2016 and 2022. Households have increased to an estimated 24 800 which is 1.32 5 rate increase compared to the same period as population rate. Out of the economically active population, there are 17 500 that are unemployed, or when expressed as a percentage, an unemployment rate of 44.2%. Up to here all the statistics are measured at the place of residence. (***Global insight 2022***)

The growth in population goes hand in hand with various challenges, particularly the ongoing demand for housing development.

Municipality is focusing on upgrading infill areas which are situated in serviced areas already due to insufficient bulk infrastructure for new development. There are about 178 units that are approved for infill areas housing development, for these projects consultants have been appointed and designs are complete.

The Annual Report for 2024/245 provides detail on various infrastructure projects and social development being undertaken to facilitate the envisioned accelerated growth and safe environment. These projects are only possible through strategic partnerships with other spheres of government and the community of Makana, without which we cannot meet the challenges that we face.

I remain grateful to Council, the Speaker, the Mayoral Committee, and the Municipal Manager, all of whom continue to guide our staff, resources, and operations to make Makana a great place to work.

MS. Y. VARA
EXECUTIVE MAYOR

IV) MUNICIPAL MANAGER OVERVIEW

Makana Municipality is a Category B municipality with powers and functions assigned in terms of Sections 155 and 156 of the Constitution of the Republic of South Africa, 1996 (local government matters referred to in Schedules 4 and 5). These powers and functions are exercised subject to Chapter 5 of the Municipal Structures Act, 117 of 1998 and Chapter 3 of the Local Government Municipal Systems Act, 32 of 2000.

Makana LM is one of the 7 LM under SBDM Municipality in the Eastern Cape, classified as B category municipality. Approximately 63% of residents are indigent. It comprises of 3 urban areas: Makhanda, Alicedale and Riebeeck east, which are primary urban areas, and other 3 service areas such as Fort Brown, Seven Fountains, Salem and many farm areas surrounding these areas. Makana Local Municipality covers an area of 4 376 km² and shares borders with Raymond Mhlaba (North), Ndlambe (SE), Ngqushwa (NE) and Sunday's River Valley (W) and consists of 14 wards.

In presenting the 2024/25 Annual Report we affirm that Makana Municipality has made tremendous strides towards achieving its vision of “*great place to be*”, guided by the values of transparency, excellence, responsiveness, accountability, accessibility and integrity, supported by the following strategic objectives:

- To ensure good governance and compliance.
- To ensure financial sustainability in order to meet the statutory requirements.
- To ensure an efficient and effective organisation supported by a competent and skilled workforce.
- To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services.
- To plan, promote investment and facilitate economic growth; and
- To facilitate, support and promote social and community development.

Makana received a disclaimer opinion from the Auditor General for the 2023/24 financial year. This is our fourth (4th) consecutive disclaimer audit opinion. This bears testament to the challenges of good governance and sound financial management we are facing.

In the 2024/2025 financial year the Municipality has faced many challenges on financially sound management activities, these include the following material differences between budget and actual amounts. Makana Local Municipality considered the variance between final budget and the actual amounts that is above 10% or above the norm/standard to be material variance. Those variances are explained in detail in annual report's annual financial statement as an annexure.

Municipality in terms of its overall performance against Service Delivery Budget and Implementation Plan has not improved compared to previous financial year 203-24, which was 54% overall and for 2024-25 financial year Municipality has achieved 55% which is not significant improvement compared to 90% planned for year under review. This performance was categorised by poor planning, delay in supply chain management which resulted in the municipality not meeting targets and shortfalls in budget.

MR P.M. KATE
MUNICIPAL MANAGER

CHAPTER ONE: MUNICIPAL OVERVIEW

1.1 Municipal Profile

Makana Local Municipality (Makana) is a category B Municipality approximately halfway between East London and Port Elizabeth that forms part of the seven local municipalities of the Sarah Baartman (formerly Cacadu) District Municipality in the Eastern Cape Province.

Vision

Making Makana Local Municipality a “Great place to be” by 2030

Vision Statement

“Makana Municipality strives to ensure sustainable, affordable, equitable and quality services in a just, friendly, secure and healthy environment, which promotes social and economic growth for all”.

Makana’s area is bordered in the North-East by Amathole District Municipality, North-West by Blue Crane Route Local Municipality, in the South by Ndlambe Local Municipality and in the South-West by the Sundays River Valley Local Municipality, with the cities of Port Elizabeth 120km to the West and East London 180 km East. In 2011 the Municipality was delimited into fourteen wards.

Makana Municipality’s commitment to developing a “**Great Place to be**” is driven with specific emphasis of translating the Municipality’s strategies into an Implementable Action Plan. The Municipality is committed in ensuring that it achieves its Developmental Priorities for the term.

1.1.2 Core Values

Core Value Figure



1.1.3 Demographics and Socio-Economic Profile

The following Statistical Overview Report aims to quantify the economic, demographic and socio-economic environment of Makana Local Municipality in context of its neighbouring regions, the district, the province and South Africa. A better understanding of the demographic, economic and socio-economic environment could inform stakeholders to implement and monitor plans and policies that will allow for a healthy, growing and inclusive economy and society.

Understanding the changes in the composition of the population with respect to population group, age and gender is vital in the face of growing pressure on food, energy, water, jobs and social support on the country's citizens. An understanding of how the total fertility rates, age-specific fertility rates, sex ratios at birth, life expectancies and international migration affect the respective population groups, ages and genders is essential for effective planning on a spatial level. The first section of the Statistical Overview Report will aim to disentangle the changes in the Makana Local Municipality demographics in context of other locals of the region, the districts, the Province and South Africa.

The second section will provide insights into the economic environment of Makana Local Municipality in relation to the other local municipalities in the region, the district, the province and South Africa's performance. The changing economic environment subsequently influences the ability of the economy to create jobs. This section will therefore also include analysis on the employment and subsequent income dynamics of Makana Local Municipality.

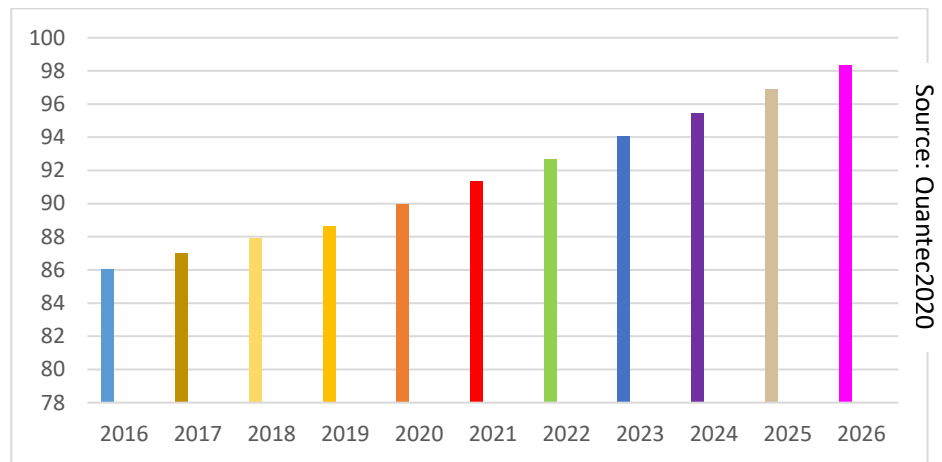
1.1.3.1. Demographic Profile

"Demographics", or "population characteristics", includes analysis of the population of a region. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest. In this section, an overview is provided of the demography of the +Makana Local Municipality and all its neighbouring regions, Sarah Baartman District Municipality, Eastern Cape Province and South Africa as a whole.

Total Population: Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income. This chapter is of paramount importance as it informs all the municipal planning.

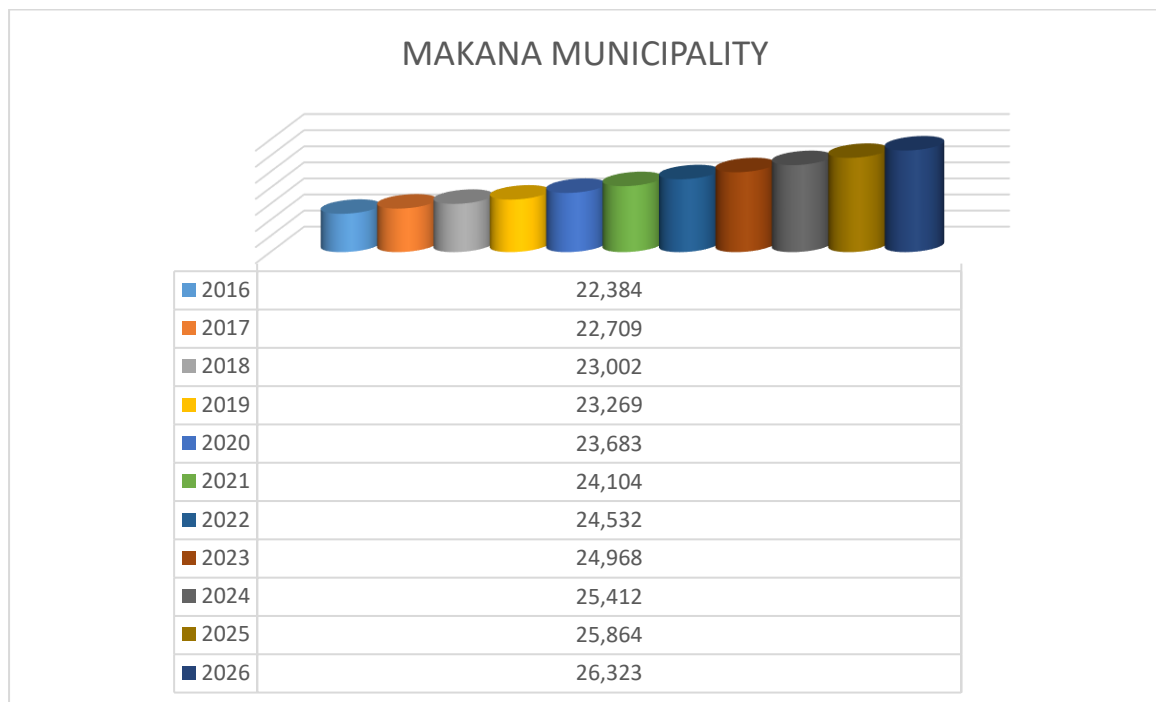
The municipal area is 4 375.6km² with a population span of 20.9 people per km² and 24 968 households (a household is considered a group of people living together or a single person who lives alone). A population is the number of individuals who live within a specific area. The growth rate of the municipality is greater to that of the district between 2016 and 2019, at 0.26%.

The figure below depicts the actual population numbers up until 2019 as well as a forecasted value for the subsequent years.



The number of households in Makana is expected to rise to at least 26 323 households by 2026, with an average annual growth rate of 0.52%. Makana Municipality’s household growth has been slower compared to the broader Sarah Baartman District Municipality (SBDM). Makana recorded about 23,861 households in 2022, while SBDM as a whole has shown stronger household expansion due to its larger geographic spread and inclusion of faster-growing towns.

Makana Households 2016-2026



Household Size 2016 - 2026	2016	2020	2026
Makana	3.85	3.85	3.85
Sarah Baartman	3.63	3.62	3.61

Dependency Ratio

The dependency ratio is the ratio of dependents (people younger than 15 and older than 65). The working population age is 15-65. The higher the ratio, the more financial burden there is on the working age population to support those who are not economically active.

Dependency Ratio 2016-2026	2016	2020	2026
Makana	46.4	46.8	46.8
Sarah Baartman	54.4	54.6	54.7

Census 2022

In 2020 the Makana Municipality had an estimated dependency ratio of 46.75% meaning that there are about 47 dependencies for every 100 people of working age. The dependency ratio is expected to increase to 46.77% by 2026. The dependency ratio in Makana is lower compared to that of Sarah Baartman District.

Conclusion

The Makana Municipality had an average population growth of 0.39% and a household growth of 0.52%. Household sizes are therefore increasing. This has implications for the demand of housing, as well as the types of housing that will be demanded in the future.

1.1.3.1. Population projections

Based on the present age-gender structure and the present fertility, mortality, and migration rates, Makana's population is projected to grow at an average annual rate of 1.2% from 97 815 in 2022 to 102 593 in 2026.

Population projections - Makana, Sarah Baartman, eastern cape, and national total, 2022-2026 [numbers percentage]

Year	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of District	Makana as % of Province	Makana as % of National
2022	97,815	543,000	7,470,000	61,100,000	17.0%	1.23%	0.15%
2023	98,988	549,000	7,550,000	61,900,000	17.0%	1.23%	0.15%
2024	100,175	556,000	7,630,000	62,700,000	16.9%	1.24%	0.15%
2025	101,377	563,000	7,710,000	63,500,000	17.0%	1.24%	0.15%

2026	102,593	570,000	7,780,000	64,300,000	17.0%	1.24%	0.15%
AVERAGE ANNUAL GROWTH							
2022-2026	1.17%	1.21%	1.02%	1.29%			

Census 2022

The population projection of Makana Local Municipality shows an estimated average annual growth rate of 1.2% between 2022 and 2026. The average annual growth rate in the population over the projection period for Sarah Baartman District Municipality, Eastern Cape Province and South Africa is 1.2%, 1.0% and 1.3% respectively. The Eastern Cape Province is estimated to have an average growth rate of 1.0% which is very similar than that of the Makana Local Municipality. The South Africa as a whole is estimated to have an average annual growth rate of 1.3% which is very similar than that of Makana's projected growth rate.

1.2 CRIME

The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime. The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

1.2.1 IHS COMPOSITE CRIME INDEX

The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e., violent crimes and property crimes. IHS uses the (a) Length-of-sentence and the (b) Cost-of-crime to apply a weight to each category.

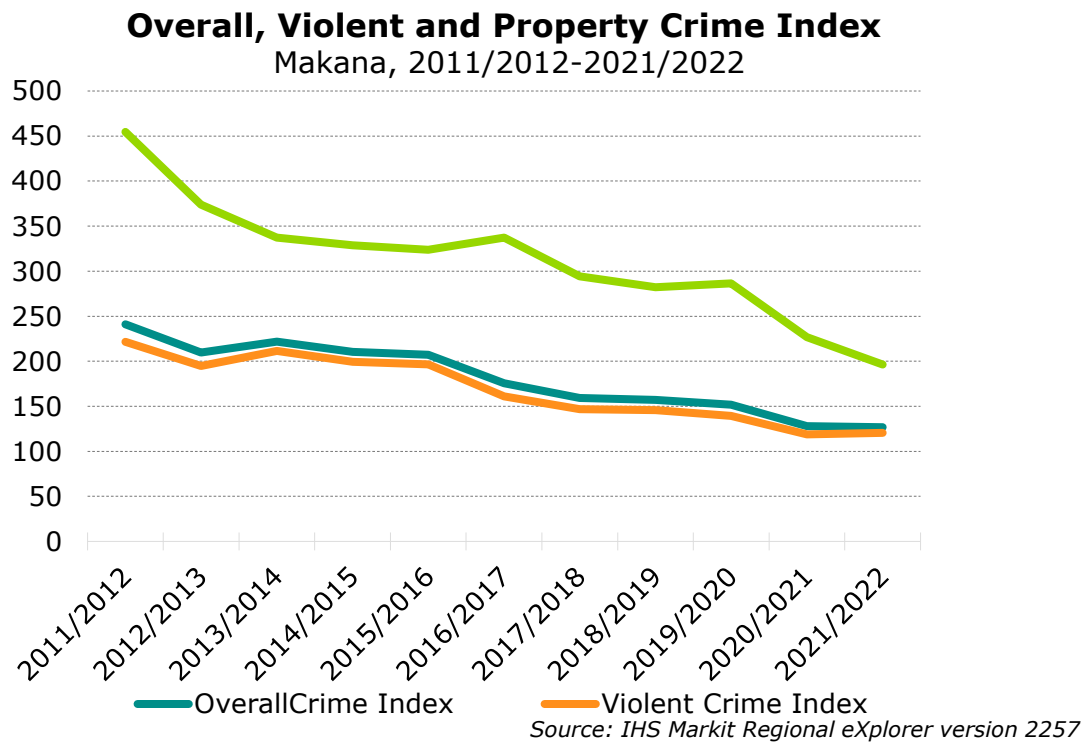
1.2.1.2 IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - MAKANA LOCAL MUNICIPALITY, 2011/2012-2021/2022 [INDEX VALUE]

HIS COMPOSITE CRIME INDEX

The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e., violent crimes and property crimes. IHS uses the (a) Length-of-sentence and the (b) Cost-of-crime to apply a weight to each category.

Overall crime Index:

The crime index is a composite, weighted index which measures crime. The higher the index number, the higher the level of crime for that specific year in a particular region. The index is best used by looking at the change over time or comparing the crime levels across regions.



For the period 2011/2012 to 2021/2022 overall crime has decrease at an average annual rate of 6.22% within the Makana Local Municipality. Violent crime decreased by 5.91% since 2011/2012, while property crimes decreased by 8.05% between the 2011/2012 and 2021/2022 financial years.

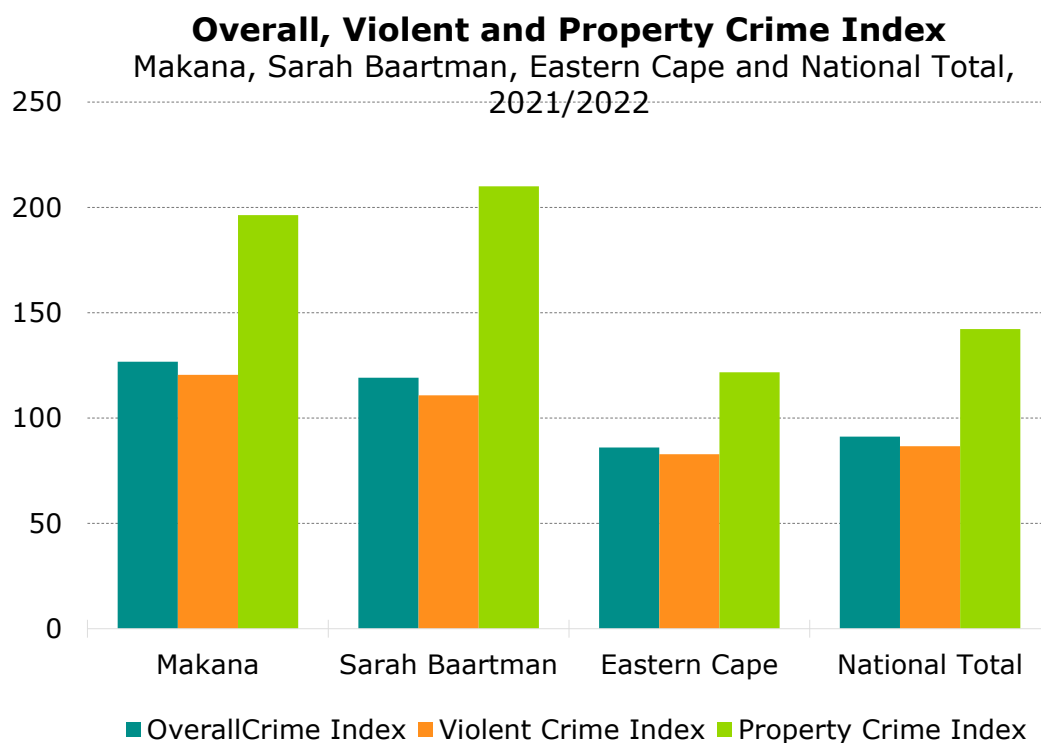
**OVERALL CRIME INDEX - MAKANA LOCAL MUNICIPALITY AND THE REST OF SARAH
BAARTMAN, 2011/2012-2021/2022 [INDEX VALUE]**

	Makana	Dr Beyers Naude	Blue Crane Route	Ndlambe	Sundays River Valley	Kouga	Kou-Kamma
2011/2012	241.03	125.05	143.58	181.04	174.38	142.46	176.76
2012/2013	209.78	131.39	138.20	176.40	175.49	123.87	159.70
2013/2014	221.84	116.71	145.60	172.83	168.85	123.41	148.39
2014/2015	210.28	122.42	135.71	181.44	172.91	119.97	143.65
2015/2016	207.28	132.97	131.13	171.30	156.29	124.26	128.34
2016/2017	175.66	127.48	135.64	170.25	133.21	127.09	127.86
2017/2018	159.29	119.99	121.86	157.95	133.40	120.25	136.92
2018/2019	157.29	121.85	125.33	169.33	155.99	121.35	138.32
2019/2020	151.70	124.91	129.43	147.26	158.54	117.34	111.10
2020/2021	127.86	111.88	97.03	128.51	139.73	89.54	86.38
2021/2022	126.82	117.43	116.77	131.13	156.44	94.89	103.46
Average Annual growth							
2011/12-2021/22	-6.22%	-0.63%	-2.05%	-3.17%	-1.08%	-3.98%	-5.22%

Source: IHS Markit Regional eXplorer version 2257

In 2021/2022, the Sundays River Valley Local Municipality has the highest overall crime rate of the sub-regions within the overall Sarah Baartman District Municipality with an index value of 156. Ndlambe Local Municipality has the second highest overall crime index at 131, with Makana Local Municipality having the third highest overall crime index of 127. All the crime is decreasing over time for all the regions within Sarah Baartman District Municipality. Kou-Kamma Local Municipality has the second lowest overall crime index of 104 and the Kouga Local Municipality has the lowest overall crime rate of 94.9. Crime is decreasing over time for all the regions within Sarah Baartman District Municipality. The region that decreased the most in overall crime since 2011/2012 was Makana Local Municipality with an average annual decrease of 6.2% followed by Kou-Kamma Local Municipality with an average annual decrease of 5.2%.

IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2021/2022 [INDEX VALUE]



Source: IHS Markit Regional eXplorer version 2257

From the chart above it is evident that property crime is a major problem for all the regions relative to violent crime.

CHAPTER TWO: MUNICIPAL GOVERNANCE:

In the quest to realise Makana Municipality’s vision of “A Great Place to be”, it is imperative that the Municipality is governed in a way that promotes good governance. The Municipality strives to achieve excellence by balancing the needs of all residents and the constitutional and legal framework applicable to local government with the available resources in such a way that service delivery takes place in an efficient, economic and effective manner.

Makana Municipality is established in terms of Section 12 of the Municipal Structures Act, 1998 (Act 118 of 1998) as a Municipality with a Mayoral Executive System combined with a Ward Participatory System. Section 2(b) of the Municipal Systems Act states that a Municipality is constituted by its Political Structures, Administration and Community

The Municipality is a Category B Municipality (local municipality) with an Executive Mayoral Committee System combined with a Ward Participatory System, as defined under Chapter 1 of

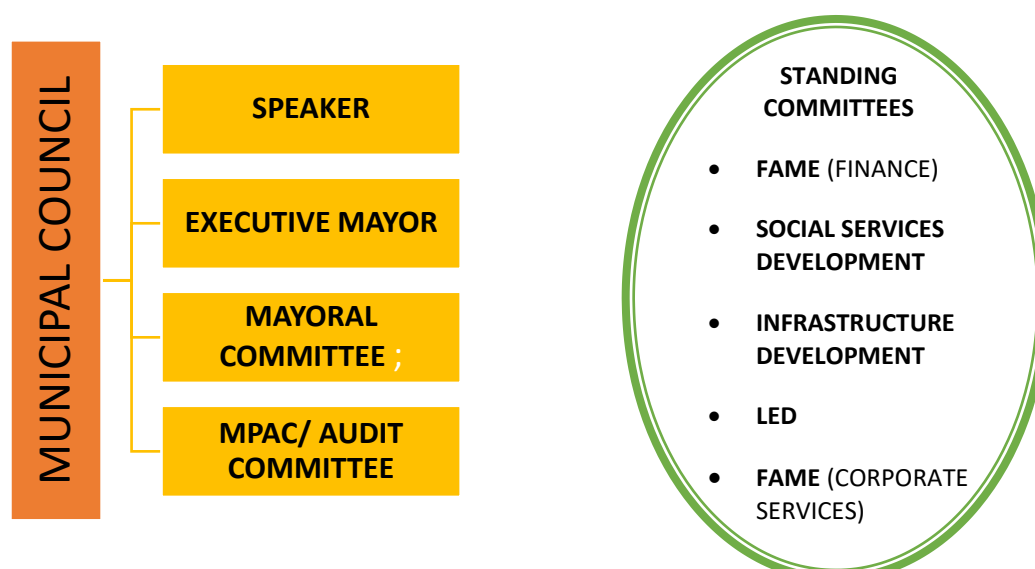
the Local Government: Municipal Structures Act No. 117 of 1998. The Political and Administrative seat is situated in Makhanda.

2.1. POLITICAL GOVERNANCE

In compliance with Section 151(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); Section 53 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), Makana Municipal Council governs the local government affairs of the local community on its own initiative.

The roles and areas of responsibility of each political structure and each political office-bearer of the Municipality and of the Municipal Manager are defined and adhered to accordingly.

2.1.1. The Outline of Makana’s Political Structure



The Executive Mayor, assisted by the Mayoral Committee, heads the political executive arm of the Municipality. The Executive Mayor is at the center of the system of governance since executive powers are vested in her to manage the day-to-day affairs. This means that she has an overarching strategic and political responsibility.

The key element of the executive model is that the executive power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation.

Although she is accountable for the strategic direction and performance of the municipality, the Executive Mayor operates in close conjunction with the Mayoral Committee.

The Municipal Council which comprises 27 Councillors, 14 of whom are Ward Councillors and 13 of whom are Proportional Representative (PR) Councillors. The Speaker is the Chairperson of the Municipal Council. There are an Executive Mayor and Executive Mayoral Committee; and Portfolio Committees who provide oversight on directorial operations.

2.1.2.1 FULL-TIME OFFICER BEARERS-

REF NO	DESIGNATION	FUNCTION
01	Council Speaker Cllr Mthuthuzeli Matyumza	<p>The Speaker of the Municipal Council:</p> <ul style="list-style-type: none"> ▪ Presides over the Council meetings. ▪ Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). ▪ Must ensure that the Council meets at least quarterly. ▪ Must maintain order during meetings. ▪ Must ensure compliance in Council and Council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and ▪ Must ensure that Council meetings are conducted in accordance with the Rules and Orders of the Council.
02	Executive Mayor Cllr Yandiswa Vara	<p>The Executive Mayor represents the public and is the chief political principal of the municipality. In terms of legislation the Executive Mayor has the following functions:</p> <ul style="list-style-type: none"> ▪ Identify the needs of the Municipality. ▪ Review and evaluate those needs in order of priority. ▪ Recommend to the Municipal Council strategies, programmes and services to address priority needs through the Integrated Development Plan and the Operating and Capital Budgets, considering any applicable national and provincial development plans; and ▪ Recommend or determine the best way, including partnership and other approaches, to deliver those strategies, programmes and services to the benefit of the community.

2.1.2.2 FULL-TIME OFFICE BEARERS:

REF NO	DESIGNATION	NAME
01	Council Speaker	▪ Cllr M Matyumza
02	Executive Mayor	▪ Cllr Y Vara

2.1.3. Council and Councilors.

Council's primary role is to govern the Municipality in a democratic and accountable manner, to perform legislative and executive functions and generally to fulfil its roles and responsibilities as set out in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

It focuses on legislation, decision-making, oversight, and participatory roles and has delegated executive functions to the Executive Mayor, other office bearers, the Municipal Manager and other staff members where applicable.

Makana Municipal Council consists of 14 ward councilors and 13 proportionally elected councilors. Political parties are represented through elected councilors from the ANC (14), DA (5), and EFF (2), MCF (5), IND (1)

2.1.4. Political Decision Making

Section 160(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) prescribes the way Council takes decisions. A quorum of all Councilors must be present to take any decision and most of the votes cast results in a legal decision.

The exception to this rule is that when any of the following issues are determined, it is determined by a decision taken with a supporting vote of a majority of all its members:

- The passing of policies and by-laws
- The approval of IDP and budgets
- The imposition of rates and other taxes, levies and duties
- The raising of loans and
- Appointment of section 54 and 57 employees

MAKANA MUNICIPALITY MEETING SCHEDULE: JULY 2024 – JUNE 2025

JULY 2024		
DATE	COMMITTEES	TIME
04/ 07	Extended/ Senior Management Team	10:00
16/ 07	Budget Steering Committee	09:00/ 14:00
17/ 07	Aesthetics Committee	09:00
17/ 07	Mayoral Committee	11:00
18/ 07	IGR	10:00
19/ 07	Employment Equity & Training Committee	09:00
19/ 07	MPAC	10:00
23/ 07	FAME: Finance	09:00
24/ 07	Risk Committee	09:00
24/ 07	Occupational, Health & Safety	14:00
25/ 07	Audit Committee	11:00
30/ 07	Ordinary Council	09:00
AUGUST 2024		
01/ 08	Local Labour Forum	09:00
15/ 08	Infrastructure Development	09:00
15/ 08	Budget Steering Committee	09:00/ 14:00
16/ 08	Social Development	09:00
20/ 08	Municipal Public Accounts Committee (MPAC)	10:00

21/ 08	Corporate & Shared Services Portfolio Committee	09:00
22/ 08	LED Portfolio Committee	09:00
27/ 08	Mayoral Committee	11:00
29/ 08	Special Council	09:00
SEPTEMBER 2024		
05/ 09	Employment Equity & Training Committee	09:00
13/ 09	Local Labour Forum	09:00
17/ 09	Budget Steering Committee	09:00/ 14:00
19/ 09	Municipal Public Accounts Committee (MPAC)	10:00
27/ 09	Mayoral Committee	11:00
OCTOBER 2024		
DATE	COMMITTEE	TIME
03/ 10	Occupational, Health & Safety	09:00
04/ 10	Extended Management team	10:00
11/ 10	Risk Committee	09:00
16/ 10	Budget Steering Committee	14:00
16/ 10	(MPAC) Municipal Public Accounts Committee	10:00
17/ 10	IGR	10:00
22/ 10	FAME: Finance Portfolio Committee	09:00
23/ 10	Aesthetics Committee	09:00
24/ 10	Mayoral Committee	11:00
30/ 10	Ordinary Council	09:00
NOVEMBER 2024		
04/ 11	Extended Management team	10:00
06/ 11	Infrastructure Development	09:00
08/ 11	Social Development	09:00
14/ 11	LED Portfolio Committee	09:00
15/ 11	Corporate & Share Services	09:00
19/ 11	Audit Committee	11:00
20/ 11	Budget Steering Committee	09:00/14:00
22/ 11	Municipal Public Accounts Committee	10:00
26/ 11	Mayoral Committee	11:00
29/ 11	Special Council	09:00
DECEMBER 2024		
04/ 12	Senior Management team	10:00
12/ 12	Budget Steering Committee	09:00/ 14:00
13/ 12	Municipal Public Accounts Committee	10:00
16/ 12	Mayoral Committee	11:00
JANUARY 2025		
15/ 01	Mayoral Committee	11:00
16/ 01	Budget Steering Committee	09:00/14:00
17/ 01	Risk Committee	09:00
21/ 01	FAME: Finance Portfolio Committee	09:00
24/ 01	Aesthetics Committee	09:00
27/ 01	Audit Committee	11:00
28/ 01	IGR	10:00
29/ 01	Employment Equity & Training Committee	09:00
30/ 01	Special Council	09:00
FEBRUARY 2025		
04/ 02	Local Labour Forum	09:00
07/ 02	Extended Management Team	10:00

12/ 02	Corporate & Shared Services Portfolio Committee	09:00
13/ 02	Social Development	09:00
14/ 02	Infrastructure Development	09:00
17/ 02	ICT	10:00
18/ 02	LED Portfolio Committee	09:00
19/ 02	Budget Steering Committee	09:00/ 14:00
20/ 02	Mayoral Committee	11:00
21/ 02	Municipal Public Accounts Committee	10:00
28/ 02	Special Council	09:00
MARCH 2025		
07/ 03	Senior Management Team	10:00
14/ 03	Municipal Public Accounts Committee	10:00
18/ 03	Budget Steering Committee	09:00/ 14:00
20/ 03	Mayoral Committee	11:00
28/ 03	Special Council	09:00
APRIL 2025		
04/ 04	Extended Management Team	10:00
08/ 04	LED Forum	09:00
10/ 04	Risk Committee	09:00
11/ 04	Aesthetics Committee	09:00
15/ 04	Budget Steering Committee	09:00/ 14:00
16/ 04	Audit Committee	11:00
17/ 04	Mayoral Committee	11:00
17/ 04	Employment Equity & Training Committee	09:00
22/ 04	FAME: Finance Portfolio Committee	09:00
23/ 04	Corporate & Shared Services Portfolio Committee	09:00
24/ 04	IGR	10:00
25/ 04	Municipal Public Accounts Committee	10:00
25/ 04	Occupational, Health & Safety	09:00
30/ 04	Ordinary Council	09:00
MAY 2025		
r	Local Labour Forum	09:00
08/ 05	ICT	10:00
13/ 05	Infrastructure Development	09:00
15/ 05	Budget Steering Committee	09:00/ 14:00
15/ 05	Social Development	09:00
21/ 05	Mayoral Committee	11:00
22/ 05	Municipal Public Accounts Committee	10:00
27/ 05	LED Portfolio Committee	09:00
30/ 05	Special Council	09:00
JUNE 2025		
05/06	Extended Management Team	10:00
11/ 06	Risk Committee	09:00
17/ 06	Budget Steering Committee	09:00/ 14:00
19/ 06	Mayoral Committee	11:00
20/ 06	Municipal Public Accounts Committee	10:00
26/ 06	Special Council	09:00

2.1.5 Mayoral Committee

The Executive Mayor is supported by a Mayoral Committee. Each member of the Mayoral Committee has a portfolio with specific functions. The Executive Mayor may delegate

specific responsibilities to each member of the Mayoral Committee. Any powers and duties delegated to the Executive Mayor by the Municipal Council must be exercised and performed by the Executive Mayor together with the other members of the Mayoral Committee.

The Committee assists in harnessing the common understanding between political and administrative components before the IDP reports are considered at the council meeting. It also makes recommendations to the IDP Representative Forum

2.1.5.1 MAYORAL COMMITTEE BEARERS- FROM DECEMBER

REF NO.	COUNCILLOR	PORTFOLIO
01	Cllr T. Vayo	Chairperson Social Services Development
02	Cllr M.R. Xonxa	Chairperson Financial Administration, Monitoring & Evaluation – Corporate Services
03	Cllr Z.A Hoyi	Chairperson Financial Administration, Monitoring & Evaluation – Finance
04	Cllr G.B. Mene	Chairperson Engineering & Infrastructure Development:
05	Cllr M. Nkwentsha	Local Economic Development and Planning

2.1.6 Portfolio Committees

Five (5) Section 80 committees are established, namely: PSSS, FAME, BTO, EIS and LED to advise the Executive Mayor on policy matters and any other matter to be considered by the Executive Mayor. They are assigned to focus on specific functional areas of the Municipality and can only make decisions on specific functional issues if delegations have been granted to them.

The members are appointed by Council. The chairpersons appointed by the Executive Mayor are full-time Councillors and form part of the Mayoral Committee.

2.1.7 Municipal Public Accounts Committee (MPAC)

Section 79 committees are permanent committees appointed to advise the municipal Council. The council established the Municipal Public Accounts Committee (MPAC) to perform an oversight function on behalf of Council over the executive functionaries of the Council. The MPAC, inter alia, serves as an oversight committee to make recommendations to the Council when it adopts the Oversight Report on the Annual Report in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA). No members from the political executive arm are members of the MPAC.

The committee met on four (4) occasions during the year under review to deal with Annual and Oversight Report of 2023/ 24 Annual Report as well as considering matters relating to unauthorized, irregular, fruitless, and wasteful expenditure.

2.1.7.1 MPAC MEMBERS:

REF NO	NAME	CAPACITY	POLITICAL PARTY
01	Cllr M. Booysen	Chairperson	EFF
02	Cllr V Jezi	Member	ANC
03	Cllr S. Zono	Member	ANC
04	Cllr L Sizani	Member	DA
05	Cllr L. Mxube	Member	MCF

2.1.8 Audit Committee

In compliance with Section 166(2) of the MFMA, Council has an Audit and Risk Committee which is an independent body advising the Municipal Council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to:

- Internal control.
- Risk management.
- Accounting policies.
- Adequacy, reliability and accuracy of financial reporting and information.
- Annual financial statements
- Performance management.
- Governance
- Compliance with MFMA, DoRA and other applicable legislation.
- Issues raised by the Auditor-General and Internal Audit; and
- Monitoring and evaluation of the Internal Audit Unit.

The Audit and Risk Committee Terms of Reference are reviewed by Council annually to ensure compliance with legislation and governance best practices. The Audit and Risk Committee meet on a quarterly basis and details regarding their recommendations to Council can be found in the Internal Audit reports.

2.1.8.1. Members of the Audit and Performance Committee

Ref No.	Name	Capacity
01	Prof W. Plaatjies	Chairperson
02	Ms. Mahlakahlaka	Member
03	Mr. Manthe	Member

2.2 ADMINISTRATIVE GOVERNANCE

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

He is assisted by his Senior Management Team (SMT), which comprises of the Directors of the five directorates established in the organogram as indicated in the chart below. There are also six (6) divisional managers reporting directly to the Municipal Manager. The SMT meet at least twice on monthly basis to discuss current priorities, strategic interventions to improve service delivery and new initiatives based on feedback from political leadership, departments and the local community.

The Municipal Manager provides direction and support to all officials under his leadership. Committees exist in ensuring smooth operation both within the institution and to the communities we serve, such committees as the Management Committee that constitutes of the Municipal Manager and his Directors as well as the Extended Management Committee which constitutes of the Municipal Manager, Directors and Operational Managers.

2.2.1 Organogram



The municipality undertook a comprehensive organisational development exercise for the entire institution. Workshops were conducted with both senior managers and middle managers to discuss and consider current and emerging issues and how these might apply at Makana local municipality. Individual meetings were then held with all managers to gain their personal insight into service levels, resourcing, performance, structure and sustainability.

Senior Management of the Municipality

- Municipal Manager: **Mr Pumelelo Kate**
- Chief Financial Officer: **Ms Nomfundo Ntsangani**
- Director Corporate and Shared Services: **Mr Xolela Kalashe**

- Director Engineering and Infrastructure: **Mr Dungu (Acting)**
- Director Public Safety and Community Services: **Ms Ntombesizwe Notyeke**
- Director Local Economic Development and Planning: **Ms Natasha. Koahla**

2.3 INTERGOVERNMENTAL RELATIONS

An intergovernmental Relations Forum exists under the guidance of the Executive Mayor. The purpose of the forum is to coordinate the planning of projects and the implementation of programmes emanating from the IDP processes.

The meetings of the IGR Forum are chaired by the Executive Mayor and convened on a quarterly basis with all local Government Departments being represented by Senior-Decision Makers. Municipality does have IGF Strategy, however, it needs to be reviewed. The impact of COVID19 pandemic introduced virtual meetings to continue with servicing the community of Makana by discussing issues concerning service delivery and compliance.

2.3.1 National Intergovernmental Structures

As an active member of the South African Local Government Association, the Makana Municipality plays an active role when National Planning Proposals are discussed.

2.3.2 Provincial Intergovernmental Structures

The Municipal Manager attends all meetings of the Provincial Muni-MEC and similar structures with all resolutions taken at that level being worked into the Makana Council agenda. The value of this interaction is in ensuring that the needs of the local community are considered when the implementation of Government Projects is discussed.

2.3.3 District Intergovernmental Structures

The Makana Municipality regularly interacts with the other Municipalities in the district as the Government has created platforms for such deliberations, such as the Sarah Baartman District Municipal Managers Forum. This ensures that information related to new initiatives in the district is effectively relayed to the Makana Municipality's Senior Management.

2.4 PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4.1 STAKEHOLDER INPUT AND COMMUNITY BASED PLANNING

The IDP is about determining the stakeholder and community needs and priorities which need to be addressed to contribute to the improvement of the quality of life of residents within the municipal area. As is required by law, public participation meetings were held within the municipal space to go through community needs and priorities, to refine, add and remove those that are no longer a priority.

2.4.2 WARD PUBLIC MEETINGS

Community meetings are held per ward-by-Ward Councillors and their committees at least once per quarter. Notices to the public/ residents are distributed at least two days in advance for the communities to prepare for such meetings.

The municipality also makes use of the local Radio, and Virtual Newspaper to inform the public as well as social media e.g., WhatsApp groups and MobiSAM. This helps to get the message to the people on time so they can plan their questions and make necessary arrangements to attend.

As is required by law, there were IDP revision / budget process review meetings held in 2024/25 financial year. Public participation meetings with regards to Community development priorities were held in May 2024 and the public was also consulted in May for the approval of the municipal budget and Integrated Development Plan of the municipality.

2.4.4.1 WARD COMMITTEES

Ward committees form an essential part of the public participation process, and these structures are particularly useful to ensure a relationship between Councillors and ward residents. It provides the opportunity to discuss local matters that concern the residents in that ward. Ward committees play an important role in this regard as they advise on the projects the community would like to have implemented in their wards.

These ward projects further strengthen the relationship between the Municipality and the communities due to the direct impact that the ward committees can make on development projects in their wards.

The purpose of ward committees:

- To act as an advisory committee to the Ward Councillor and Council.
- To ensure two-way communication between and from the community.

- To identify specific needs and to refer same to the administration and Council for attention.
- To actively partake in the annual IDP ward based public meetings.
- To assist the Ward Councillor in identifying ward projects and ward capital projects
- To identify stakeholders in the wards and to liaise with them regarding matters needing attention; and
- To discuss ward related Council agenda items and to make inputs regarding same if necessary.

The chairperson of the ward committee is the elected Ward Councillor and other members of the ward committee are elected by the residents of the ward. It is expected of the ward committees to hold regular meetings – at least once every three (3) months – and the minutes are submitted to the Speaker’s Office. The functionality of the ward committees is monitored and reported on to the Council on a quarterly basis.

2.4.4.1 IDP/ Budget Roadshows:

IDP BUDGET ROADSHOWS:

WARD	AREA	VENUE	DATE	TIME	STATUS
1	RIEBEECK EAST	ALFRED KOTA DIKE HALL	07.05.24	10:00	SUCCESS
02; 03 05; 06 09; 11	A, B, C, D, BLOCKS, EXT 1, 2, 3, EXT 10, MNANDI, EXT 3. EXT 08, TRANSIT CAMP, EXT 9, PA, EXT 6, BLOCK D, EXT 4, EXT 5, EXT 7, LINGELIHLE, ETHEMBENI, KHAYELITSHA, 26 SITES	INDOOR SPORT CENTRE	07.05.24	17:00	POSTPONED
03; 04	PHAPHAMANI, PHOLA PARK, SUN CITY, GHOAST TOWN, ZOLANI; GRAEME COLLEGE, ST AIDENS, SCOTT’S FARM, ALBANY ROAD, KINGSWOOD, ANDREW HEMRO, VERGENOEG,	RECREATION HALL	08.05.24	17:00	SUCCESS
13	SALEM	SALEM CLUB HALL	09.05.24	10:00	SUCCESS
08 12	SUNNYSIDE, FORT ENGLAND AREA, CBD, RHODES UNIVERSITY, SOMMERSET STREET	CITY HALL	15.05.24		SUCCESS
14	ALICEDALE	TOWNHALL	16.05.24		SUCCESS
02; 03 05; 06 09; 11	A, B, C, D, BLOCKS EXT 1,2,3; EXT 10, MNANDI, EXT 3.	INDOOR SPORT CENTRE	16.05.24		SUCCESS

EXT 08, TRANSIT CAMP, EXT 9, ENKANINI; PA, EXT 4 & 6; PTN OF BLOCK D AND EXT 5; EXT 7, LINGELIHLE, ETHEMBENI, KHAYELITSHA, 26 SITES				
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MAYORAL IMBIZO

DATE	WARD	VENUE	TIME
05/11/2024	01	COMMUNITY HALL	10:00
06/11/2024	02,03,05,06,09,11	INDOOR SPORT CENTRE	16H00
07/11/2024	07,09,10,13	FOLEYS GROUND	16H00
12/11/2024	13	YANDELL	10:00
12/11/2024	14	COMMUNITY HALL (SEVEN- FOUNTAINS)	14:00
13/11/2024	03, 04	RECREATION	16H00
14/11/2024	08, 12	CITY HALL	16:00

These meetings help with the planning of projects for the following financial year budgeting. These sessions provide an opportunity for municipality to interact with the communities to get feedback and recommendations for the next financial year.

2.5 CORPORATE GOVERNANCE

2.5.1 Internal Audit and Risk Committee:

The current Audit and Risk Committee was appointed by Council in August 2021 effective from the 01 August 2021 to serve for a period of three years. The Chairperson of the committee was reappointed and there were three new members that were appointed of which one resigned. The committee holds its quarterly meetings and performs its function in terms of the Makana Municipality Audit and Risk Committee Charter approved by Council and Performance Management System Framework which are reviewed annually before the start of each financial year.

Other parties in attendance are:

Makana Municipality: The Municipal Manager, Director of Budget & Treasury / Chief Financial officer, Director of LED & Planning, Director Engineering & Infrastructural Services, Director of Corporate Services and Director Public Safety and Community Services.

Managers: Internal Audit; IDP/PMS Managers and the MPAC Chairperson act as ex-officio.

External Parties: Provincial Treasury; Provincial CoGTA and Auditor-General representatives.

2.5.2 Internal Audit Unit:

The Municipality has an in-house Internal Audit Unit in place that is in the office of the Municipal Manager, headed by an Internal Audit Manager. The staff consists of Internal Audit Manager, 1x Senior Internal Auditor appointed and 1x Internal Auditor. The Internal Audit Unit also has 2 vacant positions for Internal Auditors. Risk based and statutory audits as required by section 165 of the Municipal Finance Management Act are performed each year including Ad – Hoc requests from time to time.

2.5.3 Risk Management:

A risk management framework is in existence and there is a risk-based audit plan. Risk management is not fully embedded in the culture and internal control processes of the municipality. There is a fully functional Risk Management Committee that has an independent Committee Chairperson. Annual Risk Assessment workshops are held where a development and review of the strategic risk register is done. Quarter risk reviews and monitoring are in place and reports produced on the implementation of corrective action are prepared quarterly.

Summary of Strategic Institutional Risks and progress:

No	Risk Description	Mitigation actions to be taken	Progress
1.	No financial sustainability (not a going concern)	<p>1. (i) Ensuring disconnections are managed effectively.</p> <p>2.(i) Monthly meter reading is implemented.</p> <p>(ii) Conduct variance meter report before billing is done.</p> <p>(iii) Replacement of faulty meters and installation of meters where there is none.</p> <p>3. (i) Conduct roadshows to inform the public about the financial position of the municipality. ii) Timely attendance of complaints by Technical Services. iii) Community services to collect refuse as scheduled</p> <p>4.(i) Put set timeframes for renewal of indigent applications (ii) Improve on awareness campaigns to consumers</p>	<p>1. Achieved disconnections are done on a weekly basis, disconnection report is attached.</p> <p>2. (i) In progress. Meter reading is ongoing and adjustment of accounts takes place daily. (ii) Variance Analysis is done monthly and is ongoing. (iii) The service provider has been appointed.</p> <p>3. Not Achieved.</p> <p>4. (i) In progress. ii) In progress.</p>

		<p>5.(i) Disposal of our obsolete assets to generate cash -</p> <p>(ii) Reduce expenditure on salaries, fuel, telephone, and other controllable expenditure. iii) Cash flow management to address service delivery challenges</p>	5. (i) and (ii) In progress.
2.	Inadequate water supply	<p>1 & 2. (i) Development of WSDP with O&M plan. ii) Implement and monitor the WSDP and O&M plans.</p> <p>3. Installation and monitoring of CCTV surveillance.</p> <p>4. Develop a multi-year budget in line with SDBIP</p> <p>5.&6 Explore other sources of supply such as boreholes (Alicedale)</p> <p>7.Augment pumping capacity at JKWW treatment works</p>	<p>1&2 (i) In progress- WSDP was approved by the Council in February 2025 and MISA committed to develop O&M plans.</p> <p>3. Not Achieved-24-hour security guards have been placed however Corporate Services is in procurement for the service provider that will install cameras.</p> <p>4.Achieved- Multiyear budget has been reviewed</p> <p>5&6 In progress — Vodacom has funded the construction of two boreholes, which have been completed. However, additional boreholes are still required.</p> <p>7.Not Achieved- Refurbishment of the third pump is underway.</p>
3	Ageing road and storm water infrastructure	<p>1-4. (i)Source funding for development of storm water maintenance and master plans. (ii) Approval of master plans by Council. (Incorporate it into the IDP SDBIP and Performance Agreements of Senior Managers. (iii) Implement and monitor stormwater master plans.</p> <p>5. Procurement of Yellow Fleet/ Heavy Plant</p>	<p>1-4. In progress — DBSA has committed to funding the development of master plans and maintenance plans for Roads and Stormwater and is currently finalizing the signing of the MOU</p> <p>5. Not Achieved – Due to Budget constraints yellow fleet /Heavy Plant have not procured</p>

		<p>6. Review of a multi-year budget in line with the SDBIP</p> <p>2KM ROAD REHABILITATION – (i) Appointment of consultant and contractors. (ii). Handover of project to the contractor. (iii). Rehabilitated road.</p>	<p>6.Achieved-Multiyear budget has been reviewed</p> <p>(i)Achieved- 2km Road's project (Makana Way) has been rehabilitated and is on practical completion</p>
4	Unstable and poor reliability of supply of electricity	<p>1 & 2. (i) Development of Electricity master with O&M plan. (ii) Implement and monitor the electricity master and O&M plans.</p> <p>3. Installation and monitoring of CCTV surveillance.</p> <p>4. Develop a multi-year budget in line with the SDBIP</p>	<p>1&2 (i)(ii) In progress-In progress — DBSA has committed to funding the development of master plans and maintenance plans for electricity, and is currently finalizing the signing of the MOU</p> <p>3. Not Achieved- Instead of CCTV, beams were installed on main substations. However, Corporate Services is in procurement for the service provider that will install cameras.</p> <p>4. Achieved-Multiyear budget has been reviewed</p>
5.	Inability to effectively manage solid waste	<p>1. a-c) (i) Re-allocation of equitable share adequately for waste management. (ii) implement the Developed waste management tariffs for landfill sites. (iii) procurement of waste management fleet with the Lobbied funding from Dept of economic development and environmental affairs and development of material recovery facility/drop off centre. d) (i) employ more personnel in the cleansing department (ii) Filling of critical positions.</p>	<p>1a-c) a) Achieved 22/23 Budget was approved by council in May 2023(b) Revised tarrifs were approved by Council during draft budget in March and final approval will be done in May 2023. c) Partially Achieved funds were received in February 2022 in the tune of 7 million -1x Tipper Truck, 1x Steel Cage 5-ton truck were received and their operational plans, however a requisition for Compactor Unit and Bakkie for Supervision was sent to Sarah Bartmaan for procurement processes. The advert for the requested Compactor Unit and Bakkie</p>

		<p>for supervision was issued on the 15 of March 2024 and closed on the 2nd of April d) (i) Achieved DFFE recruited EPWP participants for the period of 12 months, from the 1st of February 2023 and the contract has been extended to the 30 June of 2024, 11 General workers have been permanently recruited by the Municipality as of the 1st of March 2024. (ii) Not Achieved, however Motivation for Manager Cleansing has been submitted and awaiting advertisement, Waste Officer position has been proposed, and Draft Institutional Structure will be submitted to the next Council sitting.</p> <p>2. Increase frequency of awareness campaigns to weekly.</p> <p>3. i) Annual Review of by-laws. ii) Create and Appoint peace officers for waste management by-laws to conduct monitoring and enforcement.</p> <p>4. Review refuse bills for residents that have flats.</p>	<p>2. 5 of the recruited personnel will focus on awareness education programmes</p> <p>3.i) Achieved ii) Achieved - Six Fire Fighters were trained and appointed by Sarah Baartman District Municipality.</p> <p>4. Not Achieved- Engagements with LED & Planning, and BTO are in progress.</p>
6.	Ineffective strategic management planning processes	<p>1. a) Development of Directorate operation SDBIP Scorecard</p> <p>2 Cascading of PMS to all management levels.</p>	<p>1. New Performance agreement for Senior Management developed signed on signed of 31 July 2024.</p> <p>2. Directorate Scorecards Were developed based on the Top layer SDBIP, for the 2025-26 final year Direct SDBIP will development to aligned with Direct operation key performance area.</p>

		3. Timeous conduct regular performance review through management review monthly and quarterly evaluations	3. Performance review for senior Management was conducted; however, they are not yet done in line with IDP and PMS process plan timeframe.
7.	Noncompliance with laws and statutory regulations	<p>1. Institutionalise Compliance Management by having a Unit.</p> <p>2. Conduct quarterly reviews and monitoring. on the alignment of IDP, Budget and SDBIP for all levels of management.</p> <p>3. Employ staff for the unit.</p> <p>4. Implement consequence management.</p>	<p>1. In Progress. It was resolved that the position of the Institutional Compliance Management position be included in the organogram and it was included during the last organogram review.</p> <p>2. Not Achieved. 3. Not Achieved. 4. In Progress.</p> <p>3. The process of appointing the staff for the unit will commence once the organogram is approved by Council and the position is budgeted for.</p> <p>4. In progress. Consequence management has been implemented by the office of the Municipal Manager.</p>
8.	Inadequate implementation of ICT governance framework	<p>1.i) Procurement of effective SAN /NAS storage servers ii) Procurement of external hard drives for senior and middle managers to backup data.</p> <p>2. Procurement of specialised network monitoring software and infiltration of network data on municipal servers.</p> <p>3. Procurement of specialised log management tools to view system logs centrally.</p> <p>4. Appointment of a service provider on an SLA basis to manage and support the</p>	<p>1.i) Achieved ii) Achieved</p> <p>2. Not Achieved (Insufficient Budget for Software for 20205).</p> <p>3 Not Achieved (Nonresponsive RFQ Tender for 2025).</p> <p>4. Not Achieved (Tender still being Adjudicated for 2025).</p>

		<p>municipality's physical network infrastructure of the municipality.</p> <p>5. Procurement of effective back up hardware and software.</p>	<p>5 Achieved for 2025.</p>
9.	Poor execution of capital projects	<p>PROJECT MANAGER</p> <p>1. Ensure Proper planning for all projects. 2. Proper Identification of SMME packages. 3.Reporting all fraudulent activities 4. Prepare realistic project cashflow. 5. and 6. Set Realistic programs. 7. Submission of monthly and quarterly reports by the Manager.</p> <p>B. FINANCE</p> <p>1. Convene workshops for training on SCM procedures for SCM staff and Bid committee members.</p> <p>2. Training of BSC members on tender specifications.</p> <p>3. Training of the BEC members on tender evaluation.</p> <p>4. Appoint competent secretariat staff.</p> <p>5. Conduct War rooms for objections and litigations with SBDM. Need planning checklist.</p>	<p>A - PMU MANAGER</p> <p>1-6 Achieved</p> <p>B FINANCE</p> <p>1.Not Achieved.</p> <p>2.Not Achieved in the current, however this training was conducted in the last financial year</p> <p>3. Not Achieved in the current, however this training was conducted in the last financial year</p> <p>4. The secretariat staff has been appointed from SCM.</p> <p>5. Quality of specification/scope of work needs to be improved and directors certify their documentation.</p>

<p>10.</p>	<p>Business continuity compromised</p>	<ol style="list-style-type: none"> 1. i)Review the Disaster Recovery Plan. Installation of the VPN solution. 2. Use Alicedale office as a disaster recovery site. 3. 3. Server capacity is increased. Space requirements and centralised records management system. 4. A singular system that encompasses all records (GRC system). 5. Backups done on a regular basis. 6. Create an offsite storage space. 7. Appointment of an experienced ICT Manager. 8. Appointment of ICT security officer to Safe-guard manual records. 	<ol style="list-style-type: none"> 1.i) Achieved for 2025 (ii) Partially achieved for 2025 (VPN (Virtual Private Network) Installed for key users, Alice dale not yet a recovery site) 2. Achieved for 2025 3.Partially Achieved for 2025(Records Management System Tender still being Adjudicated Tender evaluated in December 2025.5 Achieved for 2025 4.Not Achieved for 2025 (No Budget for GIS System) 5. Achieved for 2025 (Backups done for the financial system and Payroll system). 6. Other systems are cloud based and access to those cloud systems difficult. 7. Achieved for 2025 8.Not Achieved for 2025 (Non-Funded Position)
<p>11.</p>	<p>Inadequate implementation of spatial planning and land use management</p>	<ol style="list-style-type: none"> 1. a) Capacitate the existing building inspector and controller to be the peace officers to effectively deal with illegal buildings. b) develop building control by law. 2. Provision of adequate basic infrastructure (conduct technical studies to ascertain the required 	<ol style="list-style-type: none"> 1. a) Achieved. Training was done for the building control inspectors as peace officers. b) Not Achieved- The municipality is in the process of developing the building control bylaw and adoption will be realized in the 2026/27 financial year. 2. Achieved-Through the USIP implemented by the Sarah Baartman DM, an analysis of the Bulk

		levels of basic infrastructure) 3. Mobilise funding	infrastructure (water) was undertaken through SBDM appointed Professional Service Provider
12	Sewer spillages and inadequate wastewater treatment plants	1 & 2. (i) Development of WSDP with O&M plan. (ii) Implement and monitor the WSDP and O&M plans. 3. Installation and monitoring of CCTV surveillance. 4. Develop a multi-year budget in line with SDBIP	1-2 (i)(ii) In progress- WSDP was approved by the Council in February 2025 and MISA committed to develop O&M plans. 3. Not Achieved-24-hour security guards have been placed however Corporate Services is in procurement for the service provider that will install cameras. 4. Achieved- Multiyear budget has been reviewed
13	Inadequate management of municipal public amenities	1. Review public amenities management and maintenance plan. 2.i) Review the allocation of equitable shares to cater for public amenities. ii) Procurement for repairs and replacement. 3. Appointment of security personnel to guard and monitor the amenities. 4. Upgrade the insurance cover.	1. Achieved -Facilities Management and Maintenance plans have been reviewed in March 2023. 2. Achieved- Budget with maintenance for public facilities was approved by Council in May 2023. and the service provider is on site and expected to complete phase 2 by 30 august 2023. 3. Partially achieved in December 2021 security personnel were placed in all the public amenities and alarm system was installed in some of the facilities. 4 Partially achieved -The municipality has upgraded two (2) facilities by repairing damaged fence with boundary wall. The completion information has been shared with Asset Management to update the

			status with the municipal insurance service provider
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2.5.4 Fraud and Anti-Corruption Strategy:

The Makana Municipality developed and adopted a Fraud Prevention Framework, and Fraud Prevention has been included in the KPAs of the Directors. During the year of review, the Municipality assigned this function to the Risk manager and attempts were made to operationalise fraud-reporting. An independent Fraud reporting Hotline has been established and operational and a Fraud Whistle Blower Policy was formulated to protect whistle blowers. Quarterly fraud report is submitted.

2.5.5 Dedicated Fraud hotline numbers: 046 001 0012 and 087 809 4100:

All legitimate matters are reported in this number for further investigation. Furthermore, in accordance with the Protected Disclosure Act 26 of 2000, Makana Municipality provides assurance to all staff members, the public, suppliers, and other stakeholders related to the municipality that they will be protected from any victimisation arising from any legitimate matters reported through any of the reporting channels provided.

2.5.7 Information Communication and Technology

Information Communication & Technology (ICT) section is responsible for the following functions: Planning, Network, Data, Security and Support.

Makana Municipality’s ICT Environment supports about 150 users. The municipality has the following offices namely:

- | | | |
|-------|-------------------------|----------------------------------|
| I. | Corporate Services | Admin/ HR City Hall/ High Street |
| II. | Financial Viability | Finance Building High Street |
| III. | Infrastructure Services | Engineering Building High Street |
| IV. | Alicedale Office | |
| V. | Riebeeck East Office | |
| VI. | Electricity | |
| VII. | Asset Management | Stores Breytenbach Road |
| VIII. | Land and Estate Housing | Sonny Street/ Joza |
| IX. | Parks Recreational | Parks |
| X. | Traffic Services | Knight Street |
| XI. | Fire Services | Knight Street |
| XII. | Cleansing | Knight Street |
| XIII. | Environmental Services | Knight Street |

XIV. Internal Audit	Knight Street
XV. Strategic Planning & Monitoring	Knight Street
XVI. Local Economic Development	High Street
XVII. Legal	City Hall/ High Street
XVIII. Records Management	City Hall/ High Street

2.5.8 Status report on public participation (councillors and ward committees)

The Makana Municipality has fully functional Ward Committees. The ward committees holding monthly meetings.

The meetings are held according to the “Back to Basics” concept and meetings as follows:

1. Area meetings (Ward Committee member)
2. Ward general meetings (Councillor as a Chairperson)
3. Ward committee meetings (Councillor as a Chairperson)

Ward Committee reports are submitted to the office of the Speaker every month from all the wards with attendance registers used as a proof that the Ward Committee meeting that took place and that is also used as proof for the payment of the stipends to Ward Committee members.

Ward General Meetings: most of the wards do not hold their general meetings. The reports are submitted to the Council as an item quarterly.

Ward Based Planning: has been done in all wards and priorities have also been developed for each ward and are reflecting in the IDP.

MASIPHATHISANE: In Makana municipality Masiphathisane/ War Rooms have been established in all the wards of the municipality but are inactive. The challenge is however that only one ward (ward 2) has a functioning war room where they hold meetings and attend to the problems raised in the meetings.

STAKEHOLDERS: Makana Municipality has a database of its stakeholders and meet bi-monthly with them to discuss community concerns and progress on community projects.

WOMEN’S CAUCUS: A Women’s caucus has been established and is not fully active.

WOMEN’S FORUM: A Women’s Forum has been established and would be launched in the next financial year.

PETITIONS: A Petitions committee has been established and is chaired by the Speaker. All the petitions are handled by the office of the Speaker. Speaker receives all the petitions and hand them to the Petitions Committee.

COMMUNITY DEVELOPMENT WORKERS: The municipality provides transport for CDW's to attend their Regional Round Tables and sometimes also to the Provincial Round Table. CDW's have been allocated an office at the municipal offices. The Provincial office has been requested to assist them with the necessary tools of trade.

CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process that measures the implementation of the organisation's strategic objectives. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level, performance management is institutionalised through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with the strategic objectives as set by the organization.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management.

The idea of a government that is accountable is important to meet the needs of Makana Municipality. The democratic values and principles in terms of section 195(1) are also linked with the concept of performance management, with reference to the principles of the following, among others:

- Promote the effective, efficient and economic use of resources.
- Ensure accountable public administration.
- Be transparent by providing information.
- Be responsive to the needs of the community; and
- Facilitate a culture of public service and accountability.

The Local Government: Municipal Systems Act (MSA) of 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) require the Integrated Development Plan (IDP) to be aligned to the municipal budget. The monitoring of organisational performance of the budget must be done

against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP). The report was made public after the Council was informed of the quarterly progress against targets set.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players”.

Performance management is not only relevant to the organisation, but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, inter alia, reflects the linkage between the IDP, the Budget and the SDBIP.

3.1.2 Legislative requirements

In terms of section 46(1) (a) of the Local Government: Municipal Systems Act, a municipality must prepare an Annual Performance Report (APR) for each financial year that reflects the municipality’s performance and any service provider’s performance during the financial year. The APR must furthermore indicate the development and service delivery priorities, and the performance targets set by the municipality for the financial year and based on the results indicate what corrective measures were or are to be taken to improve performance.

3.1.3 The IDP and the Budget

The Municipal Systems Act requires that the Municipality’s Integrated Development Plan be reviewed annually to accommodate changes in the municipal environment, including community priorities. In turn, the revised IDP will inform changes to the budget, key performance indicators and targets of the municipality.

3.1.4 Service Delivery and Budget Implementation Plan (SDBIP)

The organisational performance is evaluated by means of a Municipal Scorecard (Top Layer SDBIP) at organisational level through the Service Delivery and Budget Implementation Plan (SDBIP) quarterly performance reports.

The SDBIP is a plan that converts the IDP and Budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the Municipality is implemented. It also allocates responsibility to Departments to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned.
- The budget must address the strategic priorities.
- The SDBIP should indicate what the municipality is going to do during next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The Municipal Scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council/Senior Management and provide an overall picture of performance for the Municipality as a whole, reflecting performance on its strategic priorities.

Components of the Top Layer SDBIP include:

One-year detailed plan, but should include a three-year capital plan, the necessary components include:

- Monthly projections of revenue to be collected for each source; this component is reported through section 71 monthly by the Budget and Treasury Office.
- Expected revenue to be collected NOT billed; this component is reported through section 71 monthly by the Budget and Treasury Office.
- Monthly projections of expenditure (operating and capital) and revenue for each vote; this component is reported through section 71 monthly by the Budget and Treasury Office.
- Quarterly projections of service delivery targets and performance indicators for nonfinancial measurable performance objectives; this component is reported to Council quarterly

3.1.5.3 Amendment of the Top-Layer SDBIP

SDBIP is developed to improve on performance planning, implementation, measurement and reporting, the institution implemented the following actions. IDP and Budget for 2024/25 financial year were approved by Council on the 30^{of} May 2024 subsequently to that, SDBIP was approved on 28th June 2024 and adjusted on the 28th of February 2025. after consideration and approval of adjusted 2024/25 MTREF budget to reaffirm by Council in committing to achieve its service delivery targets as well as address the Internal audit and AG findings.

3.1.6 Organisational Performance

Strategic performance assessment indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is effective, efficient and economical.

Municipalities must develop strategic plans and allocate resources for implementation. Implementation must be monitored on an ongoing basis, and the results must be reported during the financial year to various role players to enable them to implement corrective measures timeously as and when required.

The Annual Performance Report (APR) highlights the strategic performance in terms of the municipality's Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the strategic objectives of the municipality and performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act of 2000.

3.1.7 Performance Management Policy Framework

The Municipality adopted a Performance Management (PM) Policy Framework. The Policy was reviewed and approved by the Council April 2024. The PM Policy articulates the Municipality's objectives to promote accountability and the overall strategy of the Municipality.

Therefore, the main principles of the PM Policy are that it must be feasible in terms of the available resources to the Municipality and that the PM Policy must serve as an enabling mechanism for employees to achieve their performance objectives and targets.

Performance management has been introduced in the Local Government: Municipal Systems Act, Act 32 of 2000 (hereafter referred to as the MSA). The MSA is specific about performance management. Each municipality must develop a performance management system (PMS) to enhance service delivery inputs to maximise outputs to the community.

The MSA emphasises the amplified role of the Council in performance management. Legislative enactments which govern performance management in municipalities are found in various documents.

As outlined in Section 40 of the MSA, Municipality must establish mechanisms to monitor and review its Performance Management System (PMS) to measure, monitor, review, evaluate and improve performance at organisational, departmental and lower levels.

3.1.8 Actual performance (2024-2025)

The Municipality utilises an automative system on which KPI owners update actual performance on a quarterly basis. KPI owners report on the results of the KPI by documenting the following information on the Performance Management system.

The actual result in terms of the set target:

- A performance comments.

- Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question, if the target was not achieved.
- It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results update and provide it to performance management unit for evaluation and the Internal Auditor and Auditor General upon request during the quarterly and annual audit testing.

3.1.9 Monitoring of the SDBIP

Municipal performance is measured as follows:

- Mid-year assessment and submission of the mid-year report to the Executive Mayor in terms of section of Section 72(1)(a) and 52(d) of the Local Government Municipal Finance Management Act to assess the performance of the Municipality during the first half of the financial year.
- Quarterly performance was subjected to an internal audit, and the results of their findings were submitted to the Audit Committee; and
- Quarterly performance reports are submitted to the Council for information.

3.1.10 Individual performance

Individual performance is implemented at senior management only and its coordination is done in the office of the municipal manager. In the 2020-21 financial year Council resolved that cascading of the PMS would be managed and coordinated in Corporate & Shared Services department under the Organizational Development unit.

3.1.11 Municipal Manager and Directors Accountable to the Municipal Manager

The Municipal Systems Act (MSA), 2000 (Act 32 of 2000) prescribes that the Municipality must enter into performance-based agreements with all 57 section employees and that performance agreements must be reviewed annually and published for public interest. This process and the format are further regulated by Regulation 805 (August 2006), MSA.

The performance agreements for section 57 appointments for the 2024-25 financial year were signed as follows:

- Municipal Manager – 30 July 2024 - Contract
- Chief Financial Officer – 30 July 2024- Contract
- Director: Public Safety and Community Services – 30 July 2024- Permanent
- Director: LED and Planning – 30 July 2024- Permanent
- Director: Engineering & Infrastructure Services – Vacant
- Director: Corporate & Shared Services – 30 July 2024- Contract

3.2 OVERALL PERFORMANCE RESULT FOR SDBIP 2024/25 FINANCIAL YEAR

This section of the Annual Performance Report will report on the Municipality's actual performance against the planned targets as derived from the Municipality's IDP. Since the Municipality has 6 Development priorities with the inclusive of Human Settlement under Basis service delivery and infrastructure development. An overview of the overall Municipality's actual performance linked to the National KPA's not yet available as they link with finalisation Annual Financial Statement

COLOR CODE	STATUS	DESCRIPTION
N/A	KPI Information not Available yet	KPIs with no targets linked to finalisation Annual Financial Statement
G	KPI Fully Effective	Actual meets Target (Actual/Target = 100%)
G2	KPI Performance Significantly Above Expectations	100.001% <= Actual/Target <= 149.999%
B	KPI Outstanding Performance	150.000% <= Actual/Target
R	KPI Unacceptable Performance	0% <= Actual/Target <= 74.999%
O	Performance Not Fully Effective-(Partially)	75.000% <= Actual/Target <= 99.999%

There were 62 Key Performance Indicator (KPI) in the Adjusted Service Delivery Budget Implementation Plan for 2024-25 Financial year. For this Annual Performance report 62 Key Performance Indicators has been reviewed. For the year under review 36 KPI (58%) were achieved, 7 KPI (11%) were not fully met (partially achieved) and KPI 26 (41%) were unacceptable performance.

3.2.1 Overall performance Key Performance Area (KPA)

KPA	NO KPI	ACHIEVED	PARTIALLY	2022-23	2023-24	2024-25
Basic Service and Infrastructure Development	9	3	3	33%	0 %	33%
Community and Social Cohesion	11	7	2	63%	70%	64%
Local Economic development and Planning	10	7	0	44%	78%	70%
Institutional Capacity and Organisational Development	9	7	0	58%	60%	77%

Financial Viability and Management	14	6	5	88%	80%	42%
Good Governance & Public Participation	15	5	1	45%	22%	33%
TOTAL	68	35	11	54%	55%	51.47%

3.2.2 Audit of Performance Information

The Auditor General’s Office concluded their audit during November 2025; no Audit Opinion was expressed on Performance information 2024/25. The main issues attributed to the finding in performance information is related to material findings on reliability ***of reported performance information.***

AUDIT OPINION	2020/21	2021/2022	2022/23	2023-24	2024-25
Unqualified opinion without matters (Clean Audit)					
Unqualified opinion with emphasis of matter or other matters					
Qualified opinion	X	X	Material findings	Material findings	Material findings
Adverse opinion					
Disclaimer					

3.3 BASIC SERVICE DELIVERY

Water, Sanitation, Roads, Electricity (Electricity in the former Makhanda East area and certain rural areas is supplied by Eskom, whilst the former Makhanda West and parts of Alicedale are supplied by the Municipality), wastewater and refuse removal services are fundamentally important basic services to ensure a healthy and safe environment for all Makana inhabitants which is a mandate of the municipality. Other services such as Libraries, Traffic Control and Environmental Management have service level agreements with sector provincial departments. These basic services sections play a very important part in the planning and implementation of basic services in all formally established township developments as well as informal settlements.

To market the Makana area, the Municipality has a long-standing arrangement with Makana Tourism where the Municipality makes an annual financial allocation to Makana Tourism in exchange for marketing the area and promote tourism. A Service Level Agreement was also completed by both parties to formalise the arrangement and the body provides the Municipality with monthly financial reports. The Makana Municipality does not have a “Municipal Entity”, nor does it utilise external mechanisms for basic service delivery.

3.3.1 WATER AND SANITATION PROVISION

In terms of the Water Services Act (Act no. 108 of 1997) and declaration of the powers and functions by the Minister of Water Affairs and Forestry in 2004, Makana Municipality is acting as both **Water Services Authority and Water Services Provider**.

The Authority function means that the Municipality is responsible for regulation, water quality, ensuring access and monitoring and evaluation. The Provider function means that the Municipality is responsible for access, provision, operations and maintenance of all water needs.

3.3.1.1 Water Provision

The National Department of Water Affairs is responsible for policy formulation, capacity building and support where it is needed, regulation and enforcement of legislation. The National Department of Corporate Governance and Traditional Affairs is responsible for the funding of some water capital projects through Municipal Infrastructure Grant. The Municipality has the responsibility of implementing water services projects and maintenance thereof. Water deliveries are made by trucks to rural areas on request by the Community and Social Services Directorate.

Description	2024/25 Actual No of Households
Water: (above min level)	
Piped water inside dwelling	
Piped water inside yard (but not in dwelling)	
Using public tap (standpipes)	
Other water supply (within 200m)	
Minimum Service Level and Above sub-total	
Minimum Service Level and Above Percentage	

Description	Actual no of Households for 2023-24	2024-25 Actual Household No.
Water: (below min level)		
Using public tap (more than 200m from dwelling)		
Other water supply (more than 200m from dwelling)		
No water supply		
Below Minimum Service Level sub-total		
Below Minimum Service Level Percentage		
Total number of households		

3.3.1.2 Water Supply

The Municipality provided its households with sufficient water except for some farm areas and informal settlements. The Municipality supplies water to farm areas by carting water with water trucks and informal settlements receive their water through communal standpipes. Makana is currently providing the basic level of services as per the RDP standards but most of our households have individual house connections. The Municipality currently supplies water from two sources, which are the Fish River and Howieson's Poort Dams.

3.3.1.3 Challenges

The Municipality is still struggling with its aging infrastructure and low capacity of water treatment plant due to increase of demand of water.

3.3.2 Wastewater (Sanitation) Provision

In terms of the Water Services Act (Act no. 108 of 1997) and declaration of the powers and Functions by the Minister of Water Affairs and Forestry since 2004 Makana Municipality has been acting as both Water Services Authority and Water Service provider.

The Department of Corporate Governance and Traditional Affairs is responsible for funding of some sanitation capital projects through MIG. The Municipality has a responsibility of implementing sanitation projects and maintenance thereof.

Level and standard of services	The municipality has not met the target of providing households with basic sanitation services for informal settlements. It is currently providing the basic level of services as per the RDP standards. The sewer infrastructure is very old and makes use of asbestos pipes which are no longer manufactured in South Africa. This results in continuous sewer blockages and overflows. The main wastewater treatment plant is currently overloaded. There is a lack of capacity on human resources, especially on technical expertise in-order for the Municipality to respond effectively on issues of operations and maintenance. This is still a challenge.
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Annual Performance as per Key Performance Indicator in Sanitation Services					
Indicator	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the Financial Year under review (actual numbers)	Number of Households/customer reached during the Financial Year	Percentage of achievement during the year
Households with access to sanitation services	8064	1986	569	629	Above 100%
Indigent households with access to free basic sanitation services	8064 have benefited.	7930	8000	8604	Above 100%

All Clinics and schools were provided with adequate sanitation services during the year under review.

3.3.2.1 Challenges

Lack of financial resources, funding application will be made to the Department of Water Services. Most schools have sanitation infrastructure but there are water pressure problems at several schools that are being addressed.

Makana is also challenged with increasing pressure on its wastewater treatment leading to works overflow i.e., Belmont Valley which is near full capacity. The Wastewater Treatment Works (WWTW) is a 5.4MI biological filter plant currently being operated at an average inflow of between 7 and 8MI/d. The plant is servicing the entire CBD and Western side and 60% of the Eastern side, Mayfield WWTW has a stated existing hydraulic capacity of 2.5 MI/day and currently treats flows from the areas known as Mayfield, Makanaskop, Kings Flats, Transit Camp and Extensions 6 and 7.

3.3.3 Electricity

ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATOR IN ELECTTICITY SERVICES						
Indicator	Total number of households or customers expected to benefit	Estimated backlogs (Actual numbers)	Target set for the financial year under review (actual numbers)	Number of households or customers reached during the financial year	Percentage of achievement during the year	Major challenges and remedial action
Households with access to electricity services	245	0	169	81	%	Funding for electrification of rural area (formalised infill area). All avenues of funding will be investigated.
Indigent households with access to basic electricity services		0	300	416	70%	None

The Makana Municipality's Electricity Department ensures that its customers get good supply of quality service in compliance with the quality criteria prescribed by the national Electricity Regulator.

The Department has the duty of refurbishing electrical infrastructure and the responsibility of connecting customers who are not on the grid. The Department is also responsible for project implementation as well as day-to-day operations and maintenance.

<p>Level Standard of Services</p>	<p>Customers are provided with a bulk 11 kilovolts of electricity. Some of this electricity is provided from renewable energy.</p> <p>The Municipality provides streetlights in accordance with the standards as outlined in the National Energy Regulator of South Africa (NERSA) guidelines. It also provides high masts which are funded by the Municipal infrastructure grant (MIG).</p> <p>Medium and low voltage electricity is distributed according to consumer requirements and with NERSA standard.</p>
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3.3.3.1 Achievements

The Electricity Department sought funding from the Department of Minerals & Energy (DME) under the Integrated National Electrification Programme Grant (INEP), for upgrade and refurbishment of various Makana 11kv Mini-Substations. There was also a successful construction of a 66KV Overhead line refurbishment in Makhanda.

3.3.3.2 Challenges and remedial action

The major challenge was the absence of resources such as the vehicles and materials. A further challenge was the absence of training measures for staff due to a lack of funds. In addition, the inadequate maintenance of infrastructure was a major problem. More funding would be sourced from external parties to address the challenges in the next financial year.

3.3.3.3 Road and Storm water

The maintenance of the Makana Road Network involves 4 major role players:

- The Provincial Road Construction Unit presently constructing a surfaced road between Makhanda and Alicedale. The road is situated partially within Makana and Sundays River jurisdiction.
- The District Road Engineer (provincial maintenance unit) is responsible for 155, 0 km. surfaced trunk and main roads as well as 663,0km of gravel roads within the rural areas of Makana. The condition of these roads is presently poor.
- The Makana Municipality is responsible for the maintenance of 176,0km of gravel and 163.0km of surfaced roads within the urban areas. The roads are generally in a poor to fair condition owing to lack of financial resources.
- A District Roads Forum has been established to address the problem of a lack of communication between the role-players.

The road network consists of a national road between Port Elizabeth and King William's Town consisting of ± 45km surfaced road each side of Makhanda being maintained by the National Roads Agency. The department is currently maintaining only Rural District Roads.

Level and standard of road services	The 16 503 erven within the urban areas of Makana have an acceptable surfaced or gravel access road to each erf. The 400 erven within the informal areas have no acceptable access. Maintenance done is of a high standard utilising cold premix, chip and spray and acceptable decomposed shale with a CBR of 45.
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Annual Performance as per Key Performance indicator in Road Maintenance			
Indicator	Total number of household/ customers expected to benefit	Estimated backlogs (Actual numbers)	Major challenges and remedial action
Households without access to gravel or graded roads	350	350	Funding was a major challenge and for the next financial year a Business Plan will be developed to address this matter
Road infrastructure requiring upgrade	80%	153 kilometres	Lack of finance Shortage of material
Annual performance as per Key Performance indicator in Roads Maintenance			
Planned new road. infrastructure constructed	2.5 Km	176km	Insufficient funding
Capital budget reserved for road upgrading and maintenance effectively used.	2,4%	176Km	Insufficient funding

3.3.4 Free Basic Services and Indigent Support -

The Makana Municipality provides free basic services to registered indigent residents and has a policy for indigent support that is implemented by the Finance Department.

The registration of more Indigents is a project that has been receiving attention to increase the number of beneficiaries.

3.4 PUBLIC SAFETY AND COMMUNITY SERVICES

3.4.1 Library Services

Reporting Level	Detail	Total 2024-25
Overview	The provision of accessible community facilities to an acceptable standard for all people in Makana Municipality.	
Description of activity	Provision of: Adequate library services for all sectors of the community. Access to library material for the purposes of education, information, recreation and aesthetic appreciation for all residing within the Makana municipal area. The strategic objectives of this function are to: <ul style="list-style-type: none"> • Ensure that the residents have access to up-to-date information through libraries. 	

Reporting Level	Detail	Total 2024-25
	<ul style="list-style-type: none"> • Ensure that there are libraries in needy areas. • Ensure that there is an acceptable standard of service for all. • Decrease the illiteracy rate of the Makana community. 	
Analysis of function	Statistical information: Quantity of materials circulated. <ul style="list-style-type: none"> • Main Library (Hill Street) 38 256 • Community Library 18 369 • Duna Library 21 225 • Fingo Library 0 • Alicedale Library 14 287 • Riebeeck East Library 9 856 • Ext 9 10 354 Total 112 347 Number of current patrons <ul style="list-style-type: none"> • Main Library (Hill Street) 12 766 • Community Library (Currie Street) 3 265 • Duna Library 4 236 • Fingo Library 0 • Alicedale Library 891 • Riebeeck East Library 453 • Ext 9 593 Total 22 204	
Challenge	<ul style="list-style-type: none"> • Closure of Fingo Library because of renovations • No service at rural areas (no mobile library) • Deterioration of infrastructure • Children's activities space at Ext 9 Riebeeck East and Alicedale Library. 	
Highlights	<ul style="list-style-type: none"> • Renovation of Fingo Library • Active book clubs • Won number one in the Provincial event • Won District Library competitions 	

3.4.2 Environmental Management

Environmental management function is a strategic decision, providing environmental stewardship to the municipality and the community. The municipality functions with its partners through the regional environmental forum, a forum of local individuals and organizations with a focus on environmental matters in the district and local municipality.

The Municipality has developed a comprehensive Environmental Management Plan (EMP) that, currently in draft form which is undergoing stakeholder consultation and capturing inputs. The plan integrates a range of environmental strategies and tools, including

- The Integrated Waste Management Plan (IWMP): A holistic approach to managing waste streams, emphasizing reduction, recycling and proper disposal thereby minimizing environmental impacts and promoting resource conservation.
- Invasive alien plant Species Control Program: a targeted initiative aimed at eradicating and mitigating the ecological and economic impacts of invasive species on native ecosystems, biodiversity, and municipal infrastructure within the jurisdiction of the Municipality.
- Environmental Conservation Projects: additional initiatives focused on protecting and enhancing the municipality's natural resources, including habitat restoration, water quality management, climate change mitigation strategy.

The EMP is designed to ensure sustainable development, environmental stewardship, and compliance with all relevant legislation, including National Environmental Management Act (107 of 1998 NEMA) and other applicable regulations. The plan will undergo further refinement based on stakeholder feedback upon completion of the consultation.

The municipal environmental programmes and plans are communicated to the public through council committees, municipal social media, ward communities, the quarterly SBDM regional Environmental Forum.

3.4.2.1 Activities

Environmental education and awareness: the Municipality has formally responded to the Department of Forestry, Fisheries and the Environment's 2024 call for graduate placements, with implementation of the programme deferred to 2025 and 2026 respectively, in accordance with revised scheduling protocols. Environmental Awareness campaigns are being created in schools throughout the municipal jurisdiction by planting of trees and donating waste receptacles. Some of the schools included primary schools and high schools in Makhanda, Riebeeck East, Alicedale and Seven fountains' areas. Furthermore, the graduates are actively engaged in updating the environmental sectoral plan within the Integrated Development Plan (IDP) framework and developing ancillary environmental management tools, thereby enhancing the municipality's environmental planning and implementation capacities.

APPOINTMENT OF KEY PERSONNEL TO STRENGTHEN MUNICIPAL SERVICES

The Municipality is pleased to announce the appointment of key personnel to the positions of Manager Parks and Recreation 1st October 2024, Manager Cleansing 1st March 2025 and

Bulldozer operator 1st April 20205, effecting for the 2024/25 financial year. These strategic appointments are anticipated to augment the capacity of the Public Safety and Community Services Directorate, thereby enhancing the delivery of essential municipal Services and promoting a safe and healthy environment for the public.

Waste pickers at the landfill site:

The Municipality has commenced the process of formalising the reclaimers with key partners such as POLYCO and PETCO in 2024/25 financial Year. Subsequently, an MoU has been entered with POLYCO with the aim of investing to the municipality with infrastructure at the landfill site and also a method of buying from the reclaimers.

EPWP project – Flood mopping:

During 2022/23 Financial Year the Department of Forestry, Fisheries and the Environment has introduced the concept/programme of flood mopping where a dozen of participants were recruited. Unfortunately, the programme was stopped due to the various challenges. However, in 2024/25 the Municipality continued to contract 25 participants on a rotational basis for the duration of the financial year.

Makana Municipal Invasive Action Plan:

A Makana Alien & Invasive Action Plan is in place, in accordance with the terms of the Alien & Invasive Species Regulations of 2014 and the National Environmental Management: Biodiversity Act (2006), which states “all Organs of State are meant to have developed Alien Species Control Plans for areas under their jurisdiction by October 2016”.

In the case of Makana municipality this regulation affects all land that is private or owned by other organs of state and would include *inter alia commonage* areas, street verges, green open spaces etc. In response to the aforementioned the municipality has developed an “Invasive species control plan” which focuses on municipal land. Furthermore, the plan is implemented internally by the municipal staff, under Public Safety and Community Services through Vegetation Control unit.

Makana Alien Invasive Business Plan: Was developed in 2024 which is aligned with Invasives species control plan that is approved with the mapping of alien infested areas. The business plan was submitted to the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) in response to a call for municipalities to submit

Environmental Risk Register:

With due consideration of the Environmental Monitoring outlined in the draft EPM, IWPM, Control Plan, assessment of risks associated with the environment to monitor effects of exposure of humans and/or the environment to hazardous situations is necessary. Monitoring environmental risks will also assist in avoiding litigation or compelling contractors or service providers working in the municipal area to comply with relevant legislation.

3.4.2.2 Main challenges

The general lack of funding to initiate community environmental projects remains a threat towards the implementation of projects. To mitigate this risk, the environmental management section continues to apply for funding from other state departments or in the form of EPWP projects.

External stakeholders are being engaged to assist the municipality to discharge its environmental mandate and be provided with various kinds of rewards such as rates rebates etc. This could be the case with environmental stewardship programmes by business and NGO entities.

3.4.3.1 Waste Management (Solid)

Strategy and main role player	<p>The overall objective of waste management is to reduce the generation of waste; reduce the environmental impact of all forms of waste to ensure the health of the people of Makana. The Municipality's waste management system enhances the quality of its environmental resources.</p> <p>The roles and responsibilities in terms of the National Waste Management Strategy for local government include:</p> <ul style="list-style-type: none">• Waste minimisation: Local Government must implement and enforce appropriate national waste minimisation initiatives and promote the development of voluntary partnerships with industry.• Recycling: Local Government is to establish recycling centres and/or facilitate community initiatives.• Waste collection and transportation: Local Government is to improve service delivery.• Waste disposal: Local Government is to take responsibility for the establishment and management of landfill sites, and to promote the development of regionally based facilities. <p>Formalising and controlling of scavenging are the responsibility of the permit holder.</p>
Level and standard of services	<p>It is expected that every household has access to waste collection services. The Municipality is expected to collect refuse from every household on a regular basis.</p>

Annual performance as per Key performance indicator in refuse removal services						
Indicator	Total Number of Households/ Customers expected to Benefit	Estimated Backlogs (Actual numbers)	Target Set for the Financial Year under review (actual numbers)	Number of Households / Customers reached. During the Financial Year	Percentage of Achievement During the Year	Major Challenges and Remedial Action
Households with access to refuse removal services	23 366	648 (farmhouses) Rural areas	0	22500	97%	Illegal dumping is a major challenge in Makana.

3.4.3.2 Fire and Rescue Services

Function Public Safety	
Sub-Function: Fire & Rescue Section	
Reporting Level	Detail
Overview:	Includes firefighting, fire safety and awareness campaigns. The municipality has signed a corporate agreement with Sarah Baartman District Municipality to perform the functions on agency basis as well as with the other six (6) LMs in Sarah Baartman district.
Mission statement	It is the mission of Makana Fire and Rescue to create a safer environment for all persons in our society by providing an efficient and effective firefighting, emergency, rescue and fire safety service within the framework of the resources available.

3.4.3.2.1 Core Functions

Core Functions (As per the Fire Brigade Services Act 99 of 1987), the municipal core function is:

- Preventing the outbreak or spread of a fire.
- Fighting or extinguishing a fire
- The protection of life or property against fire or other threatening danger
- The rescue of life or property from fire or any other threatening danger; and
- The performance of any other function connected with any of the matters related to the above.

These functions are performed in accordance with Standard By-Laws relating to Fire Brigade Services, which was promulgated on 11 June 1982 (Provincial Notice 661 / 1982)

3.4.3.2.2 Administration Section

This section deals with the day-to-day administrative activities of the Fire and Rescue Section which includes report writing, typing, recording and updating of information and all other related activities as required. This section is headed by the Manager and includes the Station Commander, Senior Clerk and Messenger /Cleaner.

3.4.3.2.3 Operational Section

This section consists of four (4) Platoon Commanders, four (4) Senior Fire Fighters, twenty-four (24) Fire Fighters, and four (4) Dispatchers. Two (2) Fire Fighter posts and two (2) Senior Fire Fighters are still vacant. The operational section implements the practical aspects relating to firefighting and other emergency incidents. To achieve its aim, this section is responsible for the following:

- The attendance and handling of all fires, rescues and emergency incidents.
- The acquisition of vehicles and operational equipment.
- The maintenance of vehicles and equipment.
- The checking and cleaning of fire hydrants.
- The training of public by group inspections and lectures.

3.4.3.2.4 Fire Prevention

Businesses are inspected to ensure that they comply with the fire safety regulations. A total of one hundred and fifty-eight (158) businesses were inspected during the financial year 2024-2025

3.4.3.2.5 Activity

Reduction of Vegetation Fires:

The key objective is to try and minimise the amount of vegetation fires. Emphasis is put on.

- Analysing the risk areas,
- Training the farmers on proper fire control/ burning tactics,
- Awareness campaigns involving the Fire Protection Association, Parks Department, DFFE etc. The campaigns Includes firefighting and fire safety awareness.

3.4.4 Disaster Management

The municipality's mission is to provide measures to safeguard the physical wellbeing and safety of the environment and property, to ensure the implementation of an integrated and

coordinated approach to disaster management across all spheres of government, involving all relevant stakeholders.

3.4.4.1 Core Functions:

- Recruitment and training of disaster management volunteers
- Conduct disaster management awareness program at schools, farmers associations and for the general community.
- Inform the above-mentioned groups of possible disaster areas, dangers associated with it and how to deal with disaster situations.
- Advise council on disaster management legislation.
- Prepare disaster management plans to ensure maximum emergency plans for its area.
- Ensure disaster management plans are in place.
- Form an integral part of the municipal IDP.
- Anticipate the types of disaster that are likely to occur and their possible effects.
- Provide prevention and initiation strategies.
- Establish contingency plans and emergency procedures in the event of a disaster.

These functions are performed in accordance with the Disaster Management Act, 2002 (Act no 57 of 2002) and provides a legislative framework for the management of disasters in the country. In terms of sections 19, 38 and 53 all spheres of government are required to prepare disaster management plans, setting out the way in which the concept and principles of disaster management are to be applied in its functional area.

These plans must facilitate maximum emergency preparedness and contain contingency plans and emergency procedure in the event of a disaster, clarifying the allocation of responsibilities to the various role-players and coordination in the carrying out of those responsibilities. The aim of this readiness plan is to ensure prompt and effective response to emergency incidents during and after the disaster occurrences.

3.4.4.2 Administration Section:

This section deals with the day-to-day administrative activities of Disaster Management which includes report writing, typing, recording and updating of information and all other related activities as required. It is headed by the Disaster Management Officer only and reporting to the Manager: Fire Services.

3.4.4.3 Operational Section:

This section consists of one Disaster Management Officer, but the position has been vacant since October 2017. Sarah Baartman District Municipality's Disaster Centre is

assisting the municipality with Disaster Management activities. It implements the practical aspects relating to fire fighting in conjunction with the fire department since fires are classified as potential disasters and other emergency incidents e.g.

- Floods/Fire Victims – To conduct damage assessment to flooded/fire damaged areas, arrange temporary housing units to those who have their houses badly damaged by the flooding/fires, the office has been providing mattresses and blankets where necessary, refer the victims to other relevant sector departments for assistance e.g. SASSA, Social Development etc. and assist flood/fire victims with necessary requirements including evacuation of the area where necessary.
- The office forms part of the Road Incident Management System which seeks to reduce road incidents/ accidents on the N2 and our national roads by taking note of bad surface on our roads, road marking, stray animals, managing tow truck operators and training of emergency personnel in incident management.
- The Office forms part of the Safety Events Management Team that constitute amongst other stake holders SAPA, Rhodes University, NAF Organisers, Makana Municipal Departments, Home Affairs etc. to make sure that all events taking place in Makana Municipality are planned in accordance with the Safety, as well as Sports and Recreational Events Act no 02 of 2010 to protect participants, spectators and property.
- To conduct awareness campaigns to the targeted groups making them aware of potential disasters and how to deal with them when they do occur.
- Dissemination of weather warnings to the community at large via community radio stations, Grocott's and social networks.
- The Office forms part of the Provincial Project Management Steering Committee Meetings, monitoring the DMRG (Disaster Management Risk Grant) allocated to Municipalities and Sector Departments to repair the damaged infrastructure after disaster occurrences.

3.4.4.4 Building Plans:

Building plans are scrutinized to ensure that they comply with Fire Safety Regulations. A total of seventy-two (72) building plans were scrutinised during the year under review.

3.4.4.5 Flammable liquids:

Flammable liquid inspections are carried out on businesses that deal with flammable liquids. The annual tariff charges also make provision that all businesses dealing in the sale, manufacture, handling or storage of flammable liquids or gases, this business must register and acquire a license from the municipality. An annual license fee for this purpose is therefore payable after safety requirements have been met. A total of fifty-six (56) flammable liquid inspections were conducted.

3.4.4.6 Fire Hydrants:

Fire Hydrants inspections are done regularly to ensure that they are clean, clearly marked and in operation. A total of two hundred and eighty (280) fire hydrant inspections were conducted.

3.4.4.7 Motor Vehicle Accidents:

The Directorate responds to motor vehicle accidents to assist with vehicle extrication, patient treatment, hazardous materials, etc. A total of five (5) accidents were attended to during the 2024/25 financial year.

3.4.4.8 Training and Awareness:

Lectures and practical drills are presented to the staff of the Fire Department on various subjects of firefighting, rescues, handling of hazardous incidents and legislation applicable to the fire service. This is In - Service Training and only focus on preparedness of Fire Fighters to combat fires and other emergencies.

3.4.4.8.1 Public Training:

The municipality conducted eleven (11) fire awareness campaigns at rural communities, schools and clinics within Makana to make the community aware of the dangers of fires. A total of four hundred and thirty-two (432) public members were reached. Elementary Fire Fighting training is presented to businesses to enable their staff to react immediately when a fire occurs at their workplace whilst it is still small.

3.4.4.8.2 School Awareness Programme:

The department continued with our School Awareness Programme to make the students/ scholars aware of the dangers of fires and what to do in case of a fire. A total of six (6) schools and three hundred and nine-six (196) teachers / scholars were reached during the financial year 2024/25.

Challenges Progress/ Update

Fire station in Riebeeck-East	The Satellite Fire Station is operational. The Satellite Station is now manned with Three (3) fire fighters and there if one vacant position to be filled.
No fire station in Grahamstown-East	No Capital Budget for the 2024/25 financial year, due to the financial situation of the Municipality.
Handling of after-hours complaints.	Corporate Services held a meeting to discuss the possibility of establishing a Customer Care Centre within the Municipality to deal with after-hours complaints. Not finalized yet.
Shortage of Staff	Vacant Posts still need to be filled. Motivations were submitted to HR.

3.4.5 Safety and Security

The Makana Municipality does not have an in-house policing force but does actively participate in the Local Safety and Security Forums.

3.4.5.1 Traffic and Law Enforcement

Reporting Level	Detail
Overview:	Includes Traffic, Licensing, Roadworthy and Technical Services
Description of activities Traffic Law Enforcement	<p>The key function of the Traffic Department is to provide safer roads for all stakeholders within the Makana area.</p> <p>The Municipality has a mandate to:</p> <ul style="list-style-type: none"> • Conduct preventative traffic patrols and enforce traffic legislation. • Enforce speed limits. • Attend traffic accidents. • Enforce parking legislation. • Enforce municipal bylaws. <p>The key objective of this function is to ensure safe and free flow of traffic within Makana Municipal area.</p>
Driving Licenses	<p>These services include all driver testing functions.</p> <p>The Municipality has a responsibility to:</p> <ul style="list-style-type: none"> • Test applicants and issue learner licenses • Test applicants and issue driving licenses. • Renew card driving licenses. • Renew and issue Professional driving licenses.

Reporting Level	Detail
	The key objective of this function is to ensure safety on the roads by ensuring a high level of competency amongst vehicle drivers.
Roadworthy Testing	<p>These services include all vehicle testing functions. The Municipality has a responsibility to:</p> <ul style="list-style-type: none"> • Test vehicle • Issue roadworthy certificates <p>The key objective of this function is to ensure safety on our roads by ensuring roadworthy vehicles</p>
Technical services	This service is responsible for the maintenance of all road markings and road signs
Challenges	Lack of finances are seriously hampering operations as we find it difficult to maintain old and outdated equipment. Vehicles are old and break down frequently. The department has filled most critical vacancies that have been vacant for years.

3.4.6 Parks; Sport and Recreation

Function: Horticulture and auxiliary services sub-function: Aerodrome		
Overview:	Makana and the surrounding municipalities are fortunate to have at their disposal a category 1 licensed aerodrome with an all-weather runway and navigation lights that needs maintenance to accommodate up to a light jet aircraft.	
Description of activity:	<p style="text-align: center;">Inspections</p> <p>The section: The Department of Civil Aviation also undertakes annual inspections in support of the retention of the category 1 licence.</p>	Quarterly
	<p style="text-align: center;">Administration</p> <p>Collection of landing fees: The lease contract will be expiring with the flying club toward the end of the next financial year.</p> <p>Challenges</p> <ul style="list-style-type: none"> • The airfield is currently not fully operational due to various challenges relating to fencing, overgrown weeds, runway with potholes and no runway lights. • The continued deterioration of the main tarred runway due to lack of maintains is still a main challenge 	Annually

	<p>Achievements</p> <p>Mowing of the airfield was done twice during 24/25 financial year and not much was achieved in terms of fencing, runway road, lights during this period under review, the plan is to attend to the maintenance of the airfield in the next financial.</p>	
Overview:	This sub-function includes several sections including maintenance of grass verges and public open space, planted layouts, street trees and weed control.	
description of Activity	<p>The services provided include:</p> <ul style="list-style-type: none"> • Mowing of verges in Makhanda, Alicedale and Riebeeck East including main entrances, CBD, material roads, suburban roads and council facilities. • Mowing of public open spaces with tractor drawn implements • Maintenance of gardens and planted layouts within the city. • Maintenance of street trees including tree planting and the maintenance of streets under power lines as well as the removal of trees where required. • Manual tree stump removals • Weed control that includes the eradication of weeds and annual grass on roads, gutters and storm water channels. 	
Function: Horticulture and auxiliary services sub-function: Cemeteries		
Overview:	This sub-function includes the maintenance of cemeteries in Makhanda, Alicedale and Riebeeck East.	
	<p>The services provide include:</p> <ul style="list-style-type: none"> • Cemetery maintenance 	
Description of activity	<p>Challenges:</p> <p>Acquisition of land for new cemetery in Alicedale and Makhanda. Funding to maintain cemeteries. Vandalism/ theft of artefacts/ fencing, caretaker's house and metal railings, burial records not properly updated.</p>	
Achievement	<ul style="list-style-type: none"> • Extensions to Mayfield airspace • Maintenance of service roads to Mayfield 	

Function: Horticulture and auxiliary services sub-Function: Nursery	
Overview:	Provision of nursery to produce greening material for the Municipality.
Description of activity:	<p>The services provided include:</p> <ul style="list-style-type: none"> • The production of ground covers, shrubs and trees. • Maintenance of ornamental section for decorations. • Production of manuals for street displays <p>CHALLENGES: Old equipment such chain saws, weed eaters, lawn mowers to deal with maintenance of grass and trees in town and the surrounding area. Limited budget for the operation of the municipal nursery</p> <p>ACHIEVEMENTS: in 2024/25, the municipality has commenced a 24- month procurement process for the acquisition of essential working tools, aimed at enhancing the provision of sports facilities, horticulture, and auxiliary services.</p> <p>The tools to be procured include</p> <p>Chainsaws for tree maintenance and efficient ground maintenance.</p> <p>Lawnmowers for manicured sports field and parks.</p> <p>Sports fields were maintained with through a tractor</p> <p>Trimming and cutting of dangerous trees in seven fountains and Alicedale (in progress) and assisting electricity department with cutting trees affecting electric power lines</p>

3.5 LOCAL ECONOMIC DEVELOPMENT AND PLANNING

The LED and Planning Directorate is constituted as follows:

a) **Spatial Planning and Land Usage:** responsible for Spatial Planning and Land Use by managing land resources of the municipality by acting as the primary authority under the Spatial Planning and Land Use Management Act (SPLUMA). This function involves regulating development through Spatial Development Frameworks (SDFs), zoning schemes, and through the participation in the Sarah Baartman Municipal Planning Tribunals (MPT) to address spatial injustices and promote efficient, sustainable growth.

- **Town Planning Section:** Responsible for spatial planning, Settlement Planning and Land Use Management.
- **Building Inspectorate Section:** Regulating development in terms of National Building Regulations and Standards Act 103 of 1977.
- **Land and Estates Section:** responsible for the management of Municipal immovable assets.

b) **Local Economic Development Section:** The role of Local Economic Development is to unlock economic opportunities through support and integrating with the spatial environment that stimulates economic growth. The section is further responsible for agricultural development, tourism development and promotion; trade and investment promotion and SMME development.

- **SMME Section:** Responsible for facilitating and regulating both the formal and informal economies, as well as supporting SMMEs and Cooperatives through capacity development programmes.
- **Formal and Informal Section:** Regulating formal and informal businesses.
- **Tourism, Heritage, Arts and Creative Section:** responsible for the management of Municipal immovable assets.
- **Rural and Agricultural Development Section:**

SPATIAL PLANNING & LAND USE:

The Makana SDF is overdue for review, as a statutory requirement in terms of MSA (Act 32 of 2000) and SPLUMA (act 16 of 2013) a municipality must have an SDF which is aligned to a municipal IDP. Due to financial constraints, the municipality has been unable to undertake the review process before the end of the prior planned 5 years (November 2019 to November 2024). In the 2024/25 financial year the Municipality requested financial support for the SDF review from the Sarah Baartman District Municipality, and the Municipality has received a positive response whereby the Sarah Baartman District Municipality allocated funding for the review of the SDF. The review will commence in the 2025/26 financial year.

LOCAL ECONOMIC DEVELOPMENT:

Local Economic Development is an approach towards economic development which allows and encourages Local government to work together with civic organisations, private sector, government entities, local communities to achieve sustainable economic growth and development for creation of socio-economic development initiatives to address poverty, unemployment and inequality.

The Local Economic Development is guided by LED Strategy as a framework for identifying the available resources that municipality have in order to improve the quality of life for local communities, increasing incomes, promoting rural and urban tourism, enhancing SMME development to create sustainable growth opportunities through maximizing its resources. The Makana LED department is charged with a mandate of promoting tourism and heritage, agricultural development, SMME development, Business Licencing, and Trade and Investment. Through these responsibilities the Department has a mandate to review its outdated LED Strategy, amongst of many reasons this encourages the department to evaluate the objectives outlined the strategy are still in line with the resources that were identified, also create an opportunity for the department to develop other sector plans such as Agricultural sector plan and SMME development Policy.

Therefore, the focus of this fiscal year 2024/25 is for the department to review its strategy and communication to key stakeholder departments have been sent to request financial and non-financial support. In 2024/25 a vacant funded position was advertised for Agricultural Officer, but no personnel were formally appointed, this creates a delay for the department to speed up with the agricultural activities such as commonage development plans. In terms of staff retention, the department depends only to the Manager for Tourism, Heritage, SMME, Trade and Investment, the LED Clerk and Two Business licensing clerks. The role of Local Economic Development and Planning in municipalities is to unlock economic opportunities through support and providing a spatial environment that stimulates economic growth. The priority of the Department has been to develop policies and expansion plans that give strategic guidance to develop the local economy of Makhanda.

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The staff component of LED Directorate will be fully populated with qualified and experienced staff once the remaining vacancies have been filled (budget remains a challenge). During the year under review, the municipality implemented the following projects:

3.5.2 LED Highlights and Achievements.

- Businesses registered on CIPC in conjunction with Entrepreneurs Unlimited Incubator (continued partnership and capacitation of Businesses).
- Continued support of traders for access to markets (facilitating and procurement of 10 trading stands for informal traders with permits to sell at the National Arts Festival)
- About 19 SMMEs have benefited from subcontract opportunities since the promulgation of the revised Preferential Procurement Regulations.
- Direct and indirect job opportunities have been created through sub-contracting activities, construction of housing development, and informal settlements upgrade.
- Tourism Incubation programme that continues to train Homestay Businesses in Tourism and Hospitality service excellence.
- Awareness Funding workshops have been facilitated to bring close support to the emerging agricultural farmers, such as the Eastern Cape Rural Development Agency.
- SMMEs in construction were trained on compliance and tendering processes.
- Business licensing division has registered more than 250 formal and informal trading shops.

3.5.3 Spatial Planning and Land Use Highlights and Achievements:

- The Municipality has renewed its membership with the District Planning Tribunal
- The Town Planner post was filled but subsequently became vacant again after the abrupt resignation of the incumbent before the end of the financial year and whilst the Building Control Officer post was filled, which opened a vacancy for the second building inspector. vacancies have been filled.
- Participated in joint compliance operation, which saw an increase in revenue.
- On Land Development Application- The section facilitated the approval of:
 - one of the biggest developments in the province- Ezulu private game farm, which was accompanied by a building plan (one of the biggest buildings plans the department had to approve).
 - a renewable energy structure solar panel charging station and battery panels and consent for Tourist Facility (Restaurant).
 - approved Consent Use to permit Frontier Renewable Energy Facility.
- Pre-approved the Layout Plans for Human Settlement projects (Enkanini, Ethembeni, and Khayelitsha informal Settlements).

3.5.4 Housing Highlights and Achievements

- Implementation of the Infills Housing Project commenced with inception, planning and design.
- Commencement of inception, planning and design for the Informal Settlement Upgrade (ISUP) project for Nkanini, Ethembeni and Khayelitsha Informal Settlements.

3.5.4 Job Creation

Job creation opportunities will be from different Infrastructure development Projects of water and sanitation interventions, upgrading and rehabilitation of Roads, EPWP and Community Development works Program.

NAME OF PROJECT	NUMBER OF LABOURERS	FUNDER	PROJECT STATUS
Makana Infills Housing Project	85 units=10 91 units= 225 learnership participants	Human Settlement Development Grant	Construction
Additional Housing Projects (Riebeek East, Fingo Village, Makana Disaster, Transit Camp)	N/A	Human Settlement Development Grant	Planning stage
Replacement of ageing asbestos pipes in Phase 3A & 3B (Makhanda)	30	MIG	Construction
Refurbishment of Waainek W T Works cathodic projection		MIG	Completed
Refurbishment Belmont Valley Wastewater Treatment Works	30	MIG	Construction
Makana Way	24	MIG	Construction
Oval stadium, lavender valley refurbishment	19	MIG	Construction
Upgrade of Ncame Street	30	MIG	Completed
Community Works Program	898	COGTA	Ongoing
Expanded Public Works Program	172	Public Works	Ongoing
TOTAL			

CHAPTER FOUR: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 MUNICIPAL WORKFORCE

The Makana Local Municipality currently has 30 different functions, based on the Municipal Systems Act, No 32 of 2000 and Act 117 of 1998.

4.1.1 MUNICIPAL MANAGER AND SECTION 57 MANAGERS

	Approved Positions (e.g., MM-S57 etc.)	Number of Approved and Budgeted posts.	Filled Posts	Vacant Posts
1	Municipal Manager	1	Yes	0
2	Director Corporate Services	1	Yes	0
3	Chief Financial Officer	1	Yes	0
4	Director Local Economic Development	1	Yes	0
5	Director Technical & Infrastructure	1	No	1
6	Director Public Safety	1	Yes	0
Total		6	5	1

4.1.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT INDICATORS

	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 Under Review	Comments on the Gap
1	Vacancy rate for all approved and budgeted posts	25	25	100%	None
	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	6	4	60%	One resignation and a suspension were experienced at this level
3	Percentage of Section 57 Managers including Municipal Managers who attended at least one skills development training course within the financial year	3	3	100%	No Gap

4	Percentage of Managers in Technical Services with a professional qualification	6	6	100%	No Gap
5	Percentage of staff that have undergone a skills audit (including competency profiles) within the current five-year term	619	0	0%	Process will be addressed as one of the outcomes of the Organisational development process of the Municipality.
7	Percentage of councillors who attended skills development training within the current five-year term	27	4	20%	Training was hampered by a severe lack of funds.
8	Percentage of staff complement with disability	1	1	100%	N/A
9	Percentage of female employees	131	131	100%	No Gap
	Percentage of employees that are aged 35 or younger	57	44	77%	N/A

4.2 MANAGING THE MUNICIPAL WORKFORCE

4.2.1 Human Resources Unit:

This Unit is responsible for the transformation of Makana Local Municipality into an effective, efficient, and progressive public sector organisation.

It is further responsible for the:

- development and implementation of policies, procedures, and oversight of the daily operations of the municipality.
- develop and implement HRM strategies, policies and plans aligned to the strategy of the organisation that enable the organisation to achieve its objectives,
- Facilitate employee benefits, skills development, recruitment & selection, employee wellness, occupational health & safety and employee relations.

- Annually to review and prepare for the submission of the policies to Council for adoption. The policies may be amended from time to time and must be revised at least every five years. All other policies.

4.2.2 Compliance with Health and Safety Legislation

The Makana LM has adopted a policy for the Occupational, Health and Safety. The position of the Occupational, Health and Safety Officer are ensuring an ongoing review, its standards, policies and procedures to comply and, where possible, to exceed legislative requirements pertaining to Occupational Health & Safety regulations.

The Occupational Health and Safety Act (85 of 1993) and its regulations provide guidelines for the Makana Council to develop appropriate standards and management systems. Makana municipality has appointed a Health and Safety officer.

4.2.3 Capacitating the Municipal Workforce

The Skill Development Facilitator revises a Work Skill Plan annually. The plan is approved by the Council with a specific budget, and an implementation report is submitted to LGSETA on or before the 30th of March, to recover the funds spent on implementing the plan.

The Makana Local Municipality offers various annual in- service training opportunities to promote the development of skills in specific areas to encourage growth in skills availability in the province and to assist learners in obtaining practical exposure to the world of works.

Targeted training and employment are also used to affirm previously disadvantaged categories, with a special training initiative to address the gender imbalances in the work force. There has been a particular focus on developing women as water treatment works operators over the past five years. This trend will continue in the future.

In further support of its major transformation outcomes, Makana Local Municipality has also revised its human resources training and development policy and plans, making this area the responsibility of a dedicated Training Committee.

The Training Committee is responsible for the issuing and updating of Makana Local Municipality Workplace Skills Plan prepared in terms of the requirements of the Skills Development Act. The Skills Plan maps out training priorities for the organisation based on identified skills gaps and deficiencies and envisaged future operational needs (including

succession and career planning), thus permitting appropriate training interventions to be devised and implemented.

As per the Skills Development Act 97 of 1998 Makana Municipality has a responsibility to encourage the unemployed to enter labour market through learnership programme. This also applies to internal staff for the advancement of career growth, for personal growth and upward mobility within the institutional departments. Interns - the program of the unemployed graduated to gather work experience in the workplace. The Skills Plan maps out training priorities for the organisation based on identified skills gaps and deficiencies and envisaged future operational needs (including succession and career planning), thus permitting appropriate training interventions to be devised and implemented.

4.2.3.1 Skills Development & Training

Municipality has a challenge of lack in internal capacity and scarcity in funding, as a result lots of training could not take place. The following training programmes were undertaken regarding staff development:

Details	Training Undertaken
Councillors	Training on local labour terms of reference
Staff: Local Labour Forum members and management	<ul style="list-style-type: none"> ▪ Training for First Aid for Health and Safety Rep ▪ Training on Local Labour Forum for Unions and Management.

Staff Registered with Professional Bodies

Technical Services	Total Numbers of Managers & Officials	Total Number of Registered with Professional Accredited Body	Total Number of Pending Registrations with the Confirmation with the Accredited Professional Body	Total Number Not Registered with Accredited Professional Body
Water	2	2	0	0
Electricity	3	2	0	1
Technical	4	2	0	2
Town Planning	1	1	0	1
Project Management Unit	1	0	0	1
Internal Audit	2	3	0	0
Community Services Environmental Health	2	1	0	1
Libraries	6	5	0	1

4.2.3.2 Levels of Education and Skills

Total Number of Staff	Number of Staff Without Grade 12	Number of Staff with Senior Certificates Only	Number of Staff with Tertiary/ Accredited Professional Training
596	230	180	186

4.2.4 Employment Equity and Recruitment Policy

The success and competitive standing of Makana LM business activities hinge critically upon the quality of its human capital and on its retention and continual development of a workforce of competent and motivated personnel. Consequently, the Makana LM seeks, as a key intent, to implement best practices in the direction of all its human resources provisioning, management, and employee development activities. An Employment Contract has been developed and adopted by the Council. After that Human Resources Plan was developed and adopted by the Council as guiding tool towards achieving organisational objectives.

An Employment Equity policy has been adopted by the Makana Council and guides the organisation's human resources practices in promoting employment equity, the recruitment and development of employees from designated groups and the advancement of appropriate gender representation in the organisation. An Employment Equity Plan has been developed setting out organisational equity targets, while simultaneously ensuring compliance with requirements by the Department of Labour.

Progress towards employment equity has been accorded high priority and is being driven by the Employment Equity and Training & Development Committee that reports directly to the Corporate Services Committee. The committee includes both Makana Councillors and Management Committee representation.

A range of policies have been formulated to advance both Makana LM initiatives to address historical employment inequalities as well as wider organisational transformation goals.

Areas of employment equity focus have included the review and revision of the policy on employee recruitment practices to bring these into alignment with the requirements of Makana LM Employment Equity and Affirmative Action plans.

4.2.5 EMPLOYEE WELLNESS

The Makana LM pursues employee wellness initiatives and, within this effort, has implemented a Cancer Awareness prevention programme that serves to create awareness and share information on available assistance for Cancer awareness and early dictation stages. The initiative has also offered elected community members as peers' educators so that participants are able to interact meaningfully with affected persons, both within the workplace and in the broader community.

Various additional efforts have been made to exploit employee communication tools and staff training opportunities to promote the maintenance of employee health and positive levels of staff motivation and healthy workplace relations. This has included efforts to disseminate information and advice on the management of HIV/AIDS related illnesses and workshop training to impart knowledge and skills to managers and supervisors to promote the recognition and embracing of cultural and other diversity in the workplace.

4.2.6 INJURIES, SICKNESSES AND SUSPENSIONS:

During the year under review, 4 cases of "Injury on Duty" were reported to the Compensation Commission.

Comment on Suspensions and Cases of Misconduct:

In the 2024/2025 reporting period, the Makana Municipality placed under precautionary suspension, during the respective periods of July 2024, September 2024 and March 2025 a total of three (03) Employees. For various cases of misconduct, three (03) Employees were dismissed. Misconduct included, but not limited to abscondment, failure to attend work regularly, refrain from being absent from work/duty without leave or permission, except on good cause; failure to request permission in advance for any leave of absence whenever possible; disobeying of all lawful and reasonable instructions; negligent behaviour, which resulted in the damage of property; failure to exercise fiduciary duties; and gross act of dishonesty and/or fraud.

4.2.7 OTHER STRUCTURES AND FORUMS:

Makana Local Municipality acknowledges that relationships with other strategic forums impact positively in a direct and an indirect manner on the management of the organisation. Municipalities under the auspices of the South African Local Government Bargaining Council (SALGBC), inclusive of the Makana Local Municipality has a formal recognition Collective and Consolidated Collective agreement with the South African Local Government Association (SALGA), the South African Municipal Workers Union (SAMWU) and the Independent Municipal

and Allied Trade Union (IMATU), in which the Parties concludes on a five basis annual salary and wage adjustments affecting Employees across the Local Government spectrum.

Makana LM has a Code of Conduct, and disciplinary grievance procedure in place. Reference to the scope of the Code of Conduct Policy, this Code of Conduct was promulgated as part of the Municipal Systems Act No. 32 of 2000, and this has been added to by including information taken from such.

This Code of Conduct Policy is applicable in conjunction with the South African Local Government Main Collective Agreement (Disciplinary processes), Circular No 1/2018 Disciplinary Procedure Collective Agreement, Fleet and Asset Management Policy, Policy manual with special reference to Part B Chapter 7 Termination of service policy; Part C Chapter 8 Performance Management Systems policy; Chapter 9 Working hours and Punctuality policy; Part E Chapter 12 Grievance resolution policy; Chapter 13 Discipline policy; Chapter 14 Incapacity due to Poor work Performance policy; Chapter 15 Incapacity due to Ill Health or Injury policy; Chapter 16 Incapacity due to Operational Requirements policy, Part G Chapter 23 Private work and declaration of Interest policy; Chapter 24 Harassment policy; Chapter 25 Intoxicating substances abuse policy; Chapter 31 Electronic communication and information security policy; and the Consequence Management Policy

This Code is therefore enforceable and sets out minimum standards of acceptable behavior, which if not complied with, will result in the appropriate disciplinary action being taken.

4.2.8. MAJOR CHALLENGES AND REMEDIAL ACTIONS WITH REGARD TO HUMAN RESOURCE AND ORGANISATIONAL MANAGEMENT

The Makana Municipality continues to face challenges related to the inability to retain key engineering skills. As a response to this challenge, the Makana Municipality has developed and adopted a Scarce Skills and Retention Policy. The Scarce Skills and Retention policy seeks to provide a framework for the retention of critical skills and provide incentives for such skills.

4.2.9 MANAGING WORKFORCE

4.2.9.1 OFFICE OF THE MUNICIPAL MANAGER:

EMPLOYEES: PLANNING(IDP/PMS), LEGAL, RISK, IA, ICT, COMMUNICATION, ETC.			
Job Level	Ending 31 June 2025		
	Number of posts	Posts filled	Vacancies
0-3			
4-6	1	0	0
7-9	1	0	0
10-12	8	0	0
13-15	0	0	0
16-18	6	5	1
19-20			
TOTAL	16	5	1

4.2.9.2 OFFICE OF EXECUTIVE MAYOR/ SPEAKER:

EMPLOYEES:			
Job Level	Ending 30 June 2025		
	Number of posts	Posts filled	Vacancies
0-3			
4-6	1	0	1
7-9	2	1	1
10-12	6	6	0
13-15	2	1	1
16-18	1	1	0
19-20	0	0	0
TOTAL	12	9	3

SUMMARY EMPLOYEES: OFFICE OF THE MUNICIPAL MANAGER			
Job Level	Ending 30 June 2025		
	Number of posts	Posts filled	Vacancies
Municipal Manager's Office	8	8	0
Internal Audit	4	2	2
IDP and PMS	5	3	2
Legal	2	2	0
Risk Management	2	1	1
PMU	5	5	0
TOTAL	26	21	5

4.2.9.3 LOCAL ECONOMIC DEVELOPMENT:

EMPLOYEES: AGRICULTURE			
Job Level	Ending 30 June 2025		
	Number of posts	Posts filled	Vacancies
0-3			
4-6			
7-9			
10-12	2	2	0
13-15			
16-18			
19-20			
TOTAL	2	2	0
EMPLOYEES: SMME			
Job Level	Ending 30 June 2025		
	Number of posts	Posts filled	Vacancies
0-3	0	0	0
4-6	2	2	0
7-9			
10-12			
13-15			
16-18	1	1	0
19-20			
TOTAL	3	3	0
SUMMARY EMPLOYEES: LED			
Job Level	Ending 30 June 2025		
	Number of posts	Posts filled	Vacancies
Agriculture	1	0	1
SMME, Trade & Investment	3	3	0
Tourism & Heritage	1	0	1
Planning & Estate	9	7	2
TOTAL	14	10	4

4.2.9.4 COMMUNITY & SOCIAL SERVICES:

EMPLOYEES: FIRE			
Job Level	Ending 30 June 2025		
	Number of posts	Posts filled	Vacancies
0-3			
4-6	1	1	0
7-9	39	31	8
10-12	1	1	0
13-15	1	1	0
16-18	1	1	0
19-20			
TOTAL	43	35	8

4.2.9.5 BUDGET AND TREASURY

EMPLOYEES: SUPPLY CHAIN			
Job Level	Ending 30 June 2025		
	Number of posts	Posts filled	Vacancies
0-3			
4-6	7	7	0
7-9	3	2	1
10-12	3	0	3
13-15			
16-18	1	1	0
19-20			
TOTAL	14	10	4

SUMMARY EMPLOYEES: BTO			
Job Level	Ending 30 June 2025		
	Number of posts	Posts filled	Vacancies
Compliance & Reporting	3	3	0
Expenditure	6	5	1
Supply Chain	14	8	6
Revenue & Data Control	41	35	6
Asset Management	2	2	0
CFO's Office	5	5	0
TOTAL	71	58	13

4.2.9.6 CORPORATE AND SHARED SERVICES:

EMPLOYEES: ADMINISTRATION			
Job Level	Ending 30 June 2025		
	Number of posts	Posts filled	Vacancies
0-3			
4-6	14	10	4
7-9	17	11	6
10-12	1	1	0
13-15			
16-18	1	1	0
19-20			
TOTAL	33	23	10

EMPLOYEES: HUMAN RESOURCES			
Job Level	Ending 30 June 2025		
	Number of posts	Posts filled	Vacancies
0-3			
4-6	1	1	0
7-9	2	2	0
10-12	6	5	1
13-15			
16-18	1	1	0
19-20			

TOTAL	10	9	1
EMPLOYEES: RECORDS			
Job Level	Ending 30 June 2025		
	Number of posts	Posts filled	Vacancies
0-3			
4-6	4	4	0
7-9	1	1	0
10-12			
13-15	1	1	0
16-18			
19-20			
TOTAL	6	6	0

4.2.9.7 EMPLOYEE EXPENDITURE:

Financial Year	Total number of Staff	Total Audited Operating Expenditure	Personnel Expenditure (Salary Related)	Percentage of Expenditure
2020-2021	622 incl. Cllrs, interns & contract workers	616 473 663	217 141 964	35%
2021-2022	590 incl Cllrs, Interns & Contract workers	656 176 577	214 975 574	33%
2022-23	549 incl of Cllrs, interns and contract workers	679 837 711	199 396 132	29%
2023-24	581 incl of Cllrs, interns and contract workers	847 229 581	210 508 549	25%
2024-25	596 incl. Cllrs, interns & Contract Workers	800 526 251	209 568 429	26%

4.2.9.8 List of Pension and Medical Aid Schemes 2024-25:

Names of pension fund	Number of Staff	Name of Medical Aids	Number of Staff
Bonitas	71		
Cape Joint Retirement	285	LA Health	55
SALA Pension Fund	97	SAMWU Med	84
SAMWU Provident Fund	145	Key Health	31

4.2.9.9 Employee Related Cost:

Related Cost	2021-22	2022-23	2023-24	2024-25
Salaries	R199 396 132	214 975 574	R210 508 549	R209 568 429
Remuneration of Councillors	R11 204 692	11 204 692	R12 870 794	R13 055 190

4.2.10 Terminations:

REASON	2019-20	2021-22	2022-2023	2023-24	2024-25
RETIREMENTS	A combined total of 20 people left the	12	17	16	08
DECEASED		17	7	4	07
RESIGNATIONS		03	4	11	11

MEDICALLY BOARDED	institution during the 2019/20 financial year.	00	2	3	03
CONTRACT EXPIRY		01	0	2	01
DISMISSAL		04	1	1	3

CHAPTER FIVE: FINANCIAL VIABILITY AND PERFORMANCE:

5.1 Financial Viability Highlights

The municipality has been under the financial recovery plan since 2021. The plan was however revised or updated during 2024, and that plan is currently in force and under implementation. The municipality was at the early stages of implementation at the end of the financial year. The municipality was approved for the Eskom and Water Debt Relief in November 2023 and July 2025 respectively.

The municipality was approved for the first phase of the write off of the debt relief in July 2025, by National Treasury, however this was affected in November 2025 by Eskom. The municipality has been able to service its obligations on a monthly basis to its suppliers and for statutory obligation. In the 2023/2024 financial year the municipality terminated some of the monthly contractual obligations for the debt collector, landfill site consultant and prepaid electricity meters that went to tender for a new service provider. This has enabled the municipality to make savings and procure fleet for service delivery. In 2024/2025 financial year overtime was significantly reduced and with the savings from terminated contracts this has enabled the municipality to get additional fleet and a bulldozer.

The municipality disposed fleet, especially service delivery vehicles that had aged and some were dating back to 1986. All vehicles (bakkies) and sedans dating back to 2012 were auctioned and replaced. This has seen the municipality improving efficiencies on service delivery as there were cars to respond on service delivery challenges. The municipality has been consistent in the payment of salaries and was able to spend its conditional grants in the last financial year with the exception of the Municipal Disaster Relief Grant (MDRG) and the Water Services Infrastructure Grant (WSIG), whose rollover applications were approved by National Treasury.

The municipality debt book has increased to R1,3 billion with the collection rate being stagnant at 58%. The municipality was not able to achieve the budgeted collection rate of 80% and the National Treasury norm for the collection rate. Despite the poor collection rate, the municipality was able to increase its ability to contribute towards paying Eskom account and is now eligible for the second write off, of the debt relief. The municipality because of its consistent payment to

Department of Water and Sanitation was able to get an approval to participate in the water debt relief in July 2025. The municipality has consistently serviced its DBSA loan on a monthly basis.

The municipality has also improved its financial management by ensuring Grant funding is ring-fenced and not used in the ordinary course of business. Grant funding is transferred to the investment account on receipt and is withdrawn only when there are invoices to be paid.

The financial performance of the municipality has been forecasted with minimal deviation for both operating revenue and expenditure as both items incurred 95% and 94% respectively. The municipality's budget was assessed as non-funded for 2023/2024 and 2024/2025 financial year. Amongst other things that contributed to the non-funding of the budget was the municipal data strings that were not aligned and the poor collection rate that could not meet the budgeted funding. Though the municipality faced these challenges during the financial year it was stable as its obligations were met during the financial year.

The municipality has shown a significant decrease in unauthorised and fruitless and wasteful expenditure when compared to June 2023 and June 2024. This was as a result of write offs that occurred during the past two financial years. The municipality has also noted a 50% decrease in irregular expenditure incurred during the financial year as some of the contracts that were irregular were terminated and advertised to ensure the reduction of irregular expenditure.

EXECUTIVE SUMMARY OF KEY FINANCIAL ACHIEVEMENTS FOR THE YEAR UNDER REVIEW:

With leadership of the CFO and Managers, the Budget & Treasury Office has been able to diagnose and identify possible remedial action to enhance municipal revenue. The municipality has been able to sustain its fixed overheads including employee related costs throughout the financial year. The municipality was also able to replace the aged fleet with new fleet through revenue collection strides.

5.2 Financial Viability Challenges

The following general challenges are experienced by the municipality with regards to financial viability:

Challenges Identified:

Maintain a sound financial position in the context of the national and international economic climate.

- Revenue enhancement
- Poor Collection Rate

- Limited revenue base
- High volume of litigations
- Financial recovery plan
- State of service delivery that has an adverse effect on revenue collection.

5.3 National Key Performance Indicators- Municipal Financial Viability and Management (Ratios)

The following table indicates the municipality's performance in terms of the **National Key Performance Indicators** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the **National Key Performance Area** namely **Municipal**.

Financial Viability and Management Ratio	2021-22	2022-23	2023-24	2024-25	Remarks
<p>Liquidity Ratio (Current Ratio) - this ratio indicates the extent to which current assets can be used to settle short-term liabilities.</p> <p>If current assets do not exceed current liabilities, it means a liquidity problem i.e., insufficient cash to meet financial obligations. The norm is 1.5 - 2:1.</p>	0.39	0.24	0.40	0.55	<p>The ratio indicates that the municipality would be unable to pay all its current or short-term obligations when they fall due.</p> <p>This highlights serious financial challenges and a risk cover to enable continued operations at desired levels.</p> <p>The ratio however reflects an increase when compared to the past three financial years.</p>
<p>Cash Coverage Ratio - indicates the municipality's ability to meet at least its monthly fixed operating commitments without collecting any revenue during that month.</p> <p>The norm should not be less than 1 - 3 months.</p>	1month	0.10	2months	1 month	<p>The ratio indicates that the municipality's result is still below the required norm of three months.</p> <p>The municipality is at moderate risk in the event of financial setbacks to meet its obligations to provide for basic services.</p>
<p>Creditors Payment Period – this indicates the average number of days taken to pay trade creditors.</p> <p>The norm is 30 days.</p>	258 days	210 days	192 days	218 days	<p>The ratio indicates that the municipality is not adequately managing its working capital and that effective controls are not fully in place to ensure prompt payments. The ratio is above the norm.</p>

Contracted Services as a % of Total Operating Expenditure – measures the extent to which municipal resources are committed towards contracted services. The norm is 2% - 5%	6%	5%	4%	4%	<p>The municipality incurred 4% on contracted services and the ratio result is within the norm.</p> <p>The performance of the ratio has been stagnant for the past year and current year. The ratio has however decreased by 1% when compared to June 2023.</p>
Irregular, Fruitless and Wasteful and Unauthorised Expenditure to Total Expenditure – this ratio measures the extent of irregular, fruitless and wasteful and unauthorised expenditure to total expenditure. The norm is 0%.	22%	138%	113%	70%	<p>This ratio has decreased by 43% when comparing 2024 and 2025 financial years. It has however decreased by 68% when compared to 2023 financial year.</p> <p>This reflects a decrease in these expenditures due to contracts that have been advertised and appointed. These expenditures have been investigated and recommended for write off.</p>
Capital Expenditure Budget Implementation Indicator – measures the actual to budgeted capital expenditure that has been spent by the municipality. The norm range is between 95% - 100%.	63%	56%	83%	91%	<p>The municipality has improved as the actual performance of 91%, though the expenditure is still below the norm. For grant funded projects, the expenditure was at 98%.</p>

Percentage of Property, Plant and Equipment, Intangible Asset and Investment Property Impaired – indicates the loss in future economic benefits or service potential of an asset over and above the systematic recognition of depreciation. The norm is 0%.	0%	35%	39%	61%	The ratio is higher than the norm and is increasing year on year, depicting the loss of assets or economic useful life by the municipality.
Repairs and Maintenance to Property, Plant and Equipment and Investment Property – measures the level of repairs and maintenance to ensure adequate repairs and maintenance to prevent breakdowns and interruptions to services delivery. The norm is 8%.	1%	0.8%	1%	1%	The ratio is below the norm for the past four years, and this indicates that insufficient money is being spent on repairs and maintenance to the extent that it could increase impairment of useful assets. This is due to the cash flow challenges experienced by the municipality. The poor performance of this ratio, means that the municipality is struggling to maintain assets that are meant for service delivery.

4. Financial Overview

Financial year	2023-24			2024-25		
	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget	Actual Budget
Income	R741 972	R788 453	R811 781	R878 175	R849 936	R808 396
Less Expenditure	R684 903	R764 152	R847 230	R801 477	R850 060	R800 526
Net surplus	R57 069	R24 301	(R35 449)	R76 698	(R124)	R7 870

5.5 Operating Ratios:

Financial year	2023-2024			2024-2025		
Detail	Expected Norm	Actual	%Variance	Expected Norm	Actual	% Variance
Employee cost	40%	26%	- 14%	40%	28%	- 12%
Repairs & maintenance	8%	1%	- 7%	8%	1%	- 7%

5.6 Total Capital Expenditure

DETAILS	2020-21	2021-2022	2022-2023	2023-2024	2024-25
R'000					
Original budget	R43 047	R49 227	R47 279	R67 378	R72 487
Adjustment budget	R67 859	R77 740	R54 529	R62 872	R74 836
Actual Expenditure	R57 778	R43 260	R26 284	R56 577	R67 861

5.7 Auditor General Report

5.7.1 Audit Outcomes

AUDIT OPINION	2020-21	2021-22	2022-23	2023-24	2024-25
Unqualified opinion without matters (Clean Audit)					
Unqualified opinion with emphasis of matter or other matters					
Qualified opinion					
Adverse opinion					
Disclaimer	X	X	X	X	X

The municipality regrettably received the fifth disclaimer audit opinion for 2024/2025 financial year

The major components that contributed to the disclaimer are as follows:

- Property Plant and Equipment.
- Revenue from Exchange and Non-Exchange Transactions.
- Receivables from Exchange and Non-Exchange Transactions.
- Expenditure Management.
- Procurement and Contract Management; and
- Compliance with Supply Chain Management.

The audit report will be tabled to Council first; to improve the audit outcome and an audit action/improvement plan will be developed to address all the audit findings.

5.8 Supply Chain Management

5.8.1. Supply Chain Management

Supply chain management includes all processes which need to be followed to procure goods and services. It entails the identification of needs by the end user departments, registration of vendors, processes of obtaining quotes, competitive bids, and management of inventory.

5.8.1.1 Competitive Bids More than R 200 000(2024-25)

No	Bid Number	Title of Bid	Value of bid awarded (R)
1	MLM/2024-25/INFRA/001	Installation of prepaid water and domestic smart water in Makana, Phase 2 (WCWDM Phase 4 for a period of 3 years: Professional and Consulting Engineering Services	R9 963 876
2	MLM/2024-25/INFRA/004	Professional and Consulting Engineering Services: Fencing of Water Reservoirs in Makhanda Intermediate, Lower level, Tantyi, Mayfield, Rhodes	R5 858 445.00
3	MLM/2024-25/INFRA/002	Replacement of Ageing Asbestos Pipe in Makhanda Phase 4	R6 896 856.55
4	MLM/2024-25/CMS/001	Construction of Blockwork Boundary Wall at Makana Landfill Site for Makana Local Municipality	R3 282 133.92
5	MLM/2024-25/BTO/001	Re - Advertisement of Supply and Delivery of Office Furniture for a Period of 24 Months as and when required	Rate Based
6	MLM/2024-25/INFRA/005	Re - Advertisement of Supply and Delivery of Plumbing Fittings for Water and Sanitation Department for a Period of 24 Months as and when required	
7	MLM/2024-25/CSS/001	Appointment of a Security Company for Safety Security of Council Assets for a Period of 36 Months	
8	MLM/2024-25/INFRA/007	The Rehabilitation of African Street, Milner Street and High Street Circle in Makhanda Makana Local Municipality	
9	MLM/2024-25/INFRA/008	Community Lighting: Retrofitting of High Mast Lights for Makhanda, Makana Local Municipality	
10	MLM/2024-25/INFRA/009	Supply and Delivery of Cold Asphalt for the Maintenance of Roads for a Period of 12 Months as and when required	
11	MLM/2024-25/INFRA/010	Supply and Delivery of Hot Medium Graded Asphalt for the Maintenance of Roads for the Period of 12 Months as and when required	
12	MLM/2024-25/MM/001	Provision for Fiber Internet Services with SD - WAN Failover Internet, Manged Hosted Firewall, Microsoft 365 Business Standard	

No	Bid Number	Title of Bid	Value of bid awarded (R)
		or Equivalent with Deployment of AZURE Cloud Services for a Period of 36 Months Including ICT Technical Support Management and Maintenance of all Current Municipal ICT Infrastructure	
13	MLM/2024-25/BTO/002	Supply and Delivery of Cleaning Material for a Period of 24 Months as and when required	
14	MLM/2024-25/BTO/003	Supply and Delivery of Toilet Papers of 24 Months as and when required	
15	MLM/2024-25/BTO/004	Supply and Delivery of Stationery for a Period of 24 Months as and when required	
16	MLM/2024-25/CMS/003	Supply and Delivery of Parks Working Tools for a Period of 24 Months	
17	MLM/2024-25/BTO/005	Provision of a once off renovations for Makanaka Local Municipality Finance Building	
18	MLM/2024-25/CSS/002	Provision of a Service Provider for Provision of Telephone Monitoring and Billing System for a Period of 36 Months	
19	MLM/2024-25/CSS/003	Appointment of the Service Provider for the Facilitation of Municipal Minimum Competency Level (MMCL) Training Programme for a Period of 18 Months	
20	MLM/2024-25/MM/002	Supply, Installation, Configuration with a Three - Year Technical Support and Maintenance of a Production Scanner and Computer Desktop	
21	MLM/2024-25/MM/003	Supply, Delivery and Configuration of an Enterprise Antivirus Software with 260 User Seats for two - year Licence and with a Video Conferencing and Collaboration Business Software with a two - year LICENCE	
22	MLM/2024-25/BTO/006	Asset Management Software Licence for a Period of 12 Months	
23	MLM/2024-25/INFRA/011	Rehabilitation for Flood Damages Phase 2 in Makana	
24	MLM/2024-25/INFRA/012	Upgrade of Sports Facilities in Oval Stadium Lavender Valley Makhanda Phase B	
25	MLM/2024-25/INFRA/013	Supply and Deliver of Medium Voltage Test Machine for Makana Local Municipality	
26	MLM/2024-25/BTO/006	Re-Advertisement of Provision of an Asset Management Software Licence for a period of 24 months	
27	MLM/2024-25/BTO/007	Compilation of Interim and Annual Financial Statement and Audit Support for a Period of 36 Months	
28	MLM/2024-25/CSS/004	Application of the Service Provider for Renovation and Maintenance of City Hall in Makhanda	

No	Bid Number	Title of Bid	Value of bid awarded (R)
29	MLM/2024-25/CSS/005	Provision of Service for Decommissioning Installation and commissioning of a New Lift for a period of 36 Months	

5.8.1.2 Bid Committee meeting

In compliance with SCM regulations and policy all bid committees were established during the financial year and are fully functional as they sit monthly, namely:

- Bid Specification Committee, (BSC)
- Bid Evaluation Committee, (BEC)
- Bid Adjudication Committee, (BAC)

Bid committees are scheduled per project and appointed by the Municipal Manager in line with procurement plan. The bid committees set on weekly basis throughout the financial year, BSC sits on Tuesdays, BEC on Wednesdays and when there are items to be attended to. BAC sits on Thursdays and when there are items to be processed. A calendar of meetings was drawn up but was not fully adhered to. The committees thereafter functioned on an ad-hoc basis but managed to shorten the procurement processes. Delays were mostly in the planning stages up to Bid Specification approval.

5.8.1.3 Awards made by the Bid Adjudication Committee:

The highest bids awarded by the Bid Adjudication Committee are as follows:

Ref	Bid Number	Title of Bid	Value of bid awarded (R)
	MLM/2024-25/INFRA/001	Installation of prepaid water and domestic smart water in Makana, Phase 2 (WCWDM Phase 4 for a period of 3 years: Professional and Consulting Engineering Services	R9 963 876
	MLM/2024-25/INFRA/004	Professional and Consulting Engineering Services: Fencing of Water Reservoirs in Makhanda Intermediate, Lower level, Tantyi, Mayfield, Rhodes	R5 858 445
	MLM/2024-25/INFRA/002	Replacement of Ageing Asbestos Pipe in Makhanda Phase 4	R6 896 856.55
	MLM/2024-25/CMS/001	Construction of Blockwork Boundary Wall at Makana Landfill Site for Makana Local Municipality	R3 282 133.92

5.8.1.4 Awards Made by the Accounting Officer

In terms of paragraph 5(2) (a) of Council's SCM Policy, only the Accounting Officer may award a bid which more than R10 million. The power to make such an award may not be sub-delegated by the Accounting Officer.

5.8.1.5 Procurement Statistics

a) Awards Made to the Companies/Enterprises established in the Makana Municipal Area

Request for quotations are called from prospective service providers for procurement of items of less than R30 000-00. For procurement of items above R30 000-00 adverts are published on the notice board and website and when the responses meet the municipal needs and specifications are therefore considered and approved.

To ensure Local Economic Development, quotations are first requested from Makana Local Municipality service providers. Should there be no match, the municipality then goes outside the municipal jurisdiction. Majority of the external award values is made up of RFQs and tenders that were advertised openly during 2024/2025 Financial Year.

THRESHOLD	GOODS/SERVICE -ORDERS		PROCUREMENT METHOD MINIMUM	APPROVAL AUTHORITY	SERVICE PROVIDER (S)
	VALUE	NO			
R0 – R30 000	R4 489 958.03	Various Orders were issued	1 Quote, 3 Quotes	CFO	Various SPs
R30 001 – R300 000	R8 730 428.90	Appointment Letter & Various Orders were issued	RFQs (7- day Notices)	CFO	Various SPs
R300 001 – R2 Million	R15 031 265.44	Appointment Letter	Competitive Bidding	CFO, BAC	Various SPs
R2 Million – R10 Million	R34 943 317	Appointment Letter	Competitive Bidding	BAC	Various SPs
Above R10 Million		Appointment Letter	Competitive Bidding	Accounting Officer	Various SPs

R63,194,969.37

5.8.1.6 Deviation from Normal Procurement Processes 2024-2025

Type of deviation	Value of deviations (R)	Percentage of total deviations value
Sole Provider	R7 532	2,31%
Goods/Service needed urgently/	R318 835	97,69%
Other (Strip and Quote)	-	
Total	R326 367	100%

5.8.1.7 Logistics Management

The system of logistics management must ensure the following:

- monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number.
- the setting of inventory levels that include minimum and maximum levels and lead times wherever goods are placed in stock.
- the placing of manual or electronic orders for all acquisitions.
- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract.
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased.
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and monitoring and reviewing of the supply vendor performance to ensure compliance with specifications and contract conditions for goods or services.

Each stock item at the municipal stores is coded and listed on the financial system. Monthly monitoring of issues and receipts patterns is performed by the storekeeper. Inventory levels are set at the start of each financial year. These levels are set for normal operations. If special projects are being launched by departments, such information must be communicated timely to the stores section to order stock more than the normal levels.

Internal controls are in place to ensure that goods and services that are received are certified by the responsible person which is in line with the general conditions of a contract. Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

5.8.1.8 Disposal Management:

This is one of the critical vacant posts in SCM unit. Currently there is no one in this section, all the work is distributed amongst other SCM officials and Asset Accountant that is presently employed by the municipality. The municipality needs to give this section urgent attention and make recommendation for the filling of the posts to council.

The system of disposal management must ensure the following:

- Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise.
- Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous.
- Firearms are not sold or donated to any person or institution within or outside the Republic, unless approved by the National Conventional Arms Control Committee.
- Immovable property is let at market related rates except when the public interest or plight of the poor demands otherwise.
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed.
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- In the case of the free disposal of computer equipment, the provincial Department of Education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.
- The municipality is complying with section 14 of the MFMA which deals with the disposal of capital assets. The disposal policy plan was reviewed and finalised in June 2014 and aims to provide the guidelines for the disposal of all obsolete and damaged assets. This policy however needs to be reviewed. Information regarding assets earmarked for disposal have already been collated and the request for approval for disposal was tabled to Council and further requests will be tabled soon looking at the state of municipal vehicles and ICT infrastructure.

5.8.1.9 Performance Management

The SCM policy requires that an Internal Monitoring System be established and implemented based on retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM Policy were achieved.

Monitoring of internal processes is an on-going process.

Procedure manuals for various SCM processes have been developed, approved and are being implemented. Monthly reporting of appeals received by aggrieved bidders are also done to measure the performance of the bid specification and bid evaluation committees.

5.8.1.10 Procurement and Contract management (2024-25)

The municipality has complied with SCM Regulation 6(2) for the 2024-25 financial year. These reports were submitted on time on a quarterly basis throughout the financial year by the Chief Financial Officer, the Accounting Officer, as well as the Executive Mayor to Council.

5.8.1.11 Procurement and Contract management - Suppliers not registered for Vat.

VAT registration numbers of suppliers are indicated on a VAT 103 form that is issued by SARS. The municipality can also confirm a VAT number that appears on an original tax clearance certificate. The unit has access to a VAT number validity function which is available on the SARS website. It is easily accessible and is currently utilized. The unit also utilises Centralise Supplier Database (CSD) for verification of supplier's vat and tax matters.

5.8.1.12 Procurement and Contract Management - Monitoring of contract not done on a Monthly basis

Contract management is the responsibility of each manager for contracts in his/her functionality area. There are two (2) officials at SCM unit who deals with contracts monitoring and reporting. The vacant funded positions with SCM were filled during the year under review. The post of SCM Manager was also filled during the financial year. The municipality reviews its Organogram to ensure that the SCM Unit is capacitated. SCM Officer positions were proposed for appointment during 2025/2026 financial year, subject to the availability of the budget.

5.9 Financial Performance

5.9.1 Revenue by Source:

The following table indicates the various types of revenue items:

Revenue Sources	2021-2022	2022-23	2023-24	2024-25
Government subsidies	31.3%	22%	23%	23%
Service charges	46.7%	52%	48%	51%
Property Rates	16.1%	16,4%	14%	15%
Interest received Investment	0.1%	1%	0,6%	0.7%
Agency services	0.8%	0,45%	0.7%	0.4%
Interest received debtors	2.4%	8%	9.2%	8.5%
Rentals of facilities	0.1%	0,04%	0.03%	0.03%
Other Revenue	2.5%	0,11%	0.3%	0.6%

5.9.2 Expenditure by Type

The following graph indicates the various types of expenditure items:

Type	2021-2022	2022-23	2023-24	2024-25
Employees cost	33%	29,34%	25%	26%
Remuneration of Councillors	1.7%	1,76%	2%	2%
Debt impairment	22.6%	26,9%	33%	29%
Depreciation	5.4%	4,7%	6%	4%
Finance Charges	1.5%	2,5%	5%	5%
Bulk purchases	20.8%	20%	17%	20%
Contracted services	7.7%	4,5%	4%	4%
Transfer & Grants	0.1%	0,2%	0%	0%
Other expenditure	7.5%	6,16%	5%	4%

6. APPENDICES A: COUNCIL

APPENDIX A: MUNICIPAL COUNCILLORS

NO.	ORG	WARD	SURNAME & NAME
1	EFF	PR	BOOYSEN MZAMO
2	EFF	PR	BUWA NOLUTHANDO MEMORA
3	ANC	10	CETU ZODWA ALFREDA
4	DA	08	CLARK CAROLYNN
5	MCF	PR	DEKE AMANDA
6	DA	04	EMBLING GEOFRE KEITH WYNSTAN
7	MCF	PR	GEELBOOI MILO DIBANISILE
8	ANC	03	HOYI ZANEKHAYA ANDILE (MAYCO)
9	DA	08	JACKSON BRIAN
10	ANC	06	JEZI VUYANI NELSON
11	DA	PR	MADYO XOLANI GLADMAN
12	MCF	PR	MANTLA ZONWABELE
13	ANC	07	MASINDA LUNGA
14	MCF	PR	MATEBESE THANDISIZWE
15	ANC	13	MATINA WANDISILE
16	ANC	PR	MATYUMZA MTHUTHUZELI (SPEAKER)

NO.	ORG	WARD	SURNAME & NAME
17	ANC	05	MENE GCOBISA BRENDA (MAYCO)
18	IND	14	VUYANI NESI
19	ANC	12	NKWENTSHA MZOBANZI (MAYCO)
20	ANC	01	PETER PHUMELELE
21	MCF	PR	SIXABA WONGEZILE LUNGISA
22	DA	PR	SIZANI LUVUYO
23	ANC	PR	VARA YANDISWA (EXECUTIVE MAYOR)
24	ANC	PR	VAYO THANDOLWETHU (MAYCO)
25	ANC	02	XONXA MPHUMZI RUMSELL (MAYCO)
26	ANC	09	YAKA THOZAMILE SYLVESTER
27	ANC	11	ZONO SAKHIWO

APPENDIX: B THIRD TIER STRUCTURE

NO.	DIRECTORATE	MANAGER (TITLE AND NAME)
1.	Corporate and Shared Services	Manager Administration: Ms P Liwani
3.		Records Manager: Ms N Xintolo
4.		Manager Human Resources: Ms Phumla Qezu
5.		Unit Manager: Alicedale: Mr GK Goliath
6.		Unit Manager Riebeeck East: Ms N Kulati
7.		Budget and Treasury Office
8.	Manager Budget and Reporting: Ms Mzolo	
9.	Manager Revenue: Vacant	
10.	SCM Manager: Vacant	
11.	Mayor and Municipal Manager's Office	Manager in Office of MM: Mr L Ngandi
12.		Internal Audit Manager: Ms G.C Mtshazi
13.		IDP/PMS Manager: Mr M Pasiya
14.		Manager office of Speaker: Ms N Santi
15.		Special Project Unit Manager: Mr S Wali
16.		Legal Manager: Ms C April
17.	Risk Manager: Mrs N Kosi	
18.	Local Development and Planning	Trade, Investment and Tourism Manager: Mr Nyembezi
19.		Agriculture Manager: Vacant
20.		Manager Planning: Ms Sinazo Jonas
21.	Public Safety and Community Services	Environmental Manager: Vacant
22.		Manager Fire Services: Mr W Welkom
23.		Manager: Abolished
24.		Manager Parks and Recreation: Vacant
25.		Operations Manager: Mr Phumzile Smile
26.		Manager Traffic & Licensing: Mr. C Hanekom
27.	Engineering and Infrastructure Services	Deputy Director Electricity distribution: Mr M Radu
28.		Manager Electricity: Mr X Bokwe
29.		Renewable Energies: Mr M Siteto

NO.	DIRECTORATE	MANAGER (TITLE AND NAME)
30.		Manager: Water & Sanitation: Mr Qwane
31.		Manager: Roads & Stormwater: Ms G, Mfeti
32.		Deputy Director: Civil Services (vacant)

APPENDIX: C MAKANA LOCAL MUNICIPALITY'S POWERS AND FUNCTIONS

NO.	POWERS AND FUNCTIONS	NO.	POWERS AND FUNCTIONS
1.	Building regulations	17.	Facilities for the accommodation, care and burial of animals
2.	Billboards and the display of advertisement in public spaces	18	Fencing and fences
3.	Cemeteries, funeral parlours and crematoria	19	Local amenities
4.	Childcare facilities	20	Local tourism
5.	Cleansing	21	Local sport facilities
6.	Control of undertakings that sell liquor to the public. Noise pollution	22	Firefighting services
7.	Licensing and control of undertakings that sell food to the public	23	Municipal airport
8.	Municipal planning	24	Municipal health services
9.	Markets	25	Municipal abattoirs (Not applicable)
10.	Municipal parks and recreation	26	Municipal roads
11.	Noise pollution	27	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 the Constitution or any other Law
12.	Storm water management	28	Trading regulations
13.	Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	29	Pounds
14.	Public places	30	Refuse removal, refuse dumps and solid waste disposal
15.	Street trading	31	Street lighting
16.	Traffic and parking	32	Municipal transport (Not applicable)

APPENDIX: D WARD COMMITTEE INFORMATION

Details of Ward Committee Members					
WARD 1			WARD 2		
No.	SURNAME & INITIALS	GENDER	No.	SURNAME & INITIALS	GENDER
1.	Vacant	F	1	Lindokuhle Thimna Mzongwana	F
2.	Maria Botha	F	2.	Bulelwa Majiza	F
3.	Dawie Roman	M	3.	Bekithemba Mabona	M

Details of Ward Committee Members					
WARD 1			WARD 2		
No.	SURNAME & INITIALS	GENDER	No.	SURNAME & INITIALS	GENDER
4.	Lindiwe Basie	F	4.	N/A	M
5.	Sandra Whitebooi	F	5.	Thembisa Mantile	F
6.	Vuyokazi Yamile	F	6.	N/A	M
7.	Nomawethu Hempe	F	7.	Zibangele Gladman Mcuba	M
8.	Candy Mentoor	F	8.	Mihlali Mzizi	M
9.	Vacant	M	9.	Malithenjwe Lubelwana	M
10	Vacant	N/A	10.	Vacant	N/A
WARD 3			WARD 4		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Simnikiwe Bunu	F	1.	Devon Waldick	M
2.	Ntombozuko Hazel Faxe	F	2.	Elizabeth Endlene Davies	F
3.	Nontle Mama	F	3.	Akhona Mantashe	F
4.	Jenine Sphere	F	4.	Alison Neville Holleman	F
5.	Amanda Habana	F	5.	Brian Fargher	M
6.	M.Simani	M	6.	Hester Magrietha Coetzee	F
7.	Nicolla Arends	F	7.	Catherine Letcher	F
8.	Khanyiswa Kiswa	F	8.	Phillipa Sauls	F
9.	Sizwe Mbunge	M	9.	Neziswa Soxujwa	F
10	Vacant	N/ A	10.	Lena May	N/A
WARD 5			WARD 6		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Zamuxolo Gladman Nesi	M	1.	Noncedo Teyi	F
2.	Lindile Christopher Kays	M	2.	Phumza Veronica Magida	F
3.	Vusumzi Sexon Gazo	M	3.	Zimkhitha Dywili	F
4.	Linda Sylvia Kom	F	4.	Ntombikayise Princess Jali	F
5.	Fundiswa Brenda Mami	F	5.	Xolani Christian Dibela	M
6.	Nomonde Gladys Kalipa	F	6.	Bulelwa Madeli	F
7.	Nokuzola Primrose Namba	F	7.	Oyama George	M
8.	Bulelwa Mgogoshe	F	8.	Ntombekhaya Ntenti	F
9.	Zwelandile Albert Madyo	M	9.	Nobuntu Noggala	F
10.	Nontsikelelo Maki	F	10.	Ayabulela Dimaza	F

WARD 7			WARD 8		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Phumzile Prince	M		Akona Gabavana	F
2.	Luvuyo Nzanzeka	M		Yolanda Niwa	F
3.	Zimasa Thame	F		Fiona Mary Semple	F
4.	Andiswa Tafane	F		Rowan Mark Engelbrecht	M
5.	Anele Ken Rala	M		Robyn Cooper	F
6.	Bongani Christopher Sam	M		Peter Lamond Knowling Sturrock	M
7.	Vukile Phillip Kelele	M		Phillippa Irvine	F
8.	Fezeka Lamani	F		Tracey Ann Arthur	F
9.	Luzuko Christian Nkupu	M		N/A	F
10.	Msindisi Sidwell Jela	M		Kimberly Chante Lindoor	F
WARD 9			WARD 10		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER

1.	Nomakula Theresa Fondini	F		Noxolo Beverly Bodla	F
2.	Nyameko Zonke	M		Thembinkosi Andrew Nkosinkulu	M
3.	Khayakazi Wendy Mbonde	F		Yoliswa Bangani	M
4.	Phumelelo Palacios Beyi	M		Ntomboxolo Lerato Ngeleza	F
5.	Zamamiya Majola	F		Nontutuzelo Thelma Mtsora	F
6.	Luyanda Ntozini	M		Ben Mpinda	M
7.	Lwando Yako	M		Gcobisa Ntanjana/Memani	F
8.	Anele Kepe	M		Ntombi Kolisi	F
9.	Lucky Elvis Ngcani	M		Nombulelo Khethani	F
10.	Libona Danster	M		Lizo Bonyongo	M
WARD 11			WARD 13		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Nkosinathi Dyaloyi	M	1.	Lumka Peli	F
2.	Nomalungelo Pati	F	2.	Melisizwe Lawu	M
3.	Nomfusi Silo	F	3.	Zolelwa Peter	F
4.	Siyabonga Dondashe	M	4.	Ntombomzi Notyawa	F
5.	Likhayeni Thandani	M	5.	Nokulunga Ngxingo	F
6.	Vuyokazi Matiwana	M	6.	Ntombikayise Ngindo	F
7.	Eunice Qwazi	F	7.	Lulama Khonze	F
8.	Mkhanyiseli Solomon	M	8.	Nandipha Lolose	F
9.	Nompilo Toyi	F	9.	Nomsa Julia Yame	F
10.	Xolani Mzileni	M	10.	Vacant	N/A
WARD 14			WARD 12		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Tembalethu Magopeni	M	1.	Vacant	N/A
2.	Phumela Primrose Kewuti	F	2.	Vacant	N/A
3.	Tamara Mboyi	F	3.	Vacant	N/A
4.	Brendon Klaase	M	4.	Vacant	N/A
5.	Clinee Bruintjies	F	5.	Vacant	N/A
6.	Nosibusiso Faxes	F	6.	Vacant	N/A
7.	Zanemvula Ntoyanto	M	7.	Vacant	N/A
8.	Neliswa James	F	8.	Vacant	N/A
9.	Bulelwa Macwili	F	9.	Vacant	N/A
10.	Vacant		10.	Vacant	N/A

ANNEXTURE A: AUDITED ANNUAL PERFORMANCE REPORT 2024-2025

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator	Baseline	Budget	Overall Performance for July 2024 to June 2025				Reasons for deviation	Corrective Measures
					Actual Expenditure	Target	Actual Performance	Status		
KPA ONE (1): BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (BSI)										
Upgrading, refurbishment and secure of Bulk Infrastructure development	BSI 1.1	Replacement of ageing asbestos pipes in Phase 3 A) in Ward 4 and 8 by 30 June 2025	82%	R 5 910 813	R5 328 569	100%	95%	Partially Achieved	The contractor experienced delays due to failing pressure testing.	Requests for extension of time has been submitted.
	BSI 1.2	Refurbishment Waainek WT W refurbishment (Cathodic) in Ward 12 by June 2025	90%	R 8 00 000	N/A	100%	0%	No Achieved	Scope of work was reduced due to non-availability of funding to complete the project.	The Project will close at status which is 90% and outstanding scope will be reprioritised
Provision of water, sanitation and electricity service to all Makana Municipality communities	BSI 1.3	Installation of 1440 new household smart water meters in ward 3,4 and 8 by 30 June 2025	0	R9 321 321	R8 481 788	1400	1540	Achieved	N/A	N/A
	BSI 1.4	Refurbishment of Belmont Valley Wastewater Treatment Works in ward 8 by 30 June 2025	70%	R10 478 779	R7 981 116	100%	98%	Partially Achieved	The contractor experienced delays due to difficulties in cleaning the digester.	Request for extension of time has been submitted.

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator	Baseline	Budget	Overall Performance for July 2024 to June 2025				Reasons for deviation	Corrective Measures
					Actual Expenditure	Target	Actual Performance	Status		
To provide safe & sustainable roads network	BSI 1.5	Replacement tar with Paving of 2 Km of surfaced municipal road in ward 6 and 9 by 30 June 2025	0	R16 948 289	R16 948 289	100%	100%	Achieved	N/A	N/A
Provision of a safe, healthy, and secure living environment	BSI 1.6	Upgrading of Oval Stadium, Lavendar Valley refurbishment in ward 3 by 30 June 2025	62%	R 2 806 000 00	R1 507 568	100%	79%	Partially Achieved	Delays in completion of the boundary wall and electrical works due to poor performance of contractor	Request for extension of time has been submitted.
Provision of water, sanitation and electricity service to all Makana Municipality communities	BSI 1.8	Appointment of two (2) contractors to rehabilitate 3 street(roads) and installation of new (4) High mast	Damages the rich life span	4 000 000	R7 251 838	Appointment of Contractors	Rehabilitation of streets - Bid Evaluation Completed. For High Mast, tender was advertised.	Not Achieved	Rehabilitation of streets - Delays in finalising the award. For High Mast - Nonresponsive bids.	Rehabilitation of streets - BAC will finalise appointment July.
	BSI 1.9	Appointment of one (1) contractor for Disaster projects to rehabilitate 3 streets	Damage due influx	R30 946 481	R2 616 368	Appointment of contractor	Tender was advertised	Not Achieved	Bids were nonresponsive	Tender will be cancelled and re-advertised

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator	Baseline	Budget	Overall Performance for July 2024 to June 2025				Reasons for deviation	Corrective Measures
					Actual Expenditure	Target	Actual Performance	Status		
	BSI 1.10	Number of households to be connected to done by 30 June 2025	No electrification	R 230 0000 Opex	R229 770	63 House to be connected	69 has been installed	Achieved	N/A	N/A
KPA TWO (2): COMMUNITY AND SOCIAL COHESION(CSC)										
Clean and Beautified the City	CSC 2.1	Report on the number of illegal Dumping eradicated and revamp by 30 June 2023	0	Opex	Opex	8	15	Overachieved	5	N/A
Provision of a safe, healthy, and secure living environment	CSC 2.3	Number of Community Road safety awareness programmes conducted	3	Opex	Opex	12	12	Achieved	N/A	N/A
	CSC 2.5	Number Community Stakeholder engagement conducted	2	Opex	Opex	8	7	Partially	No Stakeholder engagement was conducted on Quarter one	Stakeholders invited to confirm attendance
Clean and Beautified the City	CSC 2.8	Percentage of households with basic refuse removal services or better	90%	Opex	Opex	90%	ext. - 80%	Not Achieved	The department cannot recover from non-collection within 48hrs due to breakdowns	The department will ensure that all vehicles are maintained regularly and on time.

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator	Baseline	Budget	Overall Performance for July 2024 to June 2025				Reasons for deviation	Corrective Measures
					Actual Expenditure	Target	Actual Performance	Status		
Clean and Beautified the City	CSC 2.9	Percentage of refuse collection done in line with approved schedule	0	Opex	Opex	100%	ext. - 80%	Not Achieved	Refuse collection is not always collected as per schedule due to bread downs	The department will ensure that all vehicles are maintained regularly and on time.
Enhance Safety and Security initiative	CSC 2.11	Fire and Disaster Management community awareness	0	Opex	Opex	4	9	Overachieved	N/A	N/A
Provision of a safe, healthy, and secure living environment	CSC 2.15	One (1) Environmental Management plan	0	Opex	Opex	Approved Environmental Management Plan	The Environmental Management Draft Plan has been developed	Partially	The department is still engaging with another stakeholder to develop a credible plan	The department will submit the draft plan to municipal committees for approval and community engagement

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator	Baseline	Budget	Overall Performance for July 2024 to June 2025				Reasons for deviation	Corrective Measures
					Actual Expenditure	Target	Actual Performance	Status		
Provision of a safe, healthy, and secure living environment	CSC 2.16	One (1) Integrated Waste Management Plan (IWMP) Review and Approved by the 30th of June 2025	last Review 2018	Opex	Opex	Approved Integrated Waste Management Plan by Council	The IWMP was tabled on Council sat on 30 April, the plan was approved.	Achieved	N/A	N/A
Provision of a safe, healthy, and secure living environment	CSC 2.18	Management, operation, and maintenance of landfill sites by June 2025	12	R 7.9 million	R 7.9 million	12	12	Achieved	N/A	N/A
	CSC 2.19	Procuring of one Bulldozer by 30 June 2025	New indicator	R 6 7 million 23	R6 492 404	Purchase of new Bulldozer	The Bulldozer was procured in February 2025	Achieved	N/A	N/A
Provision of a safe, healthy, and secure living environment	CSC 2.20	Construction of 458m Landfill Site Block wall by 30 June 2025	New indicator	R500 000	R 7 28 778.00	Construction 458m Boundary Landfill sites	Site Establishment, the site has been established, and the project is at 60%	Achieved	N/A	N/A

KPA THREE (3): LOCAL ECONOMIC DEVELOPMENT AND PLANNING

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator	Baseline	Budget	Overall Performance for July 2024 to June 2025				Reasons for deviation	Corrective Measures
					Actual Expenditure	Target	Actual Performance	Status		
Improved stakeholder collaboration to unlock opportunities for economic growth	LED 3.1	Number of work opportunities created through EPWP	172	Operational: Municipal Running Cost	Operational: Municipal Running Cost	172	213(94 EPWP, 119 WISIG and MIG Projects)	Achieved	N/A	N/A
	LED 3.2	Number of work opportunities created through CWP	898,00	Operational: Municipal Running Cost	Operational: Municipal Running Cost	1000	800	Not Achieved	Reduction in budget	N/A
	LED 3.3	Number of work opportunities created through capital Infrastructure development investment by the 30 June 2025	194,00	Operational: Municipal Running Cost	Operational: Municipal Running Cost	214	119	Not Achieved	Some project did create job opportunities as planned	Register more projects
Provide SMMEs with access to markets	LED 3.4	Number of SMME participating in the National Arts Festival	2	Operational: Municipal Running Cost	Operational: Municipal Running Cost	8	8 stalls procured for SMMEs to trade in the NAF	Achieved	N/A	N/A

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator	Baseline	Budget	Overall Performance for July 2024 to June 2025				Reasons for deviation	Corrective Measures
					Actual Expenditure	Target	Actual Performance	Status		
Promoting and enabling environment	LED 3.9	Percentage turnaround time for processing of land use applications within 16 months in accordance with SPLUMA	0	Operational: Municipal Running Cost	Operational: Municipal Running Cost	100% (Within 16 months)	Processed land use applications within 16 months in accordance with SPLUMA	Achieved	N/A	N/A
To plan, promote investment and facilitate economic growth	LED 3.10	Approved land invasion Policy by 30 June 2025	No policy	Operational: Municipal Running Cost	Operational: Municipal Running Cost	Approved land invasion Policy	Draft Land Invasion Policy tabled to Council of 30 April 2025	Achieved	N/A	N/A
Improved stakeholder collaboration to unlock opportunities for economic growth	LED 3.11	Approved revised LED Strategy by 30 June 2025	2.19- 2020 Approve LED Strategy	Operational: Municipal Running Cost	Operational: Municipal Running Cost	Approved LED Strategy	LED Strategy Rollout Plan tabled to Council of 30 June 2025 and approved	Achieved	N/A	N/A

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator	Baseline	Budget	Overall Performance for July 2024 to June 2025				Reasons for deviation	Corrective Measures
					Actual Expenditure	Target	Actual Performance	Status		
Promote stakeholder networks for unlocking opportunities for economic growth	LED 3.10	Review of LED Forum by Council 30 June 2025	0	Operational: Municipal Running Cost	Operational: Municipal Running Cost	Approved LED Forum	LED Forum and TOR tabled to Council of 30 April 2025 for consideration	Achieved	N/A	N/A
To plan, promote investment and facilitate economic growth	LED 3.11	Review of Spatial development Framework by June 2026	2019/10/30	Operational: Municipal Running Cost	Operational: Municipal Running Cost	Approved SDF review rollout plan approved by Council	SDF Rollout Plan tabled to Council on 30 April 2025 and approved	Achieved	N/A	N/A

Ensure equitable access to housing development	BSI 1.7	Construction of 178 RDP Houses in Makhanda East	0	38 ML	R10 003 163.54	60 RDP Houses constructed	47 RDP Houses have been constructed (foundations, wall plates, roofs, plastering).	Not Achieved	J-Street, Lower Mnandi, Upper Mnandi units to be constructed were reduced due to 30 encroachments, and 36 beneficiaries are still outstanding which reduced RDP houses that could be constructed as well as delayed payment of claims.	1) For the encroachment, the project team and contractors will need to intensify the public facilitation and encourage those with temporary structures to demolish parts that are encroaching into other sites (this process will take 3 months). 2) The project will be reported in line with the completed milestones for the Project Implementation. The estimated completion of 60 RDP constructed to done by December 2026.
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Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator	Baseline	Budget	Overall Performance for July 2024 to June 2025				Reasons for deviation	Corrective Measures
					Actual Expenditure	Target	Actual Performance	Status		
KPA FOUR (4) INSTITUTIONAL CAPACITY AND ORGANISATIONAL DEVELOPMENT (ICOD)										
Effective Management of Organisational Design and policy development	ICOD 4.1	Number of reviewed organisational structures approved by council".	1	Opex	Opex	1 (Review of Organisational Structure)	The organisational Structure was table to Council 27 May 2025 for approval	Achieved	N/A	N/A
	ICOD 4.2	Report - Number of positions adjusted in line with JE outcome. (Job Evaluation)	0	Opex	Opex	4	Phase 2 Job evaluation implementation has been completed	Achieved	N/A	N/A
Ensure efficient and effective organisational support by a competent and skilled workforce	ICOD 4.3	Percentage reduction of vacancy rate	13,0%	Opex	Opex	10% (Anticipation)	13%	Not Achieved	Recruitment focuses on the filling the critical and service delivery positions due to financial constraints	N/A

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator	Baseline	Budget	Overall Performance for July 2024 to June 2025				Reasons for deviation	Corrective Measures
					Actual Expenditure	Target	Actual Performance	Status		
	ICOD 4.9	Review of Human Resources Plan by 30th June	0	Opex	Opex	1 (Revised Human Resources Plan)	HR plan was table to Council on the 25 June 2025	Achieved	N/A	N/A
Ensure efficient and effective organisational support by a competent and skilled workforce	ICOD 4.10	Number of employees wellness programmes facilities	1	Opex	Opex	4	4	Achieved	N/A	N/A
	ICOD 4.11	Reduction of overtime expenditure on month to month	R 1000 000 Monthly	Opex	Opex	Reduce by 70%	70%	Achieved	N/A	N/A
	FRP 3.3	Conduct costs analysis on employee costs	0	Opex	Opex	Completeness of employee costs per department conducted	Cost analysis was done at institutional level	Not Achieved	No cost analysis was conducted only expenditure that is produce through section 71 report done	Cost analysis will re-prioritised in the next financial year
Effective Management of Organisational Design and	ICOD 4.16	Percentage number of Human Resources policies review in line with Policy register	8	Opex	Opex	100%	Revised HR Policies were table to Council on the 25 June 2025	Achieved	N/A	N/A

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator	Baseline	Budget	Overall Performance for July 2024 to June 2025				Reasons for deviation	Corrective Measures
					Actual Expenditure	Target	Actual Performance	Status		
To create an efficient, effective and accountable	ICOD 4.19	Percentage of Municipal Vehicle that are functional	0	Opex	Opex	70%	87%	Achieved	N/A	N/A

ANNEXTURE B: ANNUAL FINANCIAL STATEMENT 2024-2025



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Makana Local Municipality
(Registration number EC104)
Annual Financial Statements
for the year ended 30 June 2024

**AUDITOR GENERAL
SOUTH AFRICA**

30 NOV 2024

ANNEXURE C: AUDIT REPORT 2024-25FY