



ETHEKWINI MUNICIPALITY

EXTRACT OF COUNCIL MINUTES: MEETING HELD ON 2026-03-31

The recommendations contained herein were unanimously adopted by Council at its meeting held on 2026-03-31:-

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: 2024/2025 OVERSIGHT REPORT

Councillor CB Dlamini, the Deputy Chairperson of Municipal Public Accounts Committee tabled the recommendations of the 2024/2025 Oversight Report as contained in the Council Agenda (2026-03-31).

**ETHEKWINI
MUNICIPALITY**

**2024/2025
OVERSIGHT REPORT**

TABLE OF CONTENTS

1.	INTRODUCTION.....
2.	BACKGROUND
3.	FUNCTIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
4.	COMPOSITION OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
5.	ANNUAL REPORT CHECKLIST.....
6.	AUDIT REPORT
7.	CONCLUSION.....
8.	ANNEXURES.....

1. INTRODUCTION

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council with regard to the Annual Report and the preparation of an Oversight Report.

Given the processes required by Council to effectively undertake its oversight role, the establishment of the MPAC of Council provides the appropriate mechanism through which Council fulfills its oversight responsibilities.

The MPAC's primary role is to consider the Annual Report, receive input from the various role players and prepare a draft Oversight Report for consideration by Council.

2. BACKGROUND

The oversight role of Council is an important component of the financial reforms, and it is achieved through the separation of roles and responsibilities between Council, the Executive (Mayor and Executive Committee) and Administration. Good governance, effective accountability, and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players.

Non-executive Councillors are required to maintain oversight of the performance of specific responsibilities and delegated powers that they have given to the Executive (Mayor/Executive Committee). In other words, in exchange for the powers in which Council has delegated to the Executive, Council retains a monitoring and oversight role ensuring that there is accountability for the performance or non-performance of the municipality.

The Municipal Finance Management Act, No.56 of 2003 (MFMA) vests in Council specific powers of approval and oversight.

- ✓ Approval of budgets.
- ✓ Approval of Budget related Policies; and
- ✓ Review of the Annual Report and adoption of the Oversight Report.

3. FUNCTIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The functions of the MPAC are to:

- ✓ Undertake a review and analysis of the Annual Report.
- ✓ Invite, receive, and consider inputs from Councillors and Portfolio Committees, on the Annual Report.
- ✓ Consider written comments received on the Annual Report from the public consultation process.
- ✓ Conduct Public Hearing(s) to allow the local community or any organs of state to make representations regarding the Annual Report.
- ✓ Receive and consider the views and comments of the Municipality's Audit and Risk Committee on the annual financial statements and the performance report.
- ✓ Preparation of the draft Oversight Report, taking into consideration the views and inputs of the public, representative(s) of the Auditor-General, organs of state, Municipality's Audit and Risk Committee and Councillors.

4. COMPOSITION OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

4.1 Membership

The Municipal Public Accounts Committee (MPAC) is a committee of Council established under Section 79A of the Municipal Structures Act, 1998.

The mayor, deputy mayor, any member of the executive committee, speaker, whip and municipal officials are not allowed to be members of the Municipal Public Accounts Committee.

The Members of eThekweni Municipality's MPAC as of 30th June 2025 were:

NO.	SURNAME	NAMES	DESIGNATION	PARTY
1.	Xuma	Thamisanqa	Chairperson	EFF
2.	Dlamini	Conrad Bongumusa	Deputy Chairperson	ANC
3.	Burne	Warren Jerome de Marigny	Member	DA
4.	Fortein	Barbara	Member	ANC
5.	Gama	Sizeni Gladness	Member	ANC
6.	Laing	Caelee	Member	DA
7.	Mkhwanazi	Brenda	Member	ANC
8.	Naidoo	Jane	Member	IFP
9.	Paruk	Ahmed Abdool Khalek	Member	Action SA
10.	Thusi	Muzikayise	Member	ANC
11.	Vacancy		Member	DA

The following changes in membership took place during the 2024/2025 financial year:

1. Councillor Paruk (Action SA) was appointed as an MPAC Member on 2024-08-29 to replace Councillor Beesley who resigned on 2024-06-14.
2. Councillor Sibisi (DA) resigned as a Councillor on 2025-04-30 resulting in one vacancy on the Committee.

4.2 Authority & Power

The MPAC is delegated the responsibility to conduct meetings and to hold public hearings to receive and hear public submissions on the Annual Report, on behalf of Council.

Timely notice of all meetings should be given and all meetings held by the MPAC must be open to the public and minutes of the meetings must be submitted to Council.

4.3 Meeting Schedule

The eThekweni Municipality's Annual Report for 2024/2025 was tabled at Council's meeting on 29th January 2026 as prescribed in terms of the Local Government: Municipal Finance Management Act 56 of 2003. It also included the reports of the municipal entities *viz.* Inkosi Albert Luthuli ICC (Pty) Ltd and Durban Marine Theme Park (Pty) Ltd. The Annual Report was referred to MPAC for preparation of the Oversight Report.

After the noting of the Annual Report by Council on 29th January 2026; the report was subsequently made available for public comments as follows:

- Advertisements were placed in the Mercury and Isolezwe on 27th January 2026, to inform the public of the availability of the Annual Report on the municipal website, Sizakala Centres and Libraries for comments/representations after tabling of the Annual Report in Council.

Stakeholders were required to make submissions using the email address: Noky.Nyasulu@durban.gov.za by 06th March 2026.

Access to the report was made available as reflected hereunder:

- Posted on the Municipal website www.durban.gov.za on 30th January 2026.
- The full Annual Report was made available via the following link: [2024-2025-draft-annual-report-tabled-29-jan-2026-2.pdf](#)
- The link to the full Annual Report and printed copies were provided to members of the Municipal Public Accounts Committee.
- Internally, through Info Info which is accessed by Municipal employees.

Social media cards were posted on social media platforms (Facebook and X). The link to access the tabled Draft Annual Report was issued to the Auditor-General, National Treasury, KwaZulu-Natal Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs (CoGTA) on 30th January 2026. A podcast on the annual report was recorded with the Director of the Monitoring, Evaluation and Advisory (MEAS) Directorate, and aired on all municipal digital platforms.

4.4 Revisions Post Tabling

The following revisions were made to the 2024/25 Annual Report after tabling the report at Full Council on 29th January 2026 as follows:

PAGE NUMBER	REVISION
198	<p>Insertion of the following:</p> <p>The Point Development remains a strategic catalytic project within the City’s long-term spatial and economic framework.</p> <p>UEM Sunrise have given firm commitment to the City that the Point precinct remains a priority and have advised that they are working closely with potential investors to implement the next phase of development following setbacks over the last few years due to lack of market appetite following economic instability, amongst which include COVID-19, floods, unrest, etc.</p> <p>The City is strongly committed to ensuring that the Point precinct is developed to its full potential as a transformative waterfront development for Durban.</p>
200	<p>Challenges:</p> <ul style="list-style-type: none">▪ Amended: “The DPDC’s lack of financial resources delayed the development and is unable to compensate Board members.” to the following: The Durban Point Waterfront Development’s lack of financial investment has delayed implementation plans and have affected the rollout of development, resulting in slower progress. <p>Mitigation:</p> <ul style="list-style-type: none">▪ Amended: “Requested approval from Council to grant the rates deferment to allow the developer to progress and become financially sustainable. Council to grant the dissolution of Board members.” to the following: A report will be submitted to Council in the new financial year on the actions to be taken to get the development off the ground.

5. ANNUAL REPORT CHECKLIST

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
<p>1. Financial Matters – Annual Financial Statements - Section 121 (3) MFMA</p>	<p>Financial reporting matters to be considered</p>	
<p>121 (3)(a) The annual financial statements (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General.</p>	<p>The AFS are to be in the form as required by the applicable accounting standards. MFMA Circular 18 with annexures, 23 June 2005, provides guidelines on the accounting standards for municipalities. <u>Have the required standards been met?</u></p>	<p>Yes See Clauses 1&2 of the AG’s Report, Page 316 of the Annual Report</p> <p>Yes See Clauses 1&2 of the AG’s Report, Page 316 of the Annual Report</p>
<p>121 (3)(a) 121 (4) 121 (4)(b)</p>	<p>The above applies also to the AFS of municipal entities.</p>	<p>Yes See Clauses 1&2 of the AG’s Report, Page 316 of the Annual Report</p>
<p>121 (3) (e) An assessment by the accounting officer on any arrears on municipal taxes and service charges, including municipal entities.</p>	<p>Has an adequate assessment been included?</p> <p>Is there sufficient explanation of the causes of the arrears and of actions to be taken to remedy the situation?</p>	<p>Yes. See Note 6, Pages 931-932 of the Annual Report.</p> <p>Management advises that during the last twelve (12) months, the debtors increased from R31,1 billion to R31.9 billion. The increase being attributable to the current economic conditions characterised by high unemployment rates and reduced income. Although collection rates have improved from previous reporting periods, there is still several consumers facing difficulties in terms of ensuring that accounts held with the municipality are paid in time. The municipality ensures that outstanding debt is collected through enforcing its credit and debt collection policy.</p> <p>We have noted that the municipality has implemented several measures to strengthen revenue collection, enhance the accuracy of debtor balances, and ensure that irrecoverable debts are addressed in accordance with approved policies and legislation. The following are the measures that will continue to be followed to improve collection of consumer debtors and reduce write-offs:</p> <ul style="list-style-type: none"> ▪ Enforcing credit-control measures such as service restrictions for persistently non-paying customers, in line with the municipality’s credit-control and debt-collection policy. ▪ Strengthening legal recovery processes, including issuing final demands and engaging external attorneys for high-value or long-outstanding accounts. ▪ Reviewing and updating the debt-write-off policy to ensure compliance with the Municipal Finance Management Act (MFMA) and applicable accounting standards.

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<p>Is any other action required to be taken?</p>	<ul style="list-style-type: none"> ▪ Ensuring that all write-offs such as those relating to insolvent and deceased estates are supported by appropriate documentation. ▪ Running public awareness campaigns to encourage payment and communicate available payment channels. ▪ Offering customer assistance programmes for indigent households, including the updating of the indigent register. ▪ Providing payment arrangements and debt-consolidation options to help customers settle outstanding amounts. <p>No further actions are proposed.</p>
<p>121 (3)(g) Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports.</p>	<p>The conclusions of the annual audit are: -</p> <ul style="list-style-type: none"> ✓ an unqualified audit opinion with or without management issues, which means that the financial statements are acceptable. ✓ The objective of the municipality should be to achieve an unqualified audit opinion. ✓ Taking into account the audit report, audit opinion and the views of the audit committee, council considered: 	<p>The Municipality achieved an unqualified audit with material findings.</p> <p>The audit outcome of the municipality has remained stagnant for the past six (six) years. The Auditor-General's reflections on the status of the implementation of prior year recommendations indicate that:</p> <ul style="list-style-type: none"> ▪ Four of the five recommendations made in 2023-24 were still in progress resulting in repeat findings in compliance with legislation and predetermined objectives. The recommendations made by the Auditor-General being: <ol style="list-style-type: none"> 1. Set the tone at the top by shifting the culture of the municipality towards compliance with laws and regulations, credible performance reporting and effective project management. This can be achieved with adequate oversight and by enforcing accountability for transgressions. 2. Ensure performance reporting is credible through regular reviews and reconciliations. Additional levels of reviews to be conducted by the performance management and internal audit units. 3. Head of performance and the Chief information officer must assess IT applications to evaluate the efficiency and effectiveness of these systems in supporting integrated and credible performance reporting. 4. Develop an action plan that focuses on the audit report and key service delivery matters. The revised plan should be reviewed by internal audit. The audit committee in reporting on progress to oversight bodies should emphasise slow or limited progress. 5. Intensify oversight over asset management through increased scrutiny of operating and capital budgets using National Treasury norms as a guide. ▪ We have noted some improvements in reporting on predetermined objectives as the compliance findings on setting of targets were resolved and there were fewer indicators with material findings in 2024-25.

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<ul style="list-style-type: none"> • To what extent does the report indicate serious or minor financial issues? • To what extent are the same issues repeated from previous audits? • Is the action proposed considered to be adequate to effectively address the issues raised in the audit report? • Has a schedule of action to be taken been included in the annual report, with appropriate due dates? 	<ul style="list-style-type: none"> ▪ Our recommendations regarding asset management which included appropriate budget alignment were not adequately addressed. The action plan did not include any mitigations for the findings on infrastructure project management reported in 2023-24. While the municipality recorded a surplus of R263 million, its financial health remains under pressure due to prolonged debt-collection periods, a high impairment rate on receivables, and delayed payments to creditors. These factors pose ongoing liquidity and compliance risks. <p>The lack of appropriate oversight and monitoring by leadership over the control environment resulted in repeat non-compliance with legislation relating to four (4) of the ten (10) scoped subject matters. These being: procurement and contract management, expenditure management, consequence management and environmental management.</p> <p>However, an improvement was noted in strategic planning and performance management in that the prior year non-compliance was addressed. We support the Auditor-General’s call to activate the accountability ecosystem to address the below root causes:</p> <ul style="list-style-type: none"> ▪ Lack of monitoring and oversight over compliance and predetermined objectives. ▪ Systemic governance and operational weaknesses over infrastructure projects and maintenance. ▪ Lack of accountability and consequences. <p>Yes. A schedule reflecting the Status of the Audit Action Plans is attached as Annexure “B” to this report.</p> <p>The Audit Report was submitted to COGTA on 30th January 2026.</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<p>Note that actions taken on audit issues are to be reported to the provincial legislature, the MEC for Cooperative Government & Traditional Affairs to report on any omissions by municipalities in addressing issues. Council should confirm that the audit report has been forwarded to the MEC.</p>	
<p>121 (3)(f) An assessment by the municipality's accounting officer of the municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget.</p>	<p>The budget of the municipality must contain measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP (MFMA s17(3)(b)).</p> <p>The accounting officer must include these objectives in the annual report and report on performance accordingly.</p> <p>Has the performance met the expectations of council and the community?</p> <p>Have the objectives been met?</p> <p>What explanations have been provided for any non-achievement?</p> <p>What was the impact on the service delivery and expenditure objectives in the budget?</p>	<p>Yes. See Appendix K: Revenue Collection Performance Appendix K(i): Revenue Collection Performance by Vote, Page 579 of the Annual Report. Appendix K(ii): Revenue Collection Performance by Source, Page 581 of the Annual Report.</p> <p>Yes The Municipality achieved a collection rate of 95% in 2024/2025.</p> <p>Yes. In terms of the National Treasury norms, a variance of 10% between the budgeted and actual amounts is considered material.</p> <p>Total revenue of R57.9 billion was received compared to a budget of R57.5 billion. Actual revenue is 101% of the overall budget, which represents a variance of 1%.</p> <p>Revenue performance exceeded expectation.</p> <p>None.</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
<p>121 (3)(i)(k) Any information as determined by the municipality, the entity or its parent municipality.</p>	<p>Review any other information that has been included in regard to the AFS.</p>	<p>None.</p>
<p>121 (3)(j) and 121 (4)(g) Recommendations of the audit committee in relation to the AFS and audit reports of the municipality and its entities.</p>	<p>Have the recommendations of the audit committee in regard to the AFS and audit reports been adequately addressed by the municipality and/or the entity?</p> <p>What actions need to be taken in terms of these recommendations?</p>	<p>Based on the processes and assurances obtained, the Audit and Risk Committee believes that the internal controls are effective in some areas; with significant areas requiring improvement having been highlighted. The Audit and Risk Committee remains concerned about the long outstanding unresolved audit findings within the Municipality.</p> <p>The Audit and Risk Committee highlighted the following areas requiring improvement:</p> <ul style="list-style-type: none"> a. Reported Irregular Expenditure is a concern, especially the increase in the last quarter. It is important for the recoverability to be assessed as well as for decisive consequence management to be implemented. The accelerated spend, especially on CAPEX in the last quarter of the year could also contribute negatively towards irregular expenditure and management should ensure better planning and spending throughout the year. Furthermore, proper proactive planning, efficient procurement processes, and transversal management and monitoring are required from all three lines of defence to ensure that this challenge is effectively dealt with and prevented. The three lines of defence being: <ul style="list-style-type: none"> 1. First Line (operational management owning risks). 2. Second Line (risk management/compliance overseeing risks). 3. Third Line (internal audit providing independent assurance). b. The Water Losses (Non-Revenue Water) remain significantly high due to ageing and deteriorating infrastructure as well as illegal connections compared to the relevant benchmarks (the norm of 15% to 30%). This exacerbates the situation because of the alarming increase in population within the Ingonyama Trust land. The Accounting Officer is encouraged to continue with diligent efforts to manage and reduce these losses. c. The rate of capital budget spending requires improvement so that there is consistent spending throughout the year enabling better monitoring and the ability to take corrective action. Improved procurement, contract management, project management and monitoring will have a positive impact hereon. d. The issue of Performance Information remains a challenge in the Municipality, and this is ventilated in the Auditor General's report which points out that several set targets were not achieved and that some which were marked as achieved did not have a credible portfolio of evidence (Refer to Item 3.1 on pages 32-34 of this report).

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
		<p>e. Material Irregularities are a cause for concern and require dedicated attention from management. The ARC recommended that a narrative be included in the Accounting Officer's Report on the activities to be taken to address material irregularities as well as the implementation dates to ensure that management are held accountable for the required activities.</p> <p>f. The steps taken by the Accounting Officer to ensure that the risk management culture is revived and that risk owners prioritise the management of risks linked to governance structures is noted. The Audit and Risk Committee advised management to consistently work on improving the risk culture in the organisation by continually demonstrating accountability and implementation of risk response plans.</p> <p>g. Lastly, the Accounting Officer and senior management of the municipality should implement consequence management on staff members who are found to be responsible for the deliberate disregard of systems of internal control.</p>
<p>2. Disclosures - Allocations received and made - Section 123-125 MFMA</p>	<p>Considerations</p>	
<p>123 (1)(a) Allocations received by and made to the municipality.</p>	<p>The report should disclose:</p> <ul style="list-style-type: none"> ✓ Details of allocations received from another organ of state in the national or provincial sphere. Details of allocations received from a municipal, entity or another municipality. ✓ Details of allocations made to any other organ of state, another municipality, or a municipal entity. ✓ Any other allocation made to the municipality under 	<p>Yes. <u>Annual Report</u> Table 54: Grant Performance: Pages 304-305 Table 55: Grants Received from Sources Other Than DORA: Page 306 Appendix L: Conditional Grants Received: Pages 582-584</p> <p><u>Annual Financial Statements</u> Note 21: Unspent Conditional Grants and Receipts): Page 965 Note 32: Government Grants and Subsidies: Pages 978-986</p> <p>Yes. See Appendix P: Declaration of Loans and Grants made by the Municipality: Pages 870-873 of the Annual Report.</p> <p>Yes. See Appendix P: Declaration of Loans and Grants made by the Municipality: Pages 870-873 of the Annual Report.</p> <p>Refer above</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<p>Section 214(1) (c) of the Constitution.</p> <p>Have these allocations been received and made?</p> <p>Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets?</p> <p>Does the audit report or does the audit committee recommend any action?</p>	<p>Yes.</p> <p>The Audit Report confirms the correctness of allocations received in terms of DORA. See Opinion: Clause 2: Page 1 of the Audit Report (Page 316 of the Annual Report)</p> <p>No. The Audit Report indicates that there are no key audit matters to be communicated. The Audit & Risk Committee did not recommend any action regarding allocations made to the municipality.</p>
<p>125 (1) Information in relation to outstanding debtors and creditors of the municipality and entities.</p>	<p>Municipalities and entities are reminded of the requirement to include, in their annual financial statements, amounts owed to them and persistently delayed beyond 30 days, by national or provincial departments and public entities.</p> <p>It is also a requirement to report on whether the municipality or entity has met its statutory commitments, including the payment of taxes, audit fees, and contributions for pension and medical aid funds.</p> <p>Council should be satisfied that –</p> <ul style="list-style-type: none"> ✓ the information has been properly disclosed. ✓ conditions of allocations have been met; and ✓ that any explanations provided are acceptable. 	<p>See Note 6: Consumer Debtors: Pages 931-932 of the Annual Report.</p> <p>Yes. See Note 20: Post Employment Benefit (Obligations) / Asset: Pages 953-964 of the Annual Report. See Note 47: Additional Disclosures in terms of MFMA: Pages 1014-1018 of the Annual Report.</p> <p>Yes.</p> <p>Yes.</p> <p>Yes.</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
<p>123 (1)(c) Information in relation to the use of allocations received.</p>	<p>Section 123 of the MFMA and MFMA guidance circular 11, require that the municipality provide information per allocation received per vote and include:</p> <ul style="list-style-type: none"> ✓ The current year and details of spending on all previous conditional grants, for the previous two financial years. Information is to be provided by vote. (For example, municipalities must report on all transfers received from provincial housing departments for housing subsidy grants for three financial years, and indicate how such funds were spent, and for what projects. <p>Information stating whether the municipality has complied with the conditions of the grants, allocations in terms of Section 214(1)(c) of the Constitution and allocations received from other than another organ of state. Where there is non-compliance, details of the reasons for non-compliance are to be provided.</p> <p>Information on whether allocations under the DORA were delayed or withheld and the reasons advanced for this.</p>	<p>Yes. Note 32: Government Grants and Subsidies: Pages 978-986 of the Annual Report.</p> <p>Yes. Note 32: Government Grants and Subsidies: Pages 978-986 of the Annual Report.</p> <p>National Treasury withheld R670m of the Public Transport Network Grant and R8m of the Neighbourhood Development Grant due to underperformance of the grants</p> <p>R122 million of the Health Grant that was delayed. The Provincial Health subsidy is a reimbursive grant where the Municipality submits claims for payment based on expenditure incurred.</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
<p>2. Disclosures in notes to AFS</p>	<p>Considerations relating to Section 124</p>	
<p>Information relating to benefits paid by municipality and entity to Councillors, directors and officials.</p>	<p>Information on the following items is to be included in the notes on the annual report and AFS: -</p> <ul style="list-style-type: none"> ✓ salaries, allowances and benefits of political office bearers, Councillors and boards of directors, whether financial or in kind. ✓ any arrears owed by individual Councillors to the municipality or entity for rates and services, which at any time were outstanding for more than 90 days, including the names of Councillors. ✓ salaries allowances and benefits of the municipal manager, CEO of a municipal entity, CFO and every senior manager. ✓ contributions for pensions and medical aid. ✓ travel, motor car, accommodation, subsistence and other allowances. ✓ housing benefits and allowances. ✓ overtime payments. ✓ loans and advances, and ✓ any other type of benefit or allowance related to staff. <p>Council should be satisfied that –</p> <ul style="list-style-type: none"> ✓ the information has been properly disclosed. ✓ conditions of allocations have been met; and ✓ that any explanations provided are acceptable. 	<p>Yes. See Note 35: Remuneration of Councillors: Pages 993-994 of the Annual Report</p> <p>Yes. See Note 46: Additional Disclosures in terms of Municipal Finance Management Act: Councillors Arrear Consumer Accounts: Pages 1016-1018 of the Annual Report.</p> <p>Yes. See Note 34: Employee Related Costs: Pages 987-993 of the Annual Report.</p> <p>See Note 34: Employee Related Costs: Page 987 of the Annual Report.</p> <p>See Note 34: Employee Related Costs: Page 987 of the Annual Report.</p> <p>See Note 34: Employee Related Costs: Page 987 of the Annual Report.</p> <p>See Note 34: Employee Related Costs: Page 987 of the Annual Report.</p> <p>N/A See Note 34: Employee Related Costs: Page 987 of the Annual Report</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
<p>3. Municipal Performance</p>	<p>Considerations</p>	
<p>The annual performance reports of the municipality and entities.</p>	<p>Section 46, MSA requires municipalities to submit a performance report reflecting the performance of the municipality and each service provider, a comparison of the performance with targets set for the previous year and measures taken to improve performance. The report must form part of the annual report.</p> <p>Questions that may be considered are –</p> <ul style="list-style-type: none"> ✓ Has the performance report been included in the annual report? ✓ Have all the performance targets set in the budgets, SDBIP, service agreements etc., been included in the report? ✓ Does the performance evaluation in the annual report compare actual performance with targets expressed in the budgets and SDBIP approved for the financial year? 	<p>Yes</p> <p>Yes</p> <p>Yes</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS																																					
	<p>In terms of key functions or services, how has each performed? E.g., have backlogs for water, sanitation, and electricity been reduced? What are the refuse collection volumes, library usage statistics etc.?</p> <ul style="list-style-type: none"> ✓ To what extent has performance achieved targets set by council? ✓ Is the council satisfied with the performance levels achieved? ✓ Is the community satisfied with performance? ✓ Has a customer satisfaction survey been undertaken and, if so, how do the results align with the annual report's contents? ✓ What were the outcomes of public consultation and public hearings. 	<table border="1"> <thead> <tr> <th>Unit</th> <th>National Norm (%)</th> <th>Actual (%)</th> <th>No. of Households with Access</th> </tr> </thead> <tbody> <tr> <td>Basic Level of Water</td> <td>92</td> <td>79.26%</td> <td>983,422</td> </tr> <tr> <td>Basic Level of Sanitation</td> <td>100</td> <td>71.36%</td> <td>885,451</td> </tr> <tr> <td>Basic Level of Electricity</td> <td>92</td> <td>68.68%</td> <td>756,102</td> </tr> <tr> <td>Basic Level of Solid Waste Removal</td> <td>100</td> <td>100%</td> <td>1,240,807</td> </tr> <tr> <td>Basic Water delivery to Indigent Households</td> <td>100</td> <td>68.13%</td> <td>630,565</td> </tr> <tr> <td>Basic Sanitation delivery to Indigent Households</td> <td>100</td> <td>54.20%</td> <td>501,607</td> </tr> <tr> <td>Basic Electricity delivery to Indigent Households</td> <td>100</td> <td>35.64%</td> <td>329,544</td> </tr> <tr> <td>Refuse Removal service to Indigent Households</td> <td>100</td> <td>95%</td> <td>880,389</td> </tr> </tbody> </table>	Unit	National Norm (%)	Actual (%)	No. of Households with Access	Basic Level of Water	92	79.26%	983,422	Basic Level of Sanitation	100	71.36%	885,451	Basic Level of Electricity	92	68.68%	756,102	Basic Level of Solid Waste Removal	100	100%	1,240,807	Basic Water delivery to Indigent Households	100	68.13%	630,565	Basic Sanitation delivery to Indigent Households	100	54.20%	501,607	Basic Electricity delivery to Indigent Households	100	35.64%	329,544	Refuse Removal service to Indigent Households	100	95%	880,389	<p>71.53% of the key performance indicators for basic service delivery were achieved.</p> <p>No</p> <p>No. This is evident in the number of protests across the Municipality.</p> <p>No Quality of Life Survey was undertaken for 2024/2025 financial year, as the survey is undertaken every two years.</p> <p>Refer to Annexure "A" to this report.</p> <p>Various interventions have been proposed by management to improve performance.</p>
Unit	National Norm (%)	Actual (%)	No. of Households with Access																																				
Basic Level of Water	92	79.26%	983,422																																				
Basic Level of Sanitation	100	71.36%	885,451																																				
Basic Level of Electricity	92	68.68%	756,102																																				
Basic Level of Solid Waste Removal	100	100%	1,240,807																																				
Basic Water delivery to Indigent Households	100	68.13%	630,565																																				
Basic Sanitation delivery to Indigent Households	100	54.20%	501,607																																				
Basic Electricity delivery to Indigent Households	100	35.64%	329,544																																				
Refuse Removal service to Indigent Households	100	95%	880,389																																				

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<p>✓ What actions have been taken and planned to improve performance?</p> <p>✓ Is the council satisfied with actions to improve performance?</p> <p>✓ Did the targets set in the budgets, SDBIP agree with the targets set in the performance contracts of the municipal manager and each senior manager?</p> <p>✓ Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes?</p> <p>✓ Taking into account the audit report and opinion and the views of the audit committee, is performance considered to be efficient and effective?</p> <p>✓ To what extent have actions planned for the previous year been carried over to the financial year reported upon?</p>	<p>No</p> <p>No</p> <p>No</p> <p>No. There has been an overall improvement in the quality of the annual performance report (after audit adjustments). 85% of the targets had no findings and 15% had findings. In 2023/2024, 66% of the targets had no findings and 34% had findings.</p> <p>The Auditor-General found that:</p> <ul style="list-style-type: none"> ▪ Actual achievements did not align with the reported results for certain indicators. ▪ Reported performance achievements for some indicators were not adequately supported by evidence. ▪ There was no reporting on eight indicators in the year due to lack of systems to reliably report on these indicators. <p>The Municipality achieved 87.27% of the planned targets for the year against a budget spend of 96% in the selected plan, Plan 3: Create a Quality Living Environment.</p> <p>The Audit and Risk Committee has urged management to commit to the resolution of previously reported performance management findings. The alignment of the results from KPIs with what the citizens can attest to as service delivery remains a challenge for the City. The committee remains concerned about the performance targets that do not meet the SMART principles which require that all targets be Specific, Measurable, Attainable, Realistic and Time-bound.</p> <p>No actions have been carried over.</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<p>✓ Have any actions planned in the reported year been carried over to the current or future years? If so, are any explanations been provided by the municipal manager and are these satisfactory?</p>	<p>No actions have been carried over.</p>
<p>Audit reports on performance.</p>	<p>Section 45, MSA requires that the Auditor-General must audit the results of performance measurements, as part of the internal auditing processes and annually.</p> <p>Have the recommendations of internal audit been acted on during the financial year?</p> <p>Have recommendations by internal audit and/or the auditor-general been included in action plans to improve performance in the following year?</p>	<p>Some recommendations have been acted on. Others remain in progress while others are still outstanding.</p> <p>Yes</p>
<p>Performance of municipal entities and municipal service providers.</p>	<p>The annual report of the municipality should provide an assessment of the performance of the municipal entities and all contracted service providers. This is in addition to the separate annual reports of the entities. The report should evaluate the effectiveness of these services and whether alternative mechanisms should be considered.</p> <p>Is the council satisfied with the evaluation and conclusions of the municipality?</p>	<p>The assessment of contracted service providers is included in the annual report. See Appendix I: Review of External Service Provider Performance: Pages 570-575 of the Annual Report.</p> <p>No</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<p>What other actions are considered necessary to be taken by the accounting officer?</p>	<p>a. Assessments must be undertaken and reported timeously by Directorates to enable the proper analysis of performance. b. The Business Support Directorate should urgently intervene in instances when suppliers underperform. c. Social issues negatively affecting the performance of projects should be addressed. d. Contractors should be assisted on how to address their cash flow challenges. e. Service providers that default on their contracts should be blacklisted. f. Insourcing of core functions.</p>
<p>4. General information</p>	<p>The following general information is required to be disclosed in the annual report.</p>	
<p>Relevant information on municipal entities.</p>	<p>The municipality should disclose all information relating to the municipal entities under the sole or effective control of the municipality.</p> <p>Information to be disclosed includes names and types of entities, members of the board, addresses, and contact details for entities, the purpose of the entity, the functions, and services provided the type and term of service level agreements with the entities.</p>	<p>Yes. Durban Marine Theme Park. See Pages 248- 257 of the Annual Report. Durban International Convention Centre. See Pages 258-260 of the Annual Report</p>
<p>The use of any donor funding support.</p>	<p>What donor funding has the municipality received?</p> <ul style="list-style-type: none"> ✓ Have the purposes and the management agreements for the funding been properly agreed upon? ✓ Have the funds been used in accordance with agreements? ✓ Have the objectives been achieved? ✓ Has the use of funds been effective in improving services to the community? 	<p>Various. See Note 32: Government Grants and Subsidies: Pages 978-986 of the Annual Financial Statements.</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<p>✓ What actions need to be taken to improve utilisation of the funds?</p>	<p>None</p>
<p>Agreements, contracts and projects under Private-Public-Partnerships.</p>	<p>Information similar to the details of municipal entities should be provided. Council should ensure that all details have been supplied.</p>	<p>The Informal Economy Support Programme (IESP), established in 2013, supports micro- and informal enterprises (MIEs) in eThekweni. Phase 3 was concluded in 2024/25 with strong public-private partnerships, with key partners including the Jobs Fund, Industrial Development Corporation (IDC), Project Preparation Trust (PPT), Department of Small Business Development and Department of Economic Development, Tourism and Environmental Affairs.</p> <p>Santam assisted in the creation of the updated Level 2 Disaster Risk and Response Management Plan: "Plan that focuses on establishing processes for a comprehensive disaster risk assessment, identifying and establishing formal consultative mechanisms for development of disaster risk reduction projects and introducing supportive information management and communication system and emergency communications capabilities"</p> <p>Santam also assisted with workshops for Stakeholders, Ward Councillors and Traditional Leaders on the adopted Level 2 Plan.</p>
<p>Service delivery performance on key services provided.</p>	<p>This may be a high-level summary, in addition to detailed information on performance, which sets out overall performance under the strategic objectives of the municipality. Overall results on the strategic functions and services should be summarized. This should cover all services whether provided by the municipality, entities or external mechanisms.</p>	<p>See Service Delivery & Budget Implementation Plan: Pages 1075-1114 of the Annual Report.</p>
<p>Information on long-term contracts.</p>	<p>Details of all long-term contracts including levels of liability to the municipality should be included.</p>	<p>Not disclosed However, Appendix H reflects the Top 20 Highest Contracts: Pages 565-569 of the Annual Report</p>
<p>Information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations.</p>	<p>Details of significant IT activities should be outlined indicating the effectiveness of the IT projects and the quality of IT services.</p>	<p>Various IT projects are listed in Appendix F: Ward Information – Ward Reporting 2024/25. Refer to pages 393-554 of the Annual Report.</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<p>Council should consider how effectively the IT services support and facilitate performance of the municipality and whether value for money has been obtained.</p> <p>Details of any future IT proposals should be summarized. Council should comment and draw conclusions on the information provided.</p>	
<p>Capital plan for addressing infrastructure backlogs</p>	<p>A summary of the long-term capital plans and how these address the backlogs of services in the municipality should be provided.</p> <p>This should include details of types and scale of backlogs, projected cost implications, strategies to address the backlogs and plans proposed and/or approved. The summary here should cross reference to the performance reports in the annual report and also will be highlighted in the coming budgets.</p> <p>Council should consider whether the plans appropriately address the backlogs and are consistent with the strategic policy directions of council and needs of the community.</p>	<p>Not disclosed at this stage.</p>
<p>5. Other considerations recommended</p>		
<p>Timing of reports.</p>	<p>Was the report tabled in the time prescribed?</p>	<p>Yes.</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS																
Oversight committee or other mechanism.	What mechanisms have been put in place to prepare the oversight report?	The Municipal Public Accounts Committee was delegated the responsibility of preparing the oversight report.																
Payment of performance bonuses to municipal officials.	<p>Refer to Section 57 MSA as amended. Bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal council. Preferably such evaluation should be considered along with the annual report. The basis upon which performance is evaluated for payment of bonuses should be reconciled with the municipal performance reported in the annual report.</p> <p>Have bonuses been paid based on achievements of agreed outputs and after consideration of the annual report by council?</p>	<p>Performance bonuses for the year under review have not yet been paid to any Section 57 Manager.</p> <p>Performance will be assessed based on achievements of agreed outputs and will only be paid after the adoption of the Oversight Report where applicable, subject to affordability.</p>																
Public Consultative meetings: Organisations identified, consulted and feedback documented	Needs to be noted and should be included in the annual report	<p>Meetings to engage stakeholders on the Annual Report were scheduled as follows:</p> <table border="1" data-bbox="1025 1070 1960 1469"> <thead> <tr> <th>DATE</th> <th>STAKEHOLDER</th> <th>TIME</th> <th>VENUE</th> </tr> </thead> <tbody> <tr> <td>Amakhosi</td> <td>05th February 2026</td> <td>10h00</td> <td>Pinetown Civic Centre (Committee Room 1)</td> </tr> <tr> <td>People With Disabilities</td> <td>14th February 2026</td> <td>10h00</td> <td>Amanzimtoti Community Hall</td> </tr> <tr> <td>Ward Committees</td> <td>21st February 2026</td> <td>10h00</td> <td>Durban City Hall (Luthuli Hall)</td> </tr> </tbody> </table>	DATE	STAKEHOLDER	TIME	VENUE	Amakhosi	05 th February 2026	10h00	Pinetown Civic Centre (Committee Room 1)	People With Disabilities	14 th February 2026	10h00	Amanzimtoti Community Hall	Ward Committees	21 st February 2026	10h00	Durban City Hall (Luthuli Hall)
DATE	STAKEHOLDER	TIME	VENUE															
Amakhosi	05 th February 2026	10h00	Pinetown Civic Centre (Committee Room 1)															
People With Disabilities	14 th February 2026	10h00	Amanzimtoti Community Hall															
Ward Committees	21 st February 2026	10h00	Durban City Hall (Luthuli Hall)															

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS			
	Feedback	Public / opinion makers, Civil Society (including landowners associations, ratepayers' associations and faith based organisations)	24 th February 2026	09h00	Pinetown Civic Centre (Main Hall)
		Community Media Forum	27 th February 2026	10h00	Durban Botanic Gardens
		Formal Business (Durban Chamber of Commerce and Industry) including Academia and Professional bodies	04 th March 2026	14h00	Virtual – MS Teams
Annual report distribution points and feedback documented	Distribution points. Feedback	<p>The issues raised during the engagements are reflected in Annexure “A” to this report.</p> <p>The Annual Report was posted on the Municipality’s website and a link sent to all Councillors. It was also distributed internally through Info Info which is accessed by employees.</p> <p>The public participation process for the 2024/25 Annual Report highlighted a clear appreciation for the Municipality’s financial stability and unqualified audit outcome, while raising strong concerns about the gap between reported performance and lived community realities across water supply, electricity reliability, road and stormwater infrastructure, housing delivery, sewerage failures, and burial space shortages.</p> <p>Stakeholders consistently called for improved turnaround times, stronger consequence management, enhanced transparency, better communication (especially in isiZulu), accountability of councillors, inclusion of traditional leaders in rural projects, and strengthened safety measures for staff in high-risk areas.</p> <p>Key issues such as tanker corruption allegations, incomplete housing projects, deteriorating infrastructure, high levels of non-revenue water and electricity losses, and delayed catalytic projects featured prominently, alongside strong stakeholder recommendations for digital service improvements, ward-level dashboards, and more inclusive, citizen-centred governance.</p> <p>The questions and comments received from the attendees for each of these meetings and external inputs from the public are detailed in Annexure “A” to this report.</p>			

6. AUDIT REPORT

1. SIGNIFICANT UNCERTAINTIES

As disclosed in note 44 to the consolidated and separate financial statements, various legal claims were lodged against the municipality. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the consolidated and separate financial statements.

In our engagement with Management, we were advised that it is difficult to make any firm commitments for such claims, as the Municipality is the defendant in these matters and not the driver of the litigation processes. Furthermore, these matters take long to finalise because of the congestion of the courts' trial rolls.

We have noted that contingent liabilities are reviewed annually to ensure that they are appropriately accounted for and disclosed in the interim and annual financial statements. We further noted that the disclosed contingencies do not have a material impact on the Municipality's ability to operate as a going concern. We are advised that the Municipality has sufficient reserves to ensure that any arising debt obligations are paid when due.

As we believe that the root cause of legal claims should be determined and mitigated,

COMMITTEE RECOMMENDS:

That, biannually, the City Manager investigate the factors that contribute to legal claims against the Municipality and ensure that the necessary mitigation measures are instituted to minimise such claims.

ADOPTED.

2. MATERIAL DEBT IMPAIRMENTS, LOSSES, AND WRITE-OFFS

2.1 Material Debt Impairments

As disclosed in note 6 to the consolidated and separate financial statements, the group recognised provision for debt impairments of R24,43 billion (2023-24: R19,45 billion) on consumer debtors, as the recoverability of these amounts was doubtful.

Management attributes the continuing increase in debtors to the following factors which impact customers' ability to pay their debt and/or pay debt timeously:

- Declining state of the economy and rising unemployment
- Increasing tariffs and property values
- Unaffordability due to low income or loss of income
- Impact of the back charge of the six (6) kilo litres of water
- Poor indigent support management processes and low number of registered indigents

While the Audit and Risk Committee acknowledges the tough economic climate, it points out that debt collection is critical for the liquidity and sustainability of the Municipality. The Committee pointed out that Internal Audit had noted a decline in the debtors' collection period ratio of 111 days (2023 - 2024: 108 days) in the current financial year, as compared to the similar period of the previous financial year. The ratio remains below the norm of 45 days as prescribed by National Treasury.

We have noted the short-term and long-term debt collection and reduction strategies which include targeted collection by customer group, meetings with key stakeholders such as government departments, businesses, parastatals and bulk users.

In addition, we noted that a panel of eight (8) debt collectors was appointed in November 2023 to curb the escalation of debt.

Management advises that it has further adopted a comprehensive multi-year Debt Recovery and Impairment Strategy to strengthen the Municipality's credit management environment.

Having noted progress made to recover debt owed to the Municipality

COMMITTEE RECOMMENDS:

- 2.1.1 That the Chief Financial Officer continue to implement measures to reduce the debt owed to the Municipality and to expedite the finalisation of the Indigent Register.
- 2.1.2 That the Chief Financial Officer ensure that the Indigent Policy is reviewed by 30th June 2026 and that the Indigent Support Office is incrementally capacitated; with full capacitation being reached by no later than 30th June 2028.
- 2.1.3 That the Chief Financial Officer ensure that all billing disputes and queries are resolved speedily as failure to attend to such matters expeditiously contributes to the increase of debt owed to the Municipality.

ADOPTED.

2.2 Material Write-Offs

As disclosed in note 52 to the consolidated and separate financial statements, the municipality wrote off bad debts of R1,40 billion (2023-24: R0,41 billion) due to a council decision to write-off monies owed by insolvent and deceased estates.

We note that the significant increase in the amount written off was the need to cleanse the debtor's book of long outstanding debt deemed irrecoverable due to insolvency and deceased estate confirmations.

Management advises of the strategic intervention that it says will prevent future escalation of write-offs and strengthen the municipality's debt management and recovery framework. This being the review and update of the Credit Control and Debt Collection Policy to:

- Clearly define procedures for debt associated with deceased and insolvent estates.
- Introduce timelines for escalation to legal recovery before deeming debt irrecoverable.
- Strengthen documentation requirements before write-offs.

Therefore

COMMITTEE RECOMMENDS:

That the Chief Financial Officer ensure that the recoverability of debt is thoroughly investigated and pursued prior to it being determined as irrecoverable and therefore requiring write-off.

ADOPTED.

2.3 Material Water Losses

As disclosed in note 52 to the consolidated and separate financial statements, material water losses of 676 636 kl/day (2023-24: 622 743 kl/day) were incurred by the municipality, which resulted in losses of R2,91 billion (2023-24: R2 billion). These losses arose mainly from ageing and deteriorating infrastructure, uncontrolled, unplanned rapid rural expansion and illegal connections.

Management advises that the following short-term interventions are being implemented through performance-based contracts to arrest the water losses:

- Targeted meter installation and backlog eradication.
- Increase meter reading productivity.
- Increase resources for maintenance to reduce backlog in resolution of reported incidents.
- Implement incentivized program manager for configuring and optimizing water system.
- Implement water conservation and awareness.
- Domestic household leak repair for indigents – repairing leaks after the meter inside dwellings of the consumers.

In addition, we are advised that the following medium to long-term Non Revenue Water (NRW) programmes will also need to be implemented to reduce the losses:

- Performance based NRW reduction project for the PINK area.
- Incentivized Program manager for Professional Services for NRW reduction initiatives to cover all systems.
- Performance based meter installation and replacement programme.
- Increasing capital investment in maintenance and renewal of our assets – pipe replacement programme.
- Active leak detection and repair programme.
- Increasing institutional capability through a Performance-based management contract for a ring-fenced autonomous water utility.
- Undertake research and development to introduce new technologies and AI (Artificial Intelligence) driven solutions to enhance operation of the network in future.
- Develop business intelligence capability for water networks and billing through the NRW nerve centre.

The Audit and Risk Committee (ARC) noted that Water Losses (Non-Revenue Water) remain significantly high due to ageing and deteriorating infrastructure as well as illegal connections compared to the relevant benchmarks (the norm of 15% to 30%). This, it says, exacerbates the situation because of the alarming increase in the population within the Ingonyama Trust land. The ARC further encourages the Accounting Officer to continue with diligent efforts to manage and reduce these losses.

Therefore

COMMITTEE RECOMMENDS:

That the Director: Water Services expedite the implementation of measures that will speedily reduce water losses.

ADOPTED.

2.4 Material Electricity Losses

As disclosed in note 52 to the consolidated and separate financial statements, material electricity losses of 1,11 billion kilowatt hours (2023-24: 1,12 billion kilowatt hours) were incurred by the municipality, which resulted in losses of R1,91 billion (2023-24: R1,72 billion). These losses equate to 11.23% of the purchases from Eskom.

We have noted that the losses are attributed to distribution losses which are said to be primarily influenced by the efficiency of the installed equipment as well as illegal connections.

Management advises that the reduction of technical losses is limited and is dependent on the configuration and size of the electrical grid as well as the quantities of energy transmitted at any given time. While technical losses are inevitable, the following measures are critical to reduce technical losses:

- Use of low loss equipment and optimal network configuration
- Effective maintenance of network infrastructure
- Efficient network loading

We have been advised by Management that the ability to reduce non-technical losses is limited and dependent on both technical and socio-economic interventions. However, the following mitigation measures are being implemented by the Directorate:

- Meter sweep of illegally bypassed meters
- Disconnection of illegal connections
- Efficient credit control disconnections
- Sweep of unregistered connections
- Installation of protective enclosures
- Business and industrial customer audits

While we note that the reduction of non-technical losses is said to be limited

COMMITTEE RECOMMENDS:

That in order to reduce non-technical electricity losses, the Director: Energy Management expedite:

1. The replacement of aged and non-functional meters.
2. The roll-out of pre-paid meters.
3. The electrification of informal settlements.

ADOPTED.

3. MATERIAL FINDINGS ON THE REPORTED PERFORMANCE INFORMATION

The plan selected for audit by the Auditor General was Plan 3: Create a Quality Living Environment, a plan that measures the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

The material findings on the reported performance information for the selected plan are as follows:

3.1 Inadequate Supporting Evidence

The Auditor-General could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator description	Target	Reported achievement
Infrastructure leakage index (Water)	8,2 infrastructure leakage index by 30 June 2025	11,3
Percentage of wastewater treatment capacity unused (WS4.31)	30% or less unused wastewater treatment capacity	56,12%

Management advises that the following measures have been taken to address the finding of the submission of inadequate supporting evidence for auditing:

Infrastructure leakage index (Water)

The Technical Indicator Descriptions documents (TIDs) and Standard Operating Procedures (SOPs) that are guiding the measurement and reporting of this KPI have been reviewed. This intervention can only be tested or assessed during quarter two verification and audit of performance information.

In addition, the corrected TIDs to be used for reporting on Q2 performance. Furthermore, all input data to be used in calculating Non-Revenue Water to be updated with credible latest information (e.g. unmetered consumption, illegal connection) before end of February 2026.

Percentage of wastewater treatment capacity unused (WS4.31)

The finding relating to this KPI was as caused by different interpretation and/or misinterpretation of the KPI and what it seeks to measure. As a result, the target was incorrectly set. In addressing this, management engaged with National Treasury through the Technical Working Group where all Metros are participating, during these engagements' clarity was provided and the target has since been corrected in the current SDBIP.

Furthermore, to the above, the Technical Indicator Description documents (TIDs) have been reviewed to ascertain the correct interpretation which will then translate into proper setting of target and accurate reporting.

3.1.2 The number of fully subsidised housing units allocated

An achievement of 1 985 was reported against a target of 1 977. However, the audit evidence did not support this achievement. The Auditor-General could not determine the actual achievement but estimated it to be materially less than reported. Consequently, it was likely that the achievement against the target was lower than reported.

Management advises that the Technical Indicator Description documents (TIDs) and KPI definition were reviewed and improved in December 2025 to ensure that they are clear on the type of evidence required and the source of evidence. These changes will be tested during the quarter 2 verification and audit.

- 3.1.3 Percentage of reported pothole complaints resolved within standard municipal response time
 An achievement of 54% was reported against a target of 40%. However, the audit evidence did not support this achievement. The Auditor-General could not determine the actual achievement but estimated it to be materially less than reported. Consequently, it was likely that the achievement against the target was lower than reported.

A call was logged with the Information Management Unit (IMU) to address the system faults and/or challenges. The system developer attended to the matter and positive feedback was given to the relevant department. Some of other corrective measures that have been taken by the management include:

An Integrity report will be designed (by the consultants) and generated on daily basis by the department's system support officer. This report will check for any works orders created lacking the number of days tracker, then a program will be run to rectify same.

Matter is in progress with each Regional Manager closely monitoring with exception reports being generated on a weekly basis for tracking, verification and rectifying purposes.

Training for relevant staff will be conducted; this will include enforcement of department circular number 95 and organising amendment to same.

COMMITTEE RECOMMENDS:

That all Directors ensure that the required supporting evidence is submitted for the monthly, quarterly and annual performance information reporting; with consequence management measures being instituted against those officials that fail to provide the required evidence to support the achievement of performance targets.

ADOPTED.

- 3.2 Non-Achievement of Planned Targets
 The Auditor-General reported that only 87.27% of the planned targets for the year in the selected objective, Create a Quality Living Environment (Plan 3) were achieved.

The planned targets for following key service delivery indicators were not achieved:

<i>Targets achieved: 87,27%</i> <i>Budget spent: 96%</i>		
Key indicator not achieved	Planned target	Reported achievement
The % of non-revenue water loss.	53,20% non-revenue water loss by 30 June 2025.	58,70%
Infrastructure leakage index (Water)	8,2 infrastructure leakage index by 30 June 2025.	11,3
% of water demand driven new water connections meeting minimum standards	100% of water demand driven new water connections meeting minimum standards for 2024-25 financial year.	88,21%
Percentage of wastewater treatment capacity unused	30% or less unused wastewater treatment capacity.	56,12%

Actions being taken to address other planned targets that were not achieved

Management advises that they are exploring strategies that will improve the alignment between spending and performance results. These include the Mid-year adjustment discussions where targets set are discussed in line with budget of departments.

The Audit & Risk Committee notes that the issue of performance information remains a challenge in the Municipality as ventilated in the Auditor General's report which indicates that some targets were not achieved and some targets which were reflected as achieved did not have a credible portfolio of evidence.

We also remain concerned that management fails to achieve indicators for services that are delivered to customers.

Therefore

COMMITTEE RECOMMENDS:

That all Directors ensure that the targets included in the Service Delivery & Budget Implementation Plan are specific, measurable, achievable, relevant and timebound; with consequence management measures being instituted against those officials that fail to achieve their performance targets.

ADOPTED.

3.3 Material Misstatements

The Auditor-General identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Plan 3: Creating a quality living environment. Management did not correct the misstatements, so the Auditor-General reported material findings in this regard.

We had an engagement with Management during they provided reasons for the misstatements as well as the measures that they have taken to improve performance.

In order to mitigate a recurrence of this finding

COMMITTEE RECOMMENDS:

That the Director: Monitoring, Evaluation & Advisory Services and the Chief Audit Executive be provided with all the required resources to ensure that the credibility of the performance information report is thoroughly verified and audited prior to its submission to the Auditor-General.

ADOPTED.

4. NON-COMPLIANCE WITH LAWS AND REGULATIONS

4.1 PROCUREMENT AND CONTRACT MANAGEMENT

We have reviewed the Auditor General's findings with regard to procurement and contract management as well as the action plans that management has developed to address the findings. These are outlined below:

4.1.1 Contravention of SCM Regulation 36(1)

Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).

4.1.2 Contravention of SCM Regulation 46(2)(e)

Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e) and the code of conduct for staff members issued in terms of the MSA.

4.1.3 Contravention of SCM Regulation 46(2)(f)

SCM officials / other SCM role players whose close family members and associates had a private or business interest in contracts awarded by the municipality participated in the process relating to that contract, in contravention of SCM Regulation 46(2)(f).

Actions being taken to improve procurement and contract management

- a. All false declarations highlighted by the auditors have been referred to CIIU for further scrutiny and appropriate action.
- b. The Supplier Self Service System (SSS) and the tender management module will integrate the declarations of interest by employees to detect related parties during the procurement process.
- c. Deviations guidelines have been developed to guide units in the use of S36. Proactive procurement planning has been initiated to ensure budgets are implemented and monitored in line with the set procurement plans and budgets.

We will monitor the effectiveness of these remedial actions.

Consequently

COMMITTEE RECOMMENDS:

That it be noted that the Municipal Public Accounts Committee will monitor the effectiveness of the remedial actions instituted by Management to address the Procurement and Contract Management findings.

ADOPTED.

4.2 EXPENDITURE MANAGEMENT

The Auditor General made two findings regarding the Management of Expenditure. We have reviewed these findings as well as the remedial action being undertaken by Management.

These are outlined below:

4.2.1 Payments not made within 30 days

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

Actions being taken to ensure that payments are made within 30 days

- a. Payments are approved when all appropriate and accurate documentation is received, the payment documentation is compliant with all internal policies and processes, and the goods and services received are validated by the authorised officials. These controls are in place to ensure that payments are effected for valid and accurate invoices.

- b. The online invoice payment system is part of the MSCOA road map and is anticipated to be implemented by June 2026. The on-line payment process will assist with tracking invoices and all approvals, thus ensuring that payments are processed timeously in accordance with Section 65(2)(e) of the MFMA.
- c. In the interim period, monthly meetings are held with line departments that have the largest number of payments that have not been paid within 30 days from the date of receipt of the invoice, to identify the root cause for the delays and resolving same.
- d. Suppliers are now required to provide Accounts Payable with statements to support all invoices submitted for payment. This will assist identifying invoices not yet submitted for payment by line departments.
- e. Processes are improved with respect to contract management with the implementation of the automated contract management system.
- f. In addition to the above implemented controls, payments made within 30 days of receiving the invoices, is a mandatory KPI in the IPP's of the Executive Directors, Directors and Deputy Heads.

4.2.2 Irregular Expenditure

Reasonable steps were not taken to prevent irregular expenditure amounting to R4,48 billion as disclosed in note 53 to the separate financial statements, as required by Section 62(1)(d) of the MFMA.

Actions being taken to prevent irregular expenditure

Upgrades, development and integration of automated key business processes are underway such as procurement planning, acquisitions processes, online invoicing, contract management, contractor performance assessment and project management. Controls will be enhanced to prevent potential irregular expenditure from poor contract management and further poor procurement planning.

We will monitor the effectiveness of these remedial actions.

Consequently

COMMITTEE RECOMMENDS:

That it be noted that the Municipal Public Accounts Committee will monitor the effectiveness of the remedial actions instituted by Management to address the Expenditure Management findings.

ADOPTED.

4.3 CONSEQUENCE MANAGEMENT

The Auditor-General found that some of the irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by Section 32(2)(b) of the MFMA.

We have scheduled special meetings to ensure that we address unauthorised, irregular, fruitless & wasteful (UIFW) expenditure as prescribed by the MFMA. However, our progress has been hampered by the non-submission of reports by management and the poor quality of reports which caused the deferral of matters.

We have developed a programme to process all outstanding UIFW expenditure by 30th June 2026.

Therefore

COMMITTEE RECOMMENDS:

- 4.3.1 That the Executive Director: Corporate Services ensure that the Consequence Management Policy is submitted for approval by Council no later than 30th June 2026.
- 4.3.2 That the City Manager instruct Executive Directors to ensure that all their directorates that have incurred unauthorised, irregular, fruitless & wasteful expenditure have reported such expenditure to the Municipal Public Accounts Committee for investigation as required by Section 32 of the MFMA.
- 4.3.3 That the City Manager assess the functionality and effectiveness of the Financial Misconduct Disciplinary Board and ensure that it receives the required support to enable accountability and enforcement of consequence management.

ADOPTED.

4.4 ENVIRONMENTAL MANAGEMENT

The Auditor-General has found that the Kingsburgh, Magabeni, Umkomaas, Mpumalanga wastewater treatment works did not have valid operating licences, as required by Section 22(1)(b) of the National Water Act 36 of 1998 (NWA).

This is a repeat finding as the issue of invalid operating licences was raised by the AG in the two previous audits.

We have noted management's undertaking to establish a task team led by the Executive Director: Operations to oversee the project that will ensure that all water use licence applications are submitted.

Having noted the slow progress in addressing this repeat material finding

COMMITTEE RECOMMENDS:

That the City Manager ensure that the finalisation of Water Use Licence applications for the remaining wastewater treatment works is prioritised and that the Executive Director: Operations Management provide monthly progress reports to the Municipal Public Accounts Committee in this regard.

ADOPTED.

5. INTERNAL CONTROL DEFICIENCIES

The Auditor-General has identified significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation. The deficiencies were caused by weaknesses in the overall control environment, which the accounting officer and senior management are responsible for.

The Auditor-General found that the overall control environment had not shown improvement in areas of leadership and performance management. In addition, limited progress in addressing matters that were reported in the prior year audit report was noted. A lack of sufficient oversight and monitoring has further resulted in transgressions and non-compliance, ineffective action plans and poor record keeping systems.

The internal control deficiencies have persisted because:

- The accounting officer has not implemented recommendations relating to monitoring and oversight of compliance, resulting in multiple repeat transgressions on compliance with laws and regulations, significantly increased irregular expenditure and slow implementation of consequence management.
- The accounting officer has not implemented effective performance management over senior leadership, to ensure that repeat findings on performance reporting and compliance deviations are addressed timeously.

We have noted Senior Management's commitment to achieving a clean audit and ensuring that the following measures are put in place to strengthen the internal control environment:

- a. Strong tone set at the top to instil a culture of compliance, credible performance reporting, and accountability.
- b. Implement adequate oversight mechanisms to enforce compliance with legislation and project management standards.
- c. Establish clear accountability measures to address transgressions and noncompliance.
- d. Strengthen internal processes for performance reporting by conducting regular reconciliations and reviews against underlying records and registers.
- e. Enhance the role of the Performance Management and Internal Audit Directorates in verifying the credibility of reported performance data.
- f. Develop a comprehensive action plan addressing audit findings and key service delivery priorities.
- g. Provide regular reports to the Executive Committee and Council, ensuring accountability and enforcing measures to address delays in implementation.

We have noted that the Audit and Risk Committee urges the Accounting Officer and senior management of the municipality to implement consequence management measures against staff members who are found to be responsible for the deliberate disregard of systems of internal control.

As we agree with the Auditor-General that the control environment requires urgent attention,

COMMITTEE RECOMMENDS:

- 5.1 That the City Manager ensure that effective steps are taken to address:
 1. The repeat compliance deviations.
 2. Significant irregular expenditure.
 3. Slow progress in consequence management.
- 5.2 That the City Manager act against senior management for slow progress in addressing the deficiencies in the control environment.

- 5.3 That the City Manager address the deterioration of existing infrastructure as well as deficiencies in current infrastructure projects by aligning budgets with actual funding needs, improving integrated planning and implementation of a plan that prioritises proactive maintenance.

ADOPTED.

6. MATERIAL IRREGULARITIES

In accordance with the Public Audit Act and the Material Irregularity Regulations, the Auditor-General must report on material irregularities (MIs) identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

6.1 Material Irregularity identified during the Audit

In performing physical verifications of water meters at consumer properties, instances of non-functional meters were identified by the Auditor-General. The Municipality did not maintain, repair or replace certain non-functional meters resulting in non-compliance with Section 63(1)(a) of the MFMA.

The accounting officer was notified of the MI on 8 July 2025 and invited to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer responded on 5 August 2025 with proposed actions including repairs or replacement of meters and approval of a water turnaround strategy. The Auditor-General will follow up on the implementation of the planned actions during my next audit.

6.2 Material Irregularities in progress

The Auditor-General (AG) identified a MI during the audit and notified the accounting officer, as required by MI Regulation 3(2). By the date of the audit report, the response of the accounting officer was not yet due. This MI will be included in next year's audit report.

6.3 Status of previously reported Material Irregularities

The AG reports the status of previously reported MIs as follows:

- a. Two MIs relating to pollution of water resource not prevented – Northern Wastewater Treatment Works and Umbilo Wastewater Treatment Works were assessed by the AG and subsequently referred to the Department of Water and Sanitation for further follow-up.
- b. For one MI relating to Expanded Public Works Programme payments made for expenses not incurred, the AG is in the processing of deciding on the further actions to be taken.
- c. For one MI relating to the community ablution blocks at the KwaDabeka Transit camp the AG noted that appropriate actions are being taken to address the material irregularity. The AG will follow up on the implementation of the planned actions during the next audit.

The Material Irregularities reported by the Auditor-General are also cause of concern to the Audit and Risk Committee (ARC); which it notes require dedicated attention from management. The ARC further notes that the Auditor-General raised new material irregularities to the Municipality; which it says are concerning as they reflect on a weak control environment in the city. The ARC continues to monitor the activities to be taken to address material irregularities as well as the implementation dates to ensure that Management is held accountable for the required activities.

We engaged with the Directorates responsible for the Material Irregularities and were provided with the action plans that have been developed to address the findings. Management further provided progress updates where applicable.

We are hopeful that the Management's action plans will address the root causes of the irregularities.

Therefore

COMMITTEE RECOMMENDS:

That it be noted that the Municipal Public Accounts Committee will monitor progress on the implementation of Material Irregularities action plans and call the Accounting Officer to account for actions taken and outcomes on a quarterly basis.

ADOPTED.

7. INGONYAMA TRUST LAND PROPERTIES

We have noted with concern the complications arising from the increased number of people living in Ingonyama Trust areas, the quality of houses that they build and the generally high standard of living of the residents who do not contribute to the fiscus of the Municipality.

Considering our abovementioned observations

COMMITTEES RECOMMENDS:

7.1 That the Chief Financial Officer, the Director Revenue Management and the Director: Property Valuations & Management accelerate the process of levying rates for properties on Ingonyama Trust land, in accordance with the previous Council resolution.

7.2 That the Executive Director: Technical Services and the Director: Water Services accelerate the process of levying charges for water consumed by properties on Ingonyama Trust land.

ADOPTED.

8. CONCLUSION

Having performed the following tasks:

- ✓ Reviewed and analysed of the Annual Report.
- ✓ Invited, received, and considered inputs from Councillors and Portfolio Committees, on the Annual Report.
- ✓ Considered the written comments received on the Annual Report from the public consultation process.
- ✓ Conducted Public Hearings to allow the local community or any organs of state to make representations regarding the Annual Report.
- ✓ Received and considered Council's Audit Committee views and comments on the annual financial statements and the performance report; and
- ✓ Prepared the Oversight Report taking into consideration the views and inputs of the public, representatives of the Auditor-General, organs of state, Council's Audit Committee and Councillors.

The Municipal Public Accounts Committee has pleasure in presenting the Oversight Report to Council for consideration and, thereafter, forwarding to the relevant Departments and Provincial Legislature:

COMMITTEE RECOMMENDS:

1. That Council having fully considered the Annual Report of the eThekweni Municipality for the 2024/2025 Financial Year, adopts the Oversight Report for the 2024/2025 Financial Year.
2. That Council approves the Annual Report of the eThekweni Municipality for the 2024/2025 Financial Year without reservations.
3. That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.
4. That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003.

ADOPTED.

9. ANNEXURES

Annexure A Report on 2024/25 Annual Report Public Participation Process

Annexure B 2024/25 Status of Action Plans for Auditor General Findings

Certified true extract of the decision adopted by the Municipal Council and contained in the Council Minutes of the meeting held on 2026-03-31.



pp
CITY MANAGER

DATE: 01 April 2026.

ETHEKWINI MUNICIPALITY



2024/2025 OVERSIGHT REPORT

TABLE OF CONTENTS

1. INTRODUCTION..... 3

2. BACKGROUND 4

3. FUNCTIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ... 5

4. COMPOSITION OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE 6

5. ANNUAL REPORT CHECKLIST..... 9

6. AUDIT REPORT.....29

7. CONCLUSION..... 42

8. ANNEXURES..... 43

1. INTRODUCTION

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council with regard to the Annual Report and the preparation of an Oversight Report.

Given the processes required by Council to effectively undertake its oversight role, the establishment of the MPAC of Council provides the appropriate mechanism through which Council fulfills its oversight responsibilities.

The MPAC's primary role is to consider the Annual Report, receive input from the various role players and prepare a draft Oversight Report for consideration by Council.

2. BACKGROUND

The oversight role of Council is an important component of the financial reforms, and it is achieved through the separation of roles and responsibilities between Council, the Executive (Mayor and Executive Committee) and Administration. Good governance, effective accountability, and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players.

Non-executive Councillors are required to maintain oversight of the performance of specific responsibilities and delegated powers that they have given to the Executive (Mayor/Executive Committee). In other words, in exchange for the powers in which Council has delegated to the Executive, Council retains a monitoring and oversight role ensuring that there is accountability for the performance or non-performance of the municipality.

The Municipal Finance Management Act, No.56 of 2003 (MFMA) vests in Council specific powers of approval and oversight.

- ✓ Approval of budgets.
- ✓ Approval of Budget related Policies; and
- ✓ Review of the Annual Report and adoption of the Oversight Report.

3. FUNCTIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The functions of the MPAC are to:

- ✓ Undertake a review and analysis of the Annual Report.
- ✓ Invite, receive, and consider inputs from Councillors and Portfolio Committees, on the Annual Report.
- ✓ Consider written comments received on the Annual Report from the public consultation process.
- ✓ Conduct Public Hearing(s) to allow the local community or any organs of state to make representations regarding the Annual Report.
- ✓ Receive and consider the views and comments of the Municipality's Audit and Risk Committee on the annual financial statements and the performance report.
- ✓ Preparation of the draft Oversight Report, taking into consideration the views and inputs of the public, representative(s) of the Auditor-General, organs of state, Municipality's Audit and Risk Committee and Councillors.

4. COMPOSITION OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

4.1 Membership

The Municipal Public Accounts Committee (MPAC) is a committee of Council established under section 79A of the Municipal Structures Act, 1998.

The mayor, deputy mayor, any member of the executive committee, speaker, whip and municipal officials are not allowed to be members of the Municipal Public Accounts Committee.

The Members of eThekweni Municipality's MPAC as of 30th June 2025 were:

NO.	SURNAME	NAMES	DESIGNATION	PARTY
1.	Xuma	Thamisanqa	Chairperson	EFF
2.	Dlamini	Conrad Bongumusa	Deputy Chairperson	ANC
3.	Burne	Warren Jerome de Marigny	Member	DA
4.	Fortein	Barbara	Member	ANC
5.	Gama	Sizeni Gladness	Member	ANC
6.	Laing	Caelee	Member	DA
7.	Mkhwanazi	Brenda	Member	ANC
8.	Naidoo	Jane	Member	IFP
9.	Paruk	Ahmed Abdool Khalek	Member	Action SA
10.	Thusi	Muzikayise	Member	ANC
11.	Vacancy		Member	DA

The following changes in membership took place during the 2024/2025 financial year:

1. Councillor Paruk (Action SA) was appointed as an MPAC Member on 2024-08-29 to replace Councillor Beesley who resigned on 2024-06-14.
2. Councillor Sibisi (DA) resigned as a Councillor on 2025-04-30 resulting in one vacancy on the Committee.

4.2 Authority & Power

The MPAC is delegated the responsibility to conduct meetings and to hold public hearings to receive and hear public submissions on the Annual Report, on behalf of Council.

Timely notice of all meetings should be given and all meetings held by the MPAC must be open to the public and minutes of the meetings must be submitted to Council.

4.3 Meeting Schedule

The eThekweni Municipality's Annual Report for 2024/2025 was tabled at Council's meeting on 29th January 2026 as prescribed in terms of the Local Government: Municipal Finance Management Act 56 of 2003. It also included the reports of the municipal entities *viz.* Inkosi Albert Luthuli ICC (Pty) Ltd and Durban Marine Theme Park (Pty) Ltd. The Annual Report was referred to MPAC for preparation of the Oversight Report.

After the noting of the Annual Report by Council on 29th January 2026; the report was subsequently made available for public comments as follows:

- Advertisements were placed in the Mercury and Isolezwe on 27th January 2026, to inform the public of the availability of the Annual Report on the municipal website, Sizakala Centres and Libraries for comments/representations after tabling of the Annual Report in Council.

Stakeholders were required to make submissions using the email address: Noky.Nyasulu@durban.gov.za by 06th March 2026.

Access to the report was made available as reflected hereunder:

- Posted on the Municipal website www.durban.gov.za on 30th January 2026.
- The full Annual Report was made available via the following link: [2024-2025-draft-annual-report-tabled-29-jan-2026-2.pdf](#)
- The link to the full Annual Report and printed copies were provided to members of the Municipal Public Accounts Committee.
- Internally, through Info Info which is accessed by Municipal employees.

Social media cards were posted on social media platforms (Facebook and X). The link to access the tabled Draft Annual Report was issued to the Auditor-General, National Treasury, KwaZulu-Natal Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs (CoGTA) on 30th January 2026. A podcast on the annual report was recorded with the Director of the Monitoring, Evaluation and Advisory (MEAS) Directorate, and aired on all municipal digital platforms.

4.4 Revisions Post Tabling

The following revisions were made to the 2024/25 Annual Report after tabling the report at Full Council on 29th January 2026 as follows:

PAGE NUMBER	REVISION
198	<p>Insertion of the following:</p> <p>The Point Development remains a strategic catalytic project within the City’s long-term spatial and economic framework.</p> <p>UEM Sunrise have given firm commitment to the City that the Point precinct remains a priority and have advised that they are working closely with potential investors to implement the next phase of development following setbacks over the last few years due to lack of market appetite following economic instability, amongst which include COVID-19, floods, unrest, etc.</p> <p>The City is strongly committed to ensuring that the Point precinct is developed to its full potential as a transformative waterfront development for Durban.</p>

PAGE NUMBER	REVISION
200	<p>Challenges</p> <ul style="list-style-type: none"> ▪ Amended: “The DPDC’s lack of financial resources delayed the development and is unable to compensate Board members.” to the following: <p>The Durban Point Waterfront Development’s lack of financial investment has delayed implementation plans and have affected the rollout of development, resulting in slower progress.</p> <p>Mitigation</p> <ul style="list-style-type: none"> ▪ Amended: “Requested approval from Council to grant the rates deferment to allow the developer to progress and become financially sustainable. Council to grant the dissolution of Board members.” to the following: <p>A report will be submitted to Council in the new financial year on the actions to be taken to get the development off the ground.</p>

5. ANNUAL REPORT CHECKLIST

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
1. Financial Matters – Annual Financial Statements - Section 121 (3) MFMA	Financial reporting matters to be considered	
121 (3)(a) The annual financial statements (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General.	The AFS are to be in the form as required by the applicable accounting standards. MFMA Circular 18 with annexures, 23 June 2005, provides guidelines on the accounting standards for municipalities. <u>Have the required standards been met?</u>	Yes See Clauses 1&2 of the AG’s Report, Page 316 of the Annual Report Yes See Clauses 1&2 of the AG’s Report, Page 316 of the Annual Report
121 (3)(a) 121 (4) 121 (4)(b)	The above applies also to the AFS of municipal entities.	Yes See Clauses 1&2 of the AG’s Report, Page 316 of the Annual Report
121 (3) (e) An assessment by the accounting officer on any arrears on municipal taxes and service charges, including municipal entities.	Has an adequate assessment been included? Is there sufficient explanation of the causes of the arrears and of actions to be taken to remedy the situation?	Yes. See Note 6, Pages 931-932 of the Annual Report. Management advises that during the last twelve (12) months, the debtors increased from R31,1 billion to R31.9 billion. The increase being attributable to the current economic conditions characterised by high unemployment rates and reduced income. Although collection rates have improved from previous reporting periods, there is still several consumers facing difficulties in terms of ensuring that accounts held with the municipality are paid in time. The municipality ensures that outstanding debt is collected through enforcing its credit and debt collection policy. We have noted that the municipality has implemented several measures to strengthen revenue collection, enhance the accuracy of debtor balances, and ensure that irrecoverable debts are addressed in accordance with approved policies and legislation. The following are the measures that will continue to be followed to improve collection of consumer debtors and reduce write-offs: <ul style="list-style-type: none"> ▪ Enforcing credit-control measures such as service restrictions for persistently non-paying customers, in line with the municipality’s credit-control and debt-collection policy. ▪ Strengthening legal recovery processes, including issuing final demands and engaging external attorneys for high-value or long-outstanding accounts.

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	Is any other action required to be taken?	<ul style="list-style-type: none"> ▪ Reviewing and updating the debt-write-off policy to ensure compliance with the Municipal Finance Management Act (MFMA) and applicable accounting standards. ▪ Ensuring that all write-offs such as those relating to insolvent and deceased estates are supported by appropriate documentation. ▪ Running public awareness campaigns to encourage payment and communicate available payment channels. ▪ Offering customer assistance programmes for indigent households, including the updating of the indigent register. ▪ Providing payment arrangements and debt-consolidation options to help customers settle outstanding amounts. <p>No further actions are proposed.</p>
<p>121 (3)(g) Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports.</p>	<p>The conclusions of the annual audit are: -</p> <ul style="list-style-type: none"> ✓ an unqualified audit opinion with or without management issues, which means that the financial statements are acceptable. ✓ The objective of the municipality should be to achieve an unqualified audit opinion. ✓ Taking into account the audit report, audit opinion and the views of the audit committee, council considered: 	<p>The Municipality achieved an unqualified audit with material findings.</p> <p>The audit outcome of the municipality has remained stagnant for the past six (six) years. The Auditor-General's reflections on the status of the implementation of prior year recommendations indicate that:</p> <ul style="list-style-type: none"> ▪ Four of the five recommendations made in 2023-24 were still in progress resulting in repeat findings in compliance with legislation and predetermined objectives. The recommendations made by the Auditor-General being: <ol style="list-style-type: none"> 1. Set the tone at the top by shifting the culture of the municipality towards compliance with laws and regulations, credible performance reporting and effective project management. This can be achieved with adequate oversight and by enforcing accountability for transgressions. 2. Ensure performance reporting is credible through regular reviews and reconciliations. Additional levels of reviews to be conducted by the performance management and internal audit units. 3. Head of performance and the Chief information officer must assess IT applications to evaluate the efficiency and effectiveness of these systems in supporting integrated and credible performance reporting.

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<ul style="list-style-type: none"> • To what extent does the report indicate serious or minor financial issues? • To what extent are the same issues repeated from previous audits? • Is the action proposed considered to be adequate to effectively address the issues raised in the audit report? 	<ol style="list-style-type: none"> 4. Develop an action plan that focuses on the audit report and key service delivery matters. The revised plan should be reviewed by internal audit. The audit committee in reporting on progress to oversight bodies should emphasise slow or limited progress. 5. Intensify oversight over asset management through increased scrutiny of operating and capital budgets using National Treasury norms as a guide. <ul style="list-style-type: none"> ▪ We have noted some improvements in reporting on predetermined objectives as the compliance findings on setting of targets were resolved and there were fewer indicators with material findings in 2024-25. ▪ Our recommendations regarding asset management which included appropriate budget alignment were not adequately addressed. The action plan did not include any mitigations for the findings on infrastructure project management reported in 2023-24. <p>While the municipality recorded a surplus of R263 million, its financial health remains under pressure due to prolonged debt-collection periods, a high impairment rate on receivables, and delayed payments to creditors. These factors pose ongoing liquidity and compliance risks.</p> <p>The lack of appropriate oversight and monitoring by leadership over the control environment resulted in repeat non-compliance with legislation relating to four (4) of the ten (10) scoped subject matters. These being: procurement and contract management, expenditure management, consequence management and environmental management.</p> <p>However, an improvement was noted in strategic planning and performance management in that the prior year non-compliance was addressed. We support the Auditor-General's call to activate the accountability ecosystem to address the below root causes:</p> <ul style="list-style-type: none"> ▪ Lack of monitoring and oversight over compliance and predetermined objectives. ▪ Systemic governance and operational weaknesses over infrastructure projects and maintenance. ▪ Lack of accountability and consequences.

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<ul style="list-style-type: none"> Has a schedule of action to be taken been included in the annual report, with appropriate due dates? <p>Note that actions taken on audit issues are to be reported to the provincial legislature, the MEC for Cooperative Government & Traditional Affairs to report on any omissions by municipalities in addressing issues. Council should confirm that the audit report has been forwarded to the MEC.</p>	<p>Yes. A schedule reflecting the Status of the Audit Action Plans is attached as Annexure "B" to this report.</p> <p>The Audit Report was submitted to COGTA on 30th January 2026.</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
<p>121 (3)(f) An assessment by the municipality's accounting officer of the municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget.</p>	<p>The budget of the municipality must contain measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP (MFMA s17(3)(b)).</p> <p>The accounting officer must include these objectives in the annual report and report on performance accordingly.</p> <p>Has the performance met the expectations of council and the community?</p> <p>Have the objectives been met?</p> <p>What explanations have been provided for any non-achievement?</p> <p>What was the impact on the service delivery and expenditure objectives in the budget?</p>	<p>Yes. See Appendix K: Revenue Collection Performance Appendix K(i): Revenue Collection Performance by Vote, Page 579 of the Annual Report. Appendix K(ii): Revenue Collection Performance by Source, Page 581 of the Annual Report.</p> <p>Yes The Municipality achieved a collection rate of 95% in 2024/2025.</p> <p>Yes. In terms of the National Treasury norms, a variance of 10% between the budgeted and actual amounts is considered material.</p> <p>Total revenue of R57.9 billion was received compared to a budget of R57.5 billion. Actual revenue is 101% of the overall budget, which represents a variance of 1%.</p> <p>Revenue performance exceeded expectation.</p> <p>None.</p>
<p>121 (3)(i)(k) Any information as determined by the municipality, the entity or its parent municipality.</p>	<p>Review any other information that has been included in regard to the AFS.</p>	<p>None.</p>

<p>121 (3)(j) and 121 (4)(g)</p> <p>Recommendations of the audit committee in relation to the AFS and audit reports of the municipality and its entities.</p>	<p>Have the recommendations of the audit committee in regard to the AFS and audit reports been adequately addressed by the municipality and/or the entity?</p> <p>What actions need to be taken in terms of these recommendations?</p>	<p>Based on the processes and assurances obtained, the Audit and Risk Committee believes that the internal controls are effective in some areas; with significant areas requiring improvement having been highlighted. The Audit and Risk Committee remains concerned about the long outstanding unresolved audit findings within the Municipality.</p> <p>The Audit and Risk Committee highlighted the following areas requiring improvement:</p> <ol style="list-style-type: none"> a. Reported Irregular Expenditure is a concern, especially the increase in the last quarter. It is important for the recoverability to be assessed as well as for decisive consequence management to be implemented. The accelerated spend, especially on CAPEX in the last quarter of the year could also contribute negatively towards irregular expenditure and management should ensure better planning and spending throughout the year. Furthermore, proper proactive planning, efficient procurement processes, and transversal management and monitoring are required from all three lines of defence to ensure that this challenge is effectively dealt with and prevented. The three lines of defence being: <ol style="list-style-type: none"> 1. First Line (operational management owning risks). 2. Second Line (risk management/compliance overseeing risks). 3. Third Line (internal audit providing independent assurance). b. The Water Losses (Non-Revenue Water) remain significantly high due to ageing and deteriorating infrastructure as well as illegal connections compared to the relevant benchmarks (the norm of 15% to 30%). This exacerbates the situation because of the alarming increase in population within the Ingonyama Trust land. The Accounting Officer is encouraged to continue with diligent efforts to manage and reduce these losses. c. The rate of capital budget spending requires improvement so that there is consistent spending throughout the year enabling better monitoring and the ability to take corrective action. Improved procurement, contract management, project management and monitoring will have a positive impact hereon. d. The issue of Performance Information remains a challenge in the Municipality, and this is ventilated in the Auditor General's report which points out that several set targets were not achieved and that some which were marked as achieved did not have a credible portfolio of evidence (Refer to Item 3.1 on pages 32-34 of this report).
---	--	---

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
		<p>e. Material Irregularities are a cause for concern and require dedicated attention from management. The ARC recommended that a narrative be included in the Accounting Officer's Report on the activities to be taken to address material irregularities as well as the implementation dates to ensure that management are held accountable for the required activities.</p> <p>f. The steps taken by the Accounting Officer to ensure that the risk management culture is revived and that risk owners prioritise the management of risks linked to governance structures is noted. The Audit and Risk Committee advised management to consistently work on improving the risk culture in the organisation by continually demonstrating accountability and implementation of risk response plans.</p> <p>g. Lastly, the Accounting Officer and senior management of the municipality should implement consequence management on staff members who are found to be responsible for the deliberate disregard of systems of internal control.</p>
2. Disclosures - Allocations received and made - Section 123-125 MFMA	Considerations	
<p>123 (1)(a) Allocations received by and made to the municipality.</p>	<p>The report should disclose:</p> <ul style="list-style-type: none"> ✓ Details of allocations received from another organ of state in the national or provincial sphere. <p>Details of allocations received from a municipal, entity or another municipality.</p> <ul style="list-style-type: none"> ✓ Details of allocations made to any other organ of state, another municipality, or a municipal entity. 	<p>Yes. <u>Annual Report</u> Table 54: Grant Performance: Pages 304-305 Table 55: Grants Received from Sources Other Than DORA: Page 306 Appendix L: Conditional Grants Received: Pages 582-584</p> <p><u>Annual Financial Statements</u> Note 21: Unspent Conditional Grants and Receipts): Page 965 Note 32: Government Grants and Subsidies: Pages 978-986</p> <p>Yes. See Appendix P: Declaration of Loans and Grants made by the Municipality: Pages 870-873 of the Annual Report.</p> <p>Yes. See Appendix P: Declaration of Loans and Grants made by the Municipality: Pages 870-873 of the Annual Report.</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<p>✓ Any other allocation made to the municipality under Section 214(1) (c) of the Constitution.</p> <p>Have these allocations been received and made?</p> <p>Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets?</p> <p>Does the audit report or does the audit committee recommend any action?</p>	<p>Refer above</p> <p>Yes.</p> <p>The Audit Report confirms the correctness of allocations received in terms of DORA. See Opinion: Clause 2: Page 1 of the Audit Report (Page 316 of the Annual Report)</p> <p>No. The Audit Report indicates that there are no key audit matters to be communicated. The Audit & Risk Committee did not recommend any action regarding allocations made to the municipality.</p>
<p>125 (1) Information in relation to outstanding debtors and creditors of the municipality and entities.</p>	<p>Municipalities and entities are reminded of the requirement to include, in their annual financial statements, amounts owed to them and persistently delayed beyond 30 days, by national or provincial departments and public entities.</p> <p>It is also a requirement to report on whether the municipality or entity has met its statutory commitments, including the payment of taxes, audit fees, and contributions for pension and medical aid funds.</p> <p>Council should be satisfied that –</p> <ul style="list-style-type: none"> ✓ the information has been properly disclosed. ✓ conditions of allocations have been met; and ✓ that any explanations provided are acceptable. 	<p>See Note 6: Consumer Debtors: Pages 931-932 of the Annual Report.</p> <p>Yes. See Note 20: Post Employment Benefit (Obligations) / Asset: Pages 953-964 of the Annual Report. See Note 47: Additional Disclosures in terms of MFMA: Pages 1014-1018 of the Annual Report.</p> <p>Yes.</p> <p>Yes.</p> <p>Yes.</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
<p>123 (1)(c) Information in relation to the use of allocations received.</p>	<p>Section 123 of the MFMA and MFMA guidance circular 11, require that the municipality provide information per allocation received per vote and include:</p> <ul style="list-style-type: none"> ✓ The current year and details of spending on all previous conditional grants, for the previous two financial years. Information is to be provided by vote. (For example, municipalities must report on all transfers received from provincial housing departments for housing subsidy grants for three financial years, and indicate how such funds were spent, and for what projects. <p>Information stating whether the municipality has complied with the conditions of the grants, allocations in terms of section 214(1)(c) of the Constitution and allocations received from other than another organ of state. Where there is non-compliance, details of the reasons for non-compliance are to be provided.</p> <p>Information on whether allocations under the DORA were delayed or withheld and the reasons advanced for this.</p>	<p>Yes. Note 32: Government Grants and Subsidies: Pages 978-986 of the Annual Report.</p> <p>Yes. Note 32: Government Grants and Subsidies: Pages 978-986 of the Annual Report.</p> <p>National Treasury withheld R670m of the Public Transport Network Grant and R8m of the Neighbourhood Development Grant due to underperformance of the grants</p> <p>R122 million of the Health Grant that was delayed. The Provincial Health subsidy is a reimbursive grant where the Municipality submits claims for payment based on expenditure incurred.</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
2. Disclosures in notes to AFS	Considerations relating to section 124	
<p>Information relating to benefits paid by municipality and entity to Councillors, directors and officials.</p>	<p>Information on the following items is to be included in the notes on the annual report and AFS: -</p> <ul style="list-style-type: none"> ✓ salaries, allowances and benefits of political office bearers, Councillors and boards of directors, whether financial or in kind. ✓ any arrears owed by individual Councillors to the municipality or entity for rates and services, which at any time were outstanding for more than 90 days, including the names of Councillors. ✓ salaries allowances and benefits of the municipal manager, CEO of a municipal entity, CFO and every senior manager. ✓ contributions for pensions and medical aid. ✓ travel, motor car, accommodation, subsistence and other allowances. ✓ housing benefits and allowances. ✓ overtime payments. ✓ loans and advances, and ✓ any other type of benefit or allowance related to staff. <p>Council should be satisfied that –</p> <ul style="list-style-type: none"> ✓ the information has been properly disclosed. ✓ conditions of allocations have been met; and ✓ that any explanations provided are acceptable. 	<p>Yes. See Note 35: Remuneration of Councillors: Pages 993-994 of the Annual Report</p> <p>Yes. See Note 46: Additional Disclosures in terms of Municipal Finance Management Act: Councillors Arrear Consumer Accounts: Pages 1016-1018 of the Annual Report.</p> <p>Yes. See Note 34: Employee Related Costs: Pages 987-993 of the Annual Report.</p> <p>See Note 34: Employee Related Costs: Page 987 of the Annual Report.</p> <p>See Note 34: Employee Related Costs: Page 987 of the Annual Report.</p> <p>See Note 34: Employee Related Costs: Page 987 of the Annual Report.</p> <p>See Note 34: Employee Related Costs: Page 987 of the Annual Report.</p> <p>N/A See Note 34: Employee Related Costs: Page 987 of the Annual Report</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
3. Municipal Performance	Considerations	
<p>The annual performance reports of the municipality and entities.</p>	<p>Section 46, MSA requires municipalities to submit a performance report reflecting the performance of the municipality and each service provider, a comparison of the performance with targets set for the previous year and measures taken to improve performance. The report must form part of the annual report.</p> <p>Questions that may be considered are –</p> <ul style="list-style-type: none"> ✓ Has the performance report been included in the annual report? ✓ Have all the performance targets set in the budgets, SDBIP, service agreements etc., been included in the report? ✓ Does the performance evaluation in the annual report compare actual performance with targets expressed in the budgets and SDBIP approved for the financial year? 	<p>Yes</p> <p>Yes</p> <p>Yes</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS																																						
	<p>In terms of key functions or services, how has each performed? E.g., have backlogs for water, sanitation, and electricity been reduced? What are the refuse collection volumes, library usage statistics etc.?</p> <ul style="list-style-type: none"> ✓ To what extent has performance achieved targets set by council? ✓ Is the council satisfied with the performance levels achieved? ✓ Is the community satisfied with performance? ✓ Has a customer satisfaction survey been undertaken and, if so, how do the results align with the annual report's contents? ✓ What were the outcomes of public consultation and public hearings. ✓ What actions have been taken and planned to improve performance? 	<table border="1"> <thead> <tr> <th>Unit</th> <th>National Norm (%)</th> <th>Actual (%)</th> <th>No. of Households with Access</th> </tr> </thead> <tbody> <tr> <td>Basic Level of Water</td> <td>92</td> <td>79.26%</td> <td>983,422</td> </tr> <tr> <td>Basic Level of Sanitation</td> <td>100</td> <td>71.36%</td> <td>885,451</td> </tr> <tr> <td>Basic Level of Electricity</td> <td>92</td> <td>68.68%</td> <td>756,102</td> </tr> <tr> <td>Basic Level of Solid Waste Removal</td> <td>100</td> <td>100%</td> <td>1,240,807</td> </tr> <tr> <td>Basic Water delivery to Indigent Households</td> <td>100</td> <td>68.13%</td> <td>630,565</td> </tr> <tr> <td>Basic Sanitation delivery to Indigent Households</td> <td>100</td> <td>54.20%</td> <td>501,607</td> </tr> <tr> <td>Basic Electricity delivery to Indigent Households</td> <td>100</td> <td>35.64%</td> <td>329,544</td> </tr> <tr> <td>Refuse Removal service to Indigent Households</td> <td>100</td> <td>95%</td> <td>880,389</td> </tr> </tbody> </table>	Unit	National Norm (%)	Actual (%)	No. of Households with Access	Basic Level of Water	92	79.26%	983,422	Basic Level of Sanitation	100	71.36%	885,451	Basic Level of Electricity	92	68.68%	756,102	Basic Level of Solid Waste Removal	100	100%	1,240,807	Basic Water delivery to Indigent Households	100	68.13%	630,565	Basic Sanitation delivery to Indigent Households	100	54.20%	501,607	Basic Electricity delivery to Indigent Households	100	35.64%	329,544	Refuse Removal service to Indigent Households	100	95%	880,389		<p>71.53% of the key performance indicators for basic service delivery were achieved.</p> <p>No</p> <p>No. This is evident in the number of protests across the Municipality.</p> <p>No Quality of Life Survey was undertaken for 2024/2025 financial year, as the survey is undertaken every two years.</p> <p>Refer to Annexure "A" to this report.</p> <p>Various interventions have been proposed by management to improve performance.</p>
Unit	National Norm (%)	Actual (%)	No. of Households with Access																																					
Basic Level of Water	92	79.26%	983,422																																					
Basic Level of Sanitation	100	71.36%	885,451																																					
Basic Level of Electricity	92	68.68%	756,102																																					
Basic Level of Solid Waste Removal	100	100%	1,240,807																																					
Basic Water delivery to Indigent Households	100	68.13%	630,565																																					
Basic Sanitation delivery to Indigent Households	100	54.20%	501,607																																					
Basic Electricity delivery to Indigent Households	100	35.64%	329,544																																					
Refuse Removal service to Indigent Households	100	95%	880,389																																					

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<ul style="list-style-type: none"> ✓ Is the council satisfied with actions to improve performance? ✓ Did the targets set in the budgets, SDBIP agree with the targets set in the performance contracts of the municipal manager and each senior manager? ✓ Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes? ✓ Taking into account the audit report and opinion and the views of the audit committee, is performance considered to be efficient and effective? 	<p>No</p> <p>No</p> <p>No</p> <p>No. There has been an overall improvement in the quality of the annual performance report (after audit adjustments). 85% of the targets had no findings and 15% had findings. In 2023/2024, 66% of the targets had no findings and 34% had findings.</p> <p>The Auditor-General found that:</p> <ul style="list-style-type: none"> ▪ Actual achievements did not align with the reported results for certain indicators. ▪ Reported performance achievements for some indicators were not adequately supported by evidence. ▪ There was no reporting on eight indicators in the year due to lack of systems to reliably report on these indicators. <p>The Municipality achieved 87.27% of the planned targets for the year against a budget spend of 96% in the selected plan, Plan 3: Create a Quality Living Environment.</p> <p>The Audit and Risk Committee has urged management to commit to the resolution of previously reported performance management findings. The alignment of the results from KPIs with what the citizens can attest to as service delivery remains a challenge for the City. The committee remains concerned about the performance targets that do not meet the SMART principles which require that all targets be Specific, Measurable, Attainable, Realistic and Time-bound.</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<ul style="list-style-type: none"> ✓ To what extent have actions planned for the previous year been carried over to the financial year reported upon? ✓ Have any actions planned in the reported year been carried over to the current or future years? If so, are any explanations been provided by the municipal manager and are these satisfactory? 	<p>No actions have been carried over.</p> <p>No actions have been carried over.</p>
<p>Audit reports on performance.</p>	<p>Section 45, MSA requires that the Auditor-General must audit the results of performance measurements, as part of the internal auditing processes and annually.</p> <p>Have the recommendations of internal audit been acted on during the financial year?</p> <p>Have recommendations by internal audit and/or the auditor-general been included in action plans to improve performance in the following year?</p>	<p>Some recommendations have been acted on. Others remain in progress while others are still outstanding.</p> <p>Yes</p>
<p>Performance of municipal entities and municipal service providers.</p>	<p>The annual report of the municipality should provide an assessment of the performance of the municipal entities and all contracted service providers. This is in addition to the separate annual reports of the entities. The report should evaluate the effectiveness of these services and whether alternative mechanisms should be considered.</p>	<p>The assessment of contracted service providers is included in the annual report. See Appendix I: Review of External Service Provider Performance: Pages 570-575 of the Annual Report.</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<p>Is the council satisfied with the evaluation and conclusions of the municipality?</p> <p>What other actions are considered necessary to be taken by the accounting officer?</p>	<p>No</p> <p>a. Assessments must be undertaken and reported timeously by Directorates to enable the proper analysis of performance.</p> <p>b. The Business Support Directorate should urgently intervene in instances when suppliers underperform.</p> <p>c. Social issues negatively affecting the performance of projects should be addressed.</p> <p>d. Contractors should be assisted on how to address their cash flow challenges.</p> <p>e. Service providers that default on their contracts should be blacklisted.</p> <p>f. Insourcing of core functions.</p>
<p>4. General information</p>	<p>The following general information is required to be disclosed in the annual report.</p>	
<p>Relevant information on municipal entities.</p>	<p>The municipality should disclose all information relating to the municipal entities under the sole or effective control of the municipality.</p> <p>Information to be disclosed includes names and types of entities, members of the board, addresses, and contact details for entities, the purpose of the entity, the functions, and services provided the type and term of service level agreements with the entities.</p>	<p>Yes.</p> <p>Durban Marine Theme Park. See Pages 248- 257 of the Annual Report.</p> <p>Durban International Convention Centre. See Pages 258-260 of the Annual Report</p>
<p>The use of any donor funding support.</p>	<p>What donor funding has the municipality received?</p> <ul style="list-style-type: none"> ✓ Have the purposes and the management agreements for the funding been properly agreed upon? ✓ Have the funds been used in accordance with agreements? ✓ Have the objectives been achieved? 	<p>Various. See Note 32: Government Grants and Subsidies: Pages 978-986 of the Annual Financial Statements.</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	<ul style="list-style-type: none"> ✓ Has the use of funds been effective in improving services to the community? ✓ What actions need to be taken to improve utilisation of the funds? 	<p>Yes</p> <p>None</p>
<p>Agreements, contracts and projects under Private-Public-Partnerships.</p>	<p>Information similar to the details of municipal entities should be provided. Council should ensure that all details have been supplied.</p>	<p>The Informal Economy Support Programme (IESP), established in 2013, supports micro- and informal enterprises (MIEs) in eThekweni. Phase 3 was concluded in 2024/25 with strong public-private partnerships, with key partners including the Jobs Fund, Industrial Development Corporation (IDC), Project Preparation Trust (PPT), Department of Small Business Development and Department of Economic Development, Tourism and Environmental Affairs.</p> <p>Santam assisted in the creation of the updated Level 2 Disaster Risk and Response Management Plan: "Plan that focuses on establishing processes for a comprehensive disaster risk assessment, identifying and establishing formal consultative mechanisms for development of disaster risk reduction projects and introducing supportive information management and communication system and emergency communications capabilities"</p> <p>Santam also assisted with workshops for Stakeholders, Ward Councillors and Traditional Leaders on the adopted Level 2 Plan.</p>
<p>Service delivery performance on key services provided.</p>	<p>This may be a high-level summary, in addition to detailed information on performance, which sets out overall performance under the strategic objectives of the municipality. Overall results on the strategic functions and services should be summarized. This should cover all services whether provided by the municipality, entities or external mechanisms.</p>	<p>See Service Delivery & Budget Implementation Plan: Pages 1075-1114 of the Annual Report.</p>
<p>Information on long-term contracts.</p>	<p>Details of all long-term contracts including levels of liability to the municipality should be included.</p>	<p>Not disclosed However, Appendix H reflects the Top 20 Highest Contracts: Pages 565-569 of the Annual Report</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
<p>Information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations.</p>	<p>Details of significant IT activities should be outlined indicating the effectiveness of the IT projects and the quality of IT services.</p> <p>Council should consider how effectively the IT services support and facilitate performance of the municipality and whether value for money has been obtained.</p> <p>Details of any future IT proposals should be summarized. Council should comment and draw conclusions on the information provided.</p>	<p>Various IT projects are listed in Appendix F: Ward Information – Ward Reporting 2024/25. Refer to pages 393-554 of the Annual Report.</p>
<p>Capital plan for addressing infrastructure backlogs</p>	<p>A summary of the long-term capital plans and how these address the backlogs of services in the municipality should be provided.</p> <p>This should include details of types and scale of backlogs, projected cost implications, strategies to address the backlogs and plans proposed and/or approved. The summary here should cross reference to the performance reports in the annual report and also will be highlighted in the coming budgets.</p> <p>Council should consider whether the plans appropriately address the backlogs and are consistent with the strategic policy directions of council and needs of the community.</p>	<p>Not disclosed at this stage.</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
5. Other considerations recommended		
Timing of reports.	Was the report tabled in the time prescribed?	Yes.
Oversight committee or other mechanism.	What mechanisms have been put in place to prepare the oversight report?	The Municipal Public Accounts Committee was delegated the responsibility of preparing the oversight report.
Payment of performance bonuses to municipal officials.	<p>Refer to Section 57 MSA as amended. Bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal council. Preferably such evaluation should be considered along with the annual report. The basis upon which performance is evaluated for payment of bonuses should be reconciled with the municipal performance reported in the annual report.</p> <p>Have bonuses been paid based on achievements of agreed outputs and after consideration of the annual report by council?</p>	<p>Performance bonuses for the year under review have not yet been paid to any Section 57 Manager.</p> <p>Performance will be assessed based on achievements of agreed outputs and will only be paid after the adoption of the Oversight Report where applicable, subject to affordability.</p>

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS																												
<p>Public Consultative meetings: Organisations identified, consulted and feedback documented</p>	<p>Needs to be noted and should be included in the annual report</p> <p>Feedback</p>	<p>Meetings to engage stakeholders on the Annual Report were scheduled as follows:</p> <table border="1" data-bbox="1032 233 1962 1034"> <thead> <tr> <th>DATE</th> <th>STAKEHOLDER</th> <th>TIME</th> <th>VENUE</th> </tr> </thead> <tbody> <tr> <td>Amakhosi</td> <td>05th February 2026</td> <td>10h00</td> <td>Pinetown Civic Centre (Committee Room 1)</td> </tr> <tr> <td>People With Disabilities</td> <td>14th February 2026</td> <td>10h00</td> <td>Amanzimtoti Community Hall</td> </tr> <tr> <td>Ward Committees</td> <td>21st February 2026</td> <td>10h00</td> <td>Durban City Hall (Luthuli Hall)</td> </tr> <tr> <td>Public / opinion makers, Civil Society (including landowners associations, ratepayers' associations and faith based organisations)</td> <td>24th February 2026</td> <td>09h00</td> <td>Pinetown Civic Centre (Main Hall)</td> </tr> <tr> <td>Community Media Forum</td> <td>27th February 2026</td> <td>10h00</td> <td>Durban Botanic Gardens</td> </tr> <tr> <td>Formal Business (Durban Chamber of Commerce and Industry) including Academia and Professional bodies</td> <td>04th March 2026</td> <td>14h00</td> <td>Virtual – MS Teams</td> </tr> </tbody> </table> <p>The issues raised during the engagements are reflected in Annexure “A” to this report.</p>	DATE	STAKEHOLDER	TIME	VENUE	Amakhosi	05 th February 2026	10h00	Pinetown Civic Centre (Committee Room 1)	People With Disabilities	14 th February 2026	10h00	Amanzimtoti Community Hall	Ward Committees	21 st February 2026	10h00	Durban City Hall (Luthuli Hall)	Public / opinion makers, Civil Society (including landowners associations, ratepayers' associations and faith based organisations)	24 th February 2026	09h00	Pinetown Civic Centre (Main Hall)	Community Media Forum	27 th February 2026	10h00	Durban Botanic Gardens	Formal Business (Durban Chamber of Commerce and Industry) including Academia and Professional bodies	04 th March 2026	14h00	Virtual – MS Teams
DATE	STAKEHOLDER	TIME	VENUE																											
Amakhosi	05 th February 2026	10h00	Pinetown Civic Centre (Committee Room 1)																											
People With Disabilities	14 th February 2026	10h00	Amanzimtoti Community Hall																											
Ward Committees	21 st February 2026	10h00	Durban City Hall (Luthuli Hall)																											
Public / opinion makers, Civil Society (including landowners associations, ratepayers' associations and faith based organisations)	24 th February 2026	09h00	Pinetown Civic Centre (Main Hall)																											
Community Media Forum	27 th February 2026	10h00	Durban Botanic Gardens																											
Formal Business (Durban Chamber of Commerce and Industry) including Academia and Professional bodies	04 th March 2026	14h00	Virtual – MS Teams																											
<p>Annual report distribution points and feedback documented</p>	<p>Distribution points.</p>	<p>The Annual Report was posted on the Municipality’s website and a link sent to all Councillors. It was also distributed internally through Info Info which is accessed by employees.</p>																												

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
	Feedback	<p>The public participation process for the 2024/25 Annual Report highlighted a clear appreciation for the Municipality's financial stability and unqualified audit outcome, while raising strong concerns about the gap between reported performance and lived community realities across water supply, electricity reliability, road and stormwater infrastructure, housing delivery, sewerage failures, and burial space shortages.</p> <p>Stakeholders consistently called for improved turnaround times, stronger consequence management, enhanced transparency, better communication (especially in isiZulu), accountability of councillors, inclusion of traditional leaders in rural projects, and strengthened safety measures for staff in high-risk areas.</p> <p>Key issues such as tanker corruption allegations, incomplete housing projects, deteriorating infrastructure, high levels of non-revenue water and electricity losses, and delayed catalytic projects featured prominently, alongside strong stakeholder recommendations for digital service improvements, ward-level dashboards, and more inclusive, citizen-centred governance.</p> <p>The questions and comments received from the attendees for each of these meetings and external inputs from the public are detailed in Annexure "A" to this report.</p>

6. AUDIT REPORT

1. SIGNIFICANT UNCERTAINTIES

As disclosed in note 44 to the consolidated and separate financial statements, various legal claims were lodged against the municipality. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the consolidated and separate financial statements.

In our engagement with Management, we were advised that it is difficult to make any firm commitments for such claims, as the Municipality is the defendant in these matters and not the driver of the litigation processes. Furthermore, these matters take long to finalise because of the congestion of the courts' trial rolls.

We have noted that contingent liabilities are reviewed annually to ensure that they are appropriately accounted for and disclosed in the interim and annual financial statements. We further noted that the disclosed contingencies do not have a material impact on the Municipality's ability to operate as a going concern. We are advised that the Municipality has sufficient reserves to ensure that any arising debt obligations are paid when due.

As we believe that the root cause of legal claims should be determined and mitigated,

COMMITTEE RECOMMENDS:

That, biannually, the City Manager investigate the factors that contribute to legal claims against the Municipality and ensure that the necessary mitigation measures are instituted to minimise such claims.

2. MATERIAL DEBT IMPAIRMENTS, LOSSES, AND WRITE-OFFS

2.1 Material Debt Impairments

As disclosed in note 6 to the consolidated and separate financial statements, the group recognised provision for debt impairments of R24,43 billion (2023-24: R19,45 billion) on consumer debtors, as the recoverability of these amounts was doubtful.

Management attributes the continuing increase in debtors to the following factors which impact customers' ability to pay their debt and/or pay debt timeously:

- Declining state of the economy and rising unemployment
- Increasing tariffs and property values
- Unaffordability due to low income or loss of income
- Impact of the back charge of the six (6) kilo litres of water
- Poor indigent support management processes and low number of registered indigents

While the Audit and Risk Committee acknowledges the tough economic climate, it points out that debt collection is critical for the liquidity and sustainability of the Municipality. The Committee pointed out that Internal Audit had noted a decline in the debtors' collection period ratio of 111 days (2023 - 2024: 108 days) in the current financial year, as compared to the similar period of the previous financial year. The ratio remains below the norm of 45 days as prescribed by National Treasury.

We have noted the short-term and long-term debt collection and reduction strategies which include targeted collection by customer group, meetings with key stakeholders such as government departments, businesses, parastatals and bulk users.

In addition, we noted that a panel of eight (8) debt collectors was appointed in November 2023 to curb the escalation of debt.

Management advises that it has further adopted a comprehensive multi-year Debt Recovery and Impairment Strategy to strengthen the Municipality's credit management environment.

Having noted progress made to recover debt owed to the Municipality

COMMITTEE RECOMMENDS:

- 2.1.1 That the Chief Financial Officer continue to implement measures to reduce the debt owed to the Municipality and to expedite the finalisation of the Indigent Register.
- 2.1.2 That the Chief Financial Officer ensure that the Indigent Policy is reviewed by 30th June 2026 and that the Indigent Support Office is incrementally capacitated; with full capacitation being reached by no later than 30th June 2028.
- 2.1.3 That the Chief Financial Officer ensure that all billing disputes and queries are resolved speedily as failure to attend to such matters expeditiously contributes to the increase of debt owed to the Municipality.

2.2 Material Write-Offs

As disclosed in note 52 to the consolidated and separate financial statements, the municipality wrote off bad debts of R1,40 billion (2023-24: R0,41 billion) due to a council decision to write-off monies owed by insolvent and deceased estates.

We note that the significant increase in the amount written off was the need to cleanse the debtor's book of long outstanding debt deemed irrecoverable due to insolvency and deceased estate confirmations.

Management advises of the strategic intervention that it says will prevent future escalation of write-offs and strengthen the municipality's debt management and recovery framework. This being the review and update of the Credit Control and Debt Collection Policy to:

- Clearly define procedures for debt associated with deceased and insolvent estates.
- Introduce timelines for escalation to legal recovery before deeming debt irrecoverable.
- Strengthen documentation requirements before write-offs.

Therefore

COMMITTEE RECOMMENDS:

That the Chief Financial Officer ensure that the recoverability of debt is thoroughly investigated and pursued prior to it being determined as irrecoverable and therefore requiring write-off.

2.3 Material Water Losses

As disclosed in note 52 to the consolidated and separate financial statements, material water losses of 676 636 kl/day (2023-24: 622 743 kl/day) were incurred by the municipality, which resulted in losses of R2,91 billion (2023-24: R2 billion). These losses arose mainly from ageing and deteriorating infrastructure, uncontrolled, unplanned rapid rural expansion and illegal connections.

Management advises that the following short-term interventions are being implemented through performance-based contracts to arrest the water losses:

- Targeted meter installation and backlog eradication.
- Increase meter reading productivity.
- Increase resources for maintenance to reduce backlog in resolution of reported incidents.
- Implement incentivized program manager for configuring and optimizing water system.
- Implement water conservation and awareness.
- Domestic household leak repair for indigents – repairing leaks after the meter inside dwellings of the consumers.

In addition, we are advised that the following medium to long-term Non Revenue Water (NRW) programmes will also need to be implemented to reduce the losses:

- Performance based NRW reduction project for the PINK area.
- Incentivized Program manager for Professional Services for NRW reduction initiatives to cover all systems.
- Performance based meter installation and replacement programme.
- Increasing capital investment in maintenance and renewal of our assets – pipe replacement programme.
- Active leak detection and repair programme.
- Increasing institutional capability through a Performance-based management contract for a ring-fenced autonomous water utility.
- Undertake research and development to introduce new technologies and AI (Artificial Intelligence) driven solutions to enhance operation of the network in future.
- Develop business intelligence capability for water networks and billing through the NRW nerve centre.

The Audit and Risk Committee (ARC) noted that Water Losses (Non-Revenue Water) remain significantly high due to ageing and deteriorating infrastructure as well as illegal connections compared to the relevant benchmarks (the norm of 15% to 30%). This, it says, exacerbates the situation because of the alarming increase in the population within the Ingonyama Trust land. The ARC further encourages the Accounting Officer to continue with diligent efforts to manage and reduce these losses.

Therefore

COMMITTEE RECOMMENDS:

That the Director: Water Services expedite the implementation of measures that will speedily reduce water losses.

2.4 Material Electricity Losses

As disclosed in note 52 to the consolidated and separate financial statements, material electricity losses of 1,11 billion kilowatt hours (2023-24: 1,12 billion kilowatt hours) were

incurred by the municipality, which resulted in losses of R1,91 billion (2023-24: R1,72 billion). These losses equate to 11.23% of the purchases from Eskom.

We have noted that the losses are attributed to distribution losses which are said to be primarily influenced by the efficiency of the installed equipment as well as illegal connections.

Management advises that the reduction of technical losses is limited and is dependent on the configuration and size of the electrical grid as well as the quantities of energy transmitted at any given time. While technical losses are inevitable, the following measures are critical to reduce technical losses:

- Use of low loss equipment and optimal network configuration
- Effective maintenance of network infrastructure
- Efficient network loading

We have been advised by Management that the ability to reduce non-technical losses is limited and dependent on both technical and socio-economic interventions. However, the following mitigation measures are being implemented by the Directorate:

- Meter sweep of illegally bypassed meters
- Disconnection of illegal connections
- Efficient credit control disconnections
- Sweep of unregistered connections
- Installation of protective enclosures
- Business and industrial customer audits

While we note that the reduction of non-technical losses is said to be limited

COMMITTEE RECOMMENDS:

That in order to reduce non-technical electricity losses, the Director: Energy Management expedite:

1. The replacement of aged and non-functional meters.
2. The roll-out of pre-paid meters.
3. The electrification of informal settlements.

3. MATERIAL FINDINGS ON THE REPORTED PERFORMANCE INFORMATION

The plan selected for audit by the Auditor General was Plan 3: Create a Quality Living Environment, a plan that measures the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

The material findings on the reported performance information for the selected plan are as follows:

3.1 Inadequate Supporting Evidence

The Auditor-General could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator description	Target	Reported achievement
Infrastructure leakage index (Water)	8,2 infrastructure leakage index by 30 June 2025	11,3
Percentage of wastewater treatment capacity unused (WS4.31)	30% or less unused wastewater treatment capacity	56,12%

Management advises that the following measures have been taken to address the finding of the submission of inadequate supporting evidence for auditing:

Infrastructure leakage index (Water)

The Technical Indicator Descriptions documents (TIDs) and Standard Operating Procedures (SOPs) that are guiding the measurement and reporting of this KPI have been reviewed. This intervention can only be tested or assessed during quarter two verification and audit of performance information.

In addition, the corrected TIDs to be used for reporting on Q2 performance. Furthermore, all input data to be used in calculating Non-Revenue Water to be updated with credible latest information (e.g. unmetered consumption, illegal connection) before end of February 2026.

Percentage of wastewater treatment capacity unused (WS4.31)

The finding relating to this KPI was as caused by different interpretation and/or misinterpretation of the KPI and what it seeks to measure. As a result, the target was incorrectly set. In addressing this, management engaged with National Treasury through the Technical Working Group where all Metros are participating, during these engagements' clarity was provided and the target has since been corrected in the current SDBIP.

Furthermore, to the above, the Technical Indicator Description documents (TIDs) have been reviewed to ascertain the correct interpretation which will then translate into proper setting of target and accurate reporting.

3.1.2 The number of fully subsidised housing units allocated

An achievement of 1 985 was reported against a target of 1 977. However, the audit evidence did not support this achievement. The Auditor-General could not determine the actual achievement but estimated it to be materially less than reported. Consequently, it was likely that the achievement against the target was lower than reported.

Management advises that the Technical Indicator Description documents (TIDs) and KPI definition were reviewed and improved in December 2025 to ensure that they are clear on the type of evidence required and the source of evidence. These changes will be tested during the quarter 2 verification and audit.

3.1.3 Percentage of reported pothole complaints resolved within standard municipal response time

An achievement of 54% was reported against a target of 40%. However, the audit evidence did not support this achievement. The Auditor-General could not determine the actual achievement but estimated it to be materially less than reported. Consequently, it was likely that the achievement against the target was lower than reported.

A call was logged with the Information Management Unit (IMU) to address the system faults and/or challenges. The system developer attended to the matter and positive feedback was given to the relevant department. Some of other corrective measures that have been taken by the management include:

An Integrity report will be designed (by the consultants) and generated on daily basis by the department's system support officer. This report will check for any works orders created lacking the number of days tracker, then a program will be run to rectify same.

Matter is in progress with each Regional Manager closely monitoring with exception reports being generated on a weekly basis for tracking, verification and rectifying purposes.

Training for relevant staff will be conducted; this will include enforcement of department circular number 95 and organising amendment to same.

COMMITTEE RECOMMENDS:

That all Directors ensure that the required supporting evidence is submitted for the monthly, quarterly and annual performance information reporting; with consequence management measures being instituted against those officials that fail to provide the required evidence to support the achievement of performance targets.

3.2 Non-Achievement of Planned Targets

The Auditor-General reported that only 87.27% of the planned targets for the year in the selected objective, Create a Quality Living Environment (Plan 3) were achieved.

The planned targets for following key service delivery indicators were not achieved:

<i>Targets achieved: 87,27%</i> <i>Budget spent: 96%</i>		
Key indicator not achieved	Planned target	Reported achievement
The % of non-revenue water loss.	53,20% non-revenue water loss by 30 June 2025.	58,70%
Infrastructure leakage index (Water)	8,2 infrastructure leakage index by 30 June 2025.	11,3
% of water demand driven new water connections meeting minimum standards	100% of water demand driven new water connections meeting minimum standards for 2024-25 financial year.	88,21%
Percentage of wastewater treatment capacity unused	30% or less unused wastewater treatment capacity.	56,12%

Actions being taken to address other planned targets that were not achieved
Management advises that they are exploring strategies that will improve the alignment between spending and performance results. These include the Mid-year adjustment discussions where targets set are discussed in line with budget of departments.

The Audit & Risk Committee notes that the issue of performance information remains a challenge in the Municipality as ventilated in the Auditor General's report which indicates that some targets were not achieved and some targets which were reflected as achieved did not have a credible portfolio of evidence.

We also remain concerned that management fails to achieve indicators for services that are delivered to customers.

Therefore

COMMITTEE RECOMMENDS:

That all Directors ensure that the targets included in the Service Delivery & Budget Implementation Plan are specific, measurable, achievable, relevant and timebound; with consequence management measures being instituted against those officials that fail to achieve their performance targets.

3.3 Material Misstatements

The Auditor-General identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Plan 3: Creating a quality living environment. Management did not correct the misstatements, so the Auditor-General reported material findings in this regard.

We had an engagement with Management during they provided reasons for the misstatements as well as the measures that they have taken to improve performance.

In order to mitigate a recurrence of this finding

COMMITTEE RECOMMENDS:

That the Director: Monitoring, Evaluation & Advisory Services and the Chief Audit Executive be provided with all the required resources to ensure that the credibility of the performance information report is thoroughly verified and audited prior to its submission to the Auditor-General.

4. NON-COMPLIANCE WITH LAWS AND REGULATIONS

4.1 PROCUREMENT AND CONTRACT MANAGEMENT

We have reviewed the Auditor General's findings with regard to procurement and contract management as well as the action plans that management has developed to address the findings. These are outlined below:

4.1.1 Contravention of SCM Regulation 36(1)

Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).

4.1.2 Contravention of SCM Regulation 46(2)(e)

Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e) and the code of conduct for staff members issued in terms of the MSA.

4.1.3 Contravention of SCM Regulation 46(2)(f)

SCM officials / other SCM role players whose close family members and associates had a private or business interest in contracts awarded by the municipality participated in the process relating to that contract, in contravention of SCM Regulation 46(2)(f).

Actions being taken to improve procurement and contract management

- a. All false declarations highlighted by the auditors have been referred to CIU for further scrutiny and appropriate action.
- b. The Supplier Self Service System (SSS) and the tender management module will integrate the declarations of interest by employees to detect related parties during the procurement process.
- c. Deviations guidelines have been developed to guide units in the use of S36. Proactive procurement planning has been initiated to ensure budgets are implemented and monitored in line with the set procurement plans and budgets.

We will monitor the effectiveness of these remedial actions.

Consequently

COMMITTEE RECOMMENDS:

That it be noted that the Municipal Public Accounts Committee will monitor the effectiveness of the remedial actions instituted by Management to address the Procurement and Contract Management findings.

4.2 EXPENDITURE MANAGEMENT

The Auditor General made two findings regarding the Management of Expenditure. We have reviewed these findings as well as the remedial action being undertaken by Management.

These are outlined below:

4.2.1 Payments not made within 30 days

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

Actions being taken to ensure that payments are made within 30 days

- a. Payments are approved when all appropriate and accurate documentation is received, the payment documentation is compliant with all internal policies and processes, and the goods and services received are validated by the authorised officials. These controls are in place to ensure that payments are effected for valid and accurate invoices.
- b. The online invoice payment system is part of the MSCOA road map and is anticipated to be implemented by June 2026. The on-line payment process will assist with tracking invoices and all approvals, thus ensuring that payments are processed timeously in accordance with section 65(2)(e) of the MFMA.

- c. In the interim period, monthly meetings are held with line departments that have the largest number of payments that have not been paid within 30 days from the date of receipt of the invoice, to identify the root cause for the delays and resolving same.
- d. Suppliers are now required to provide Accounts Payable with statements to support all invoices submitted for payment. This will assist identifying invoices not yet submitted for payment by line departments.
- e. Processes are improved with respect to contract management with the implementation of the automated contract management system.
- f. In addition to the above implemented controls, payments made within 30 days of receiving the invoices, is a mandatory KPI in the IPP's of the Executive Directors, Directors and Deputy Heads.

4.2.2 Irregular Expenditure

Reasonable steps were not taken to prevent irregular expenditure amounting to R4,48 billion as disclosed in note 53 to the separate financial statements, as required by section 62(1)(d) of the MFMA.

Actions being taken to prevent irregular expenditure

Upgrades, development and integration of automated key business processes are underway such as procurement planning, acquisitions processes, online invoicing, contract management, contractor performance assessment and project management. Controls will be enhanced to prevent potential irregular expenditure from poor contract management and further poor procurement planning.

We will monitor the effectiveness of these remedial actions.

Consequently

COMMITTEE RECOMMENDS:

That it be noted that the Municipal Public Accounts Committee will monitor the effectiveness of the remedial actions instituted by Management to address the Expenditure Management findings.

4.3 CONSEQUENCE MANAGEMENT

The Auditor-General found that some of the irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

We have scheduled special meetings to ensure that we address unauthorised, irregular, fruitless & wasteful (UIFW) expenditure as prescribed by the MFMA. However, our progress has been hampered by the non-submission of reports by management and the poor quality of reports which caused the deferral of matters.

We have developed a programme to process all outstanding UIFW expenditure by 30th June 2026.

Therefore

COMMITTEE RECOMMENDS:

- 4.3.1 That the Executive Director: Corporate Services ensure that the Consequence Management Policy is submitted for approval by Council no later than 30th June 2026.
- 4.3.2 That the City Manager instruct Executive Directors to ensure that all their directorates that have incurred unauthorised, irregular, fruitless & wasteful expenditure have reported such expenditure to the Municipal Public Accounts Committee for investigation as required by section 32 of the MFMA.
- 4.3.3 That the City Manager assess the functionality and effectiveness of the Financial Misconduct Disciplinary Board and ensure that it receives the required support to enable accountability and enforcement of consequence management.

4.4 ENVIRONMENTAL MANAGEMENT

The Auditor-General has found that the Kingsburgh, Magabeni, Umkomaas, Mpumalanga wastewater treatment works did not have valid operating licences, as required by section 22(1)(b) of the National Water Act 36 of 1998 (NWA).

This is a repeat finding as the issue of invalid operating licences was raised by the AG in the two previous audits.

We have noted management's undertaking to establish a task team led by the Executive Director: Operations to oversee the project that will ensure that all water use licence applications are submitted.

Having noted the slow progress in addressing this repeat material finding

COMMITTEE RECOMMENDS:

That the City Manager ensure that the finalisation of Water Use Licence applications for the remaining wastewater treatment works is prioritised and that the Executive Director: Operations Management provide monthly progress reports to the Municipal Public Accounts Committee in this regard.

5. INTERNAL CONTROL DEFICIENCIES

The Auditor-General has identified significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation. The deficiencies were caused by weaknesses in the overall control environment, which the accounting officer and senior management are responsible for.

The Auditor-General found that the overall control environment had not shown improvement in areas of leadership and performance management. In addition, limited progress in addressing matters that were reported in the prior year audit report was noted. A

lack of sufficient oversight and monitoring has further resulted in transgressions and non-compliance, ineffective action plans and poor record keeping systems.

The internal control deficiencies have persisted because:

- The accounting officer has not implemented recommendations relating to monitoring and oversight of compliance, resulting in multiple repeat transgressions on compliance with laws and regulations, significantly increased irregular expenditure and slow implementation of consequence management.
- The accounting officer has not implemented effective performance management over senior leadership, to ensure that repeat findings on performance reporting and compliance deviations are addressed timeously.

We have noted Senior Management's commitment to achieving a clean audit and ensuring that the following measures are put in place to strengthen the internal control environment:

- a. Strong tone set at the top to instil a culture of compliance, credible performance reporting, and accountability.
- b. Implement adequate oversight mechanisms to enforce compliance with legislation and project management standards.
- c. Establish clear accountability measures to address transgressions and noncompliance.
- d. Strengthen internal processes for performance reporting by conducting regular reconciliations and reviews against underlying records and registers.
- e. Enhance the role of the Performance Management and Internal Audit Directorates in verifying the credibility of reported performance data.
- f. Develop a comprehensive action plan addressing audit findings and key service delivery priorities.
- g. Provide regular reports to the Executive Committee and Council, ensuring accountability and enforcing measures to address delays in implementation.

We have noted that the Audit and Risk Committee urges the Accounting Officer and senior management of the municipality to implement consequence management measures against staff members who are found to be responsible for the deliberate disregard of systems of internal control.

As we agree with the Auditor-General that the control environment requires urgent attention,

COMMITTEE RECOMMENDS:

- 5.1 That the City Manager ensure that effective steps are taken to address:
 1. The repeat compliance deviations.
 2. Significant irregular expenditure.
 3. Slow progress in consequence management.
- 5.2 That the City Manager act against senior management for slow progress in addressing the deficiencies in the control environment.
- 5.3 That the City Manager address the deterioration of existing infrastructure as well as deficiencies in current infrastructure projects by aligning budgets with actual funding needs, improving integrated planning and implementation of a plan that prioritises proactive maintenance.

6. MATERIAL IRREGULARITIES

In accordance with the Public Audit Act and the Material Irregularity Regulations, the Auditor-General must report on material irregularities (MIs) identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

6.1 Material Irregularity identified during the Audit

In performing physical verifications of water meters at consumer properties, instances of non-functional meters were identified by the Auditor-General. The Municipality did not maintain, repair or replace certain non-functional meters resulting in non-compliance with section 63(1)(a) of the MFMA.

The accounting officer was notified of the MI on 8 July 2025 and invited to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer responded on 5 August 2025 with proposed actions including repairs or replacement of meters and approval of a water turnaround strategy. The Auditor-General will follow up on the implementation of the planned actions during my next audit.

6.2 Material Irregularities in progress

The Auditor-General (AG) identified a MI during the audit and notified the accounting officer, as required by MI Regulation 3(2). By the date of the audit report, the response of the accounting officer was not yet due. This MI will be included in next year's audit report.

6.3 Status of previously reported Material Irregularities

The AG reports the status of previously reported MIs as follows:

- a. Two MIs relating to pollution of water resource not prevented – Northern Wastewater Treatment Works and Umbilo Wastewater Treatment Works were assessed by the AG and subsequently referred to the Department of Water and Sanitation for further follow-up.
- b. For one MI relating to Expanded Public Works Programme payments made for expenses not incurred, the AG is in the processing of deciding on the further actions to be taken.
- c. For one MI relating to the community ablution blocks at the KwaDabeka Transit camp the AG noted that appropriate actions are being taken to address the material irregularity. The AG will follow up on the implementation of the planned actions during the next audit.

The Material Irregularities reported by the Auditor-General are also cause of concern to the Audit and Risk Committee (ARC); which it notes require dedicated attention from management. The ARC further notes that the Auditor-General raised new material irregularities to the Municipality; which it says are concerning as they reflect on a weak control environment in the city. The ARC continues to monitor the activities to be taken to address material irregularities as well as the implementation dates to ensure that Management is held accountable for the required activities.

We engaged with the Directorates responsible for the Material Irregularities and were provided with the action plans that have been developed to address the findings. Management further provided progress updates where applicable.

We are hopeful that the Management's action plans will address the root causes of the irregularities.

Therefore

COMMITTEE RECOMMENDS:

That it be noted that the Municipal Public Accounts Committee will monitor progress on the implementation of Material Irregularities action plans and call the Accounting Officer to account for actions taken and outcomes on a quarterly basis.

7. INGONYAMA TRUST LAND PROPERTIES

We have noted with concern the complications arising from the increased number of people living in Ingonyama Trust areas, the quality of houses that they build and the generally high standard of living of the residents who do not contribute to the fiscus of the Municipality.

Considering our abovementioned observations

COMMITTEES RECOMMENDS:

- 7.1 That the Chief Financial Officer, the Director Revenue Management and the Director: Property Valuations & Management accelerate the process of levying rates for properties on Ingonyama Trust land, in accordance with the previous Council resolution.
- 7.2 That the Executive Director: Technical Services and the Director: Water Services accelerate the process of levying charges for water consumed by properties on Ingonyama Trust land.

8. CONCLUSION

Having performed the following tasks:

- ✓ Reviewed and analysed of the Annual Report.
- ✓ Invited, received, and considered inputs from Councillors and Portfolio Committees, on the Annual Report.
- ✓ Considered the written comments received on the Annual Report from the public consultation process.
- ✓ Conducted Public Hearings to allow the local community or any organs of state to make representations regarding the Annual Report.
- ✓ Received and considered Council's Audit Committee views and comments on the annual financial statements and the performance report; and
- ✓ Prepared the Oversight Report taking into consideration the views and inputs of the public, representatives of the Auditor-General, organs of state, Council's Audit Committee and Councillors.

The Municipal Public Accounts Committee has pleasure in presenting the Oversight Report to Council for consideration and, thereafter, forwarding to the relevant Departments and Provincial Legislature:

COMMITTEE RECOMMENDS:

1. That Council having fully considered the Annual Report of the eThekweni Municipality for the 2024/2025 Financial Year, adopts the Oversight Report for the 2024/2025 Financial Year.
2. That Council approves the Annual Report of the eThekweni Municipality for the 2024/2025 Financial Year without reservations.
3. That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.
4. That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003.

9. ANNEXURES

Annexure A Report on 2024/25 Annual Report Public Participation Process

Annexure B 2024/25 Status of Action Plans for Auditor General Findings

eThekweni Municipality

Report to the Municipal Public Accounts Committee

Report on the Public Participation process for eThekweni Municipality's Annual Report for the 2024/25 financial year

The eThekweni Municipality's Annual Report for 2024/25 was tabled at the Council meeting held on the 29th of January 2026, as prescribed in terms of section 127(2) of the Local Government: Municipal Finance Management Act 56 of 2003. The Annual Report also includes the reports of the Municipal Entities viz. Inkosi Albert Luthuli ICC (Pty) Ltd and Durban Marine Theme Park (Pty) Ltd; the Report of the Auditor-General on the Group Financial Statements; and the Annual Performance Report of eThekweni Municipality and its Entities.

Public meetings to engage on the 2024/25 Annual Report were scheduled as follows:

No.	SECTOR/ STAKEHOLDER	DATE	TIME	VENUE
1.	Amakhosi	Thursday, 05 February 2026	10h00	Pinetown Civic Centre – Committee Room 1
2.	People With Disabilities	Saturday, 14 February 2026	10h00	Amanzimtoti Community Hall
3.	Ward Committees	Saturday, 21 February 2026	10h00	City Hall (Chief Albert Luthuli Hall)
4.	Public/ opinion makers, Civil Society (including Landowners Associations/ Ratepayers Associations and Faith based organisations)	Tuesday, 24 February 2026	09h00	Pinetown Civic Centre (Main Hall)
5.	Community Media Forum	Friday, 27 February 2026	10h00	Durban Botanic Gardens
6.	Formal Business	Wednesday, 04 March 2026	14h00	Virtual – MS Teams

All of the above-mentioned engagements were held as scheduled.

The public participation process for the 2024/25 Annual Report highlighted a clear appreciation for the Municipality's financial stability and unqualified audit outcome, while raising strong concerns

about the gap between reported performance and lived community realities across water supply, electricity reliability, road and stormwater infrastructure, housing delivery, sewerage failures, and burial space shortages. Stakeholders consistently called for improved turnaround times, stronger consequence management, enhanced transparency, better communication (especially in isiZulu), accountability of councillors, inclusion of traditional leaders in rural projects, and strengthened safety measures for staff in high-risk areas. Key issues such as tanker corruption allegations, incomplete housing projects, deteriorating infrastructure, high levels of non-revenue water and electricity losses, and delayed catalytic projects featured prominently, alongside strong stakeholder recommendations for digital service improvements, ward-level dashboards, and more inclusive, citizen-centred governance.


The questions and comments received from the attendees for each of these meetings and external inputs from the public are detailed in the Annexures attached as follows:

	Page No.
Annexure A: Minutes of the 2024/25 Annual Report engagement – Amakhosi.....	4
Annexure B: Minutes of the 2024/25 Annual Report engagement – People with Disabilities	14
Annexure C: Minutes of the 2024/25 Annual Report engagement – Ward committees	19
Annexure D: Minutes of the 2024/25 Annual Report engagement – Public and civil organisations.....	29
Annexure E: Comments from the Community Media Forum.....	33
Annexure F: Minutes of the 2024/2025 Draft Annual Report Engagement with Formal Business.....	42
Annexure G: Comments from the Durban Chamber of Commerce and Industry	44
Annexure H: Submission from eThekweni Ratepayers Protest Movement (ERPM)	48
Annexure I: Submission by Rev. BK Dlodla Foundation	54
Annexure J: Comments received via email.....	56

The following revisions were made to the 2024/25 Annual Report after tabling the report at Full Council on the 29th of January 2026 are as follows:

PAGE NUMBER	REVISION
198	<p>Insertion of the following:</p> <p>The Point development remains a strategic catalytic project within the City’s long-term spatial and economic framework.</p> <p>UEM Sunrise have given firm commitment to the City that the Point precinct remains a priority and have advised that they are working closely with potential investors to implement the next phase of development following setbacks over the last few years due to lack of market appetite following economic instability, amongst which include COVID-19, floods, unrest, etc.</p> <p>The City is strongly committed to ensuring that the Point precinct is developed to its full potential as a transformative waterfront development for Durban.</p>

200	<p>Challenges</p> <ul style="list-style-type: none">Amended: “The DPDC’s lack of financial resources delayed the development and is unable to compensate Board members.” to the following: <p>The Durban Point Waterfront Development’s lack of financial investment has delayed implementation plans and have affected the rollout of development, resulting in slower progress.</p> <p>Mitigation</p> <ul style="list-style-type: none">Amended: “Requested approval from Council to grant the rates deferment to allow the developer to progress and become financially sustainable. Council to grant the dissolution of Board members.” to the following: <p>A report will be submitted to Council in the new financial year on the actions to be taken to get the development off the ground.</p>
-----	--



Dr Nirmala Govender

Director: Monitoring, Evaluation and Advisory Services (MEAS)

Annexure A: Minutes of the 2024/25 Annual Report engagement – Amakhosi

Date : Thursday, 05 February 2026
 Venue : Pinetown Civic Centre, Main Hall
 Time : 10h00
 Programme Director : Mrs Sthembile Khanyile (Senior Community Mobiliser - Masakhane Outreach Programme)
 Presenter : Mrs Mumsy Ntombela (Senior Manager: Regional Services)



ETHEKWINI MUNICIPALITY

**2024/25 Annual Report – Amakhosi Engagement
 THURSDAY, 05 FEBRUARY 10H00
 PINETOWN CIVIC CENTRE COMMITTEE ROOM 1**

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
1.	<p>Welcome & Opening Remarks</p> <p>The Program Director, Mrs Sthembile Khanyile: Senior Community Mobiliser, extended a warm welcome to all members present. She then invited Nkosi Maphumulo to open the meeting with a prayer. (10:20).</p> <p>He indicated that he would allow an opportunity for Amakhosi to be the ones to officially welcome everyone present as a protocol measure. In doing so, he also requested that they introduce themselves for familiarisation.</p>	Mrs Sthembile Khanyile
2	<p>Introductions</p> <p>Inkosi uXimba, took the opportunity to introduce himself and extended a warm greeting to the meeting. He introduced each Inkosi, making mention of the areas over which they presided.</p>	

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p>Ongoing, he forwarded apologies for</p> <p>Nkosi Mkhize, Nkosi Gwala, Nkosi Mkhize and Nkosi Cele who would be arriving late. He further indicated that Nkosi Luthuli and Nkosi Mqadi had forwarded apologies for not being able to attend.</p> <p>Thereafter, the programme director proceeded to introduce the municipal officials and key stakeholders in attendance.</p>	
3	<p>Purpose of the day</p> <p>The purpose of the engagement was presented by Councillor Nkosenhle Madlala (Chairperson of the Governance and Human Resources Committee), who extended a warm greeting to the house and expressed appreciation to Amakhosi for availing themselves for the meeting.</p> <p>Councillor Madlala explained that at the beginning of each financial year, the Municipality engages with stakeholders, including traditional leaders, to outline planned programmes and development priorities. Thereafter, the Municipality is required to report back on the outcomes, progress, and achievements of those plans, which forms the basis of the Annual Report Engagement.</p> <p>He further indicated that the decision to host the current round of annual report engagements was approved by Council on 29 January 2026, during a duly convened Council meeting.</p> <p>The Councillor emphasised that Amakhosi play a critical role in the Municipality’s governance and development processes. As custodians of traditional communities, traditional leaders provide valuable insights into community needs, service delivery challenges, and development priorities within their respective areas. Their participation in the annual report engagement ensures inclusive governance, strengthens accountability, and enables the Municipality to assess whether its programmes are responding effectively to community realities.</p> <p>It was further noted that the floods experienced across eThekweni had a significant impact on municipal operations and service delivery. A substantial portion of municipal resources had to be redirected towards infrastructure repairs and disaster recovery, which resulted in delays in the implementation of certain planned programmes and projects. These circumstances affected overall progress in some service delivery areas during the reporting period.</p> <p>In closing, it was expressed that the engagement was intended to be open, constructive, and fruitful. Amakhosi were encouraged to provide honest feedback on areas where the Municipality has performed well, as well as to highlight areas requiring improvement. Such feedback is essential in strengthening collaboration between the Municipality and traditional leadership and in improving service delivery to communities.</p>	

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
2.	<p data-bbox="163 180 701 212">2024/ 2025 Annual Report Presentation</p> <p data-bbox="163 253 1115 285"><u>Presented by Mrs Mumsy Ntombela - Senior Manager: Regional Services.</u></p> <p data-bbox="163 334 1766 415">The Senior Manager: Regional Services forwarded a warm greeting to Amakhosi and everyone present. She explained that she would be reporting on the 2024/25 eThekweni Municipality Annual Report.</p> <p data-bbox="163 464 1766 545">The report covered performance highlights and project progress across key departments, including Engineering, Human Settlements, Trading Services (Waste Management), Water and Sanitation Services, and Energy Management.</p> <p data-bbox="163 594 1766 789">Under the Human Settlements, Engineering and Transport Authority – Engineering Unit, the presentation highlighted key achievements for the financial year. These included exceeding targets for the conversion of unsurfaced roads to surfaced roads, improvements in rural road infrastructure, and the provision of stormwater solutions to properties below the defined level of service. The report also noted that additional budget allocations enabled the municipality to surpass certain targets, particularly in response to storm damage.</p> <p data-bbox="163 837 1766 1040">A significant portion of the presentation focused on completed and ongoing infrastructure projects. Numerous road rehabilitation and gravel-to-surface upgrade projects were completed across various wards, including major upgrades such as the Vusi Mzimela Road widening project and several flood damage remediation initiatives. Low-volume road upgrades were successfully implemented in the North, South, and West regions, improving accessibility and mobility in rural and peri-urban areas.</p> <p data-bbox="163 1089 1766 1252">Within Human Settlements, the report outlined projects at both planning and construction stages across the Southern, Western, and Northern Regions. Notable progress was reported on rural housing projects such as Sobonakhona, KwaXimba Phase 1, and Qiniselani maNywuswa, with thousands of housing units completed to date. Some projects remain at planning stage due to processes such as SPLUMA approvals, environmental studies, funding approvals, and bulk service confirmations.</p> <p data-bbox="163 1300 1766 1422">Under Trading Services – Waste Management, updates were provided on strategic landfill developments, including the Shongweni and Lovu Landfill Sites, which are currently under construction and form part of long-term waste management planning.</p>	Mrs Mumsy Ntombela

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p>Water and Sanitation Services highlighted major completed bulk infrastructure projects, including the construction of steel trunk mains and the upgrade of the Mkhizwana Water Treatment Works, significantly increasing treatment capacity and improving water security in affected wards.</p> <p>Energy Management reported on multiple completed medium- and low-voltage line extensions, network upgrades, new substations, and streetlighting projects across regions. These interventions enhanced electricity access, network capacity, and service reliability in several communities.</p>	
3	<p>Discussion Question and Answer Session</p> <p><u>Inkosi Ngcobo (eMaqadini)</u></p> <p>Inkosi of eMaqadini raised concerns that despite the presence of the nearby dam, several areas including eMaqadini, eMaphethetheni remain without reliable water access, generating ongoing community complaints.</p> <p>Thereafter, he questioned whether the dam existing could be utilized to supply clean water. He urged that the next budget include funding to provide water in the affected areas and requested that amakhosi must be consulted before involving councillors to ensure local issues are properly addressed.</p> <p>Additionally, a request for a dedicated meeting with the Human Settlements official to discuss broader community housing and infrastructure needs was made.</p> <p>Moreover, Inkosi has raised concerns about unauthorized burials on his land at Emaqadini eTafuleni since the start of the COVID-19 pandemic in 2019, involving individuals from outside his jurisdiction being interred without his approval, as result, he requested a meeting with the parks department to address the issue.</p> <p><u>Inkosi Mkhize</u></p> <p>Inkosi Mkhize emphasized his responsibility over twelve traditional areas and noted that he was unaware of some houses reported as completed in Ntshongweni, Geordedale, Mpumalanga.</p> <p>He highlighted a longstanding water supply crisis.</p>	Amakhosi and Departments

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p>Furthermore, he pointed out that Mophelo road near eMaromeni area is in a severely deteriorated state in such that vehicles struggle to pass</p> <p>Mr Thembeni Khumalo from the Engineering Unit confirmed that the department is aware of the damaged condition of the above-mentioned road. He clarified that road ownership and responsibility are divided between the Municipality and the Provincial Department of Transport. The specific road in question falls under the jurisdiction of the Provincial Department of Transport. The matter will therefore be formally referred to the Department of Transport for necessary intervention.</p> <p><u>Inkosi Maphumulo</u></p> <p>Concern was raised regarding unfulfilled promises and delayed community projects by eThekweni municipality. Inkosi Maphumulo reported that a development led by Councillor Madlala has been under way for two years without completion and he called for tangible progress on all outstanding developments</p> <p><u>Inkosi Mkhize</u></p> <p>Inkosi Mkhize appealed for greater councillor responsiveness to community needs/complaints and appealed that councillors must be encouraged to take their community responsibility seriously</p> <p>it was highlighted that roads at Embo area have severely damaged and poorly repaired, wash away under heavy rains, leaving dangerous potholes</p> <p>he highlighted the poor state of roads in Embo area, which deteriorate further during heavy rains despite repair attempts</p> <p>he noted that water shortages continue to plague the area he also raised concerns that RDP houses were allocated to those in less need rather than the most vulnerable, thereafter, he requested that RDP houses should prioritize the most vulnerable families</p>	

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p><u>Inkosi Mlaba</u></p> <p>A clarification was sought on the status of Thoyani, illovu projects, it was pointed out that although roads have been constructed under these initiatives, they remain unfinished, and Inkosi requested for further information on progress, timelines</p> <p>Additionally, inkosi requested to convene a meeting with Parks department</p> <p><u>Inkosi Bhengu</u></p> <p>It was noted that inkosi Bhengu was invited to comment about the presentation and but explicitly stated he had none</p> <p><u>Inkosi Dlamini</u></p> <p>Inkosi Dlamini expressed surprise at a presentation that indicated housing projects were completed, he clarified that he was only aware of RDP houses that were built and finished in 2021, and he questioned why these same projects still appear as ongoing in the 2024 schedule</p> <p><u>Jabulani under inkosi Shozi</u></p> <p>An update on illovu, Vumazonke housing projects was provided, it was noted that while the presentation highlighted these developments, only 59 of the planned 448 houses have been completed. Thereafter, inkosi appealed to Municipality for assistance of the remaining construction of RDP houses It was reported that while Shongweni dam project completed, Ward 7, 14, 15, and others remain unfinished , leading to numerous complaints about water shortages and old pipes that were removed and the new pipes installation will only proceed once the department is prepared to deliver water.</p> <p><u>Inkosi Ngcobo kwaNyuswa</u></p> <p>Concern was raised regarding chronic water shortages in several communities. Inkosi reported that residents sometimes go without water for up to three weeks despite a nearby dam. Thereafter, inkosi requested that the responsible department treat the situation as a priority and explore options for extracting and purifying water from the dam to supply residents.</p>	

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p>It was highlighted that there were severe challenges in local water distribution with tankers. He explained that although tankers have been deployed to deliver water, service was inconsistent and many areas still go without any supply</p> <p>Ngcobo KwaNyuswa points out that RDP housing projects face delivery problems due to missing road access, causing material transport teams to return empty-handed, and he asks if the housing department should build roads to enable material delivery.</p> <p>Ngcobo advocated a needs-based housing allocation that prioritised the most desperate applicants, ensuring they received assistance first, while less needy applicants were considered only after all high-need cases were addressed.</p> <p>Ngcobo emphasised prioritising housing allocation based on genuine need, advocating that houses should be distributed first to the most deserving individuals and last to those who are less in need, focusing on the urgency of each applicant's circumstances so resources are directed where they have the greatest impact.</p> <p>Ngcobo KwaNyuswa proposed a needs-based approach to community housing construction, prioritizing new homes for the most disadvantaged residents first and allocating homes to more affluent individuals only after urgent needs are met</p> <p>A clarification was sought on why water tanks are being sold to communities despite being labelled as "not for sale" and whether there is a specific day designated for providing water tanks to the community</p> <p>Responses</p> <p>During the proceedings, Councillor Burne raised his hand and requested that questions posed in IsiZulu be interpreted into English before responses were provided, in order to ensure his understanding of the discussions.</p> <p>In response, the Deputy Head from the Office of the Speaker clarified that the engagement had been specifically convened for AmaKhosi and was intentionally structured to be conducted in IsiZulu, being the preferred and appropriate language for the traditional leadership present. She further explained that other engagements are planned which will be conducted in English, and Councillor Burne would be able to participate fully in those sessions.</p> <p>Accordingly the questions and comments posed by amaKhosi were answered as follows:</p>	

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p>1. Housing Concerns</p> <p>It was noted that there were no officials from the Human Settlements (Housing) Department present at the meeting to respond to housing issues. However, it was advised that the issues would be referred to the relevant department, and a detailed response will be provided once feedback has been received.</p> <p>2. Deteriorated Road – Mophela Area</p> <p>Mr. Thembeni Khumalo from the Engineering Unit confirmed that the department is aware of the damaged condition of Mophela Road. He clarified that road ownership and responsibility are divided between the Municipality and the Provincial Department of Transport. The specific road in question falls under the jurisdiction of the Provincial Department of Transport. The matter will therefore be formally referred to the Department of Transport for necessary intervention.</p> <p>3. Low-Volume Gravel Roads Projects (Illovu and Toyana Areas)</p> <p>Mr Khumalo reported that in the Illovu Area, low-volume gravel roads are being upgraded from gravel to tar as part of an ongoing project. Progress is being made, and the project will continue in phases. Similarly, in the Toyana area, a low-volume gravel roads project is underway, which is expected to improve road conditions in the affected areas.</p> <p>4. Low-Quality Road Repairs (Embo Area)</p> <p>Mr Khumalo touched on concerns regarding the quality of road repairs in the Emble area were acknowledged. It was reported that rehabilitation plans are currently underway, and affected roads will receive the necessary attention through the ongoing rehabilitation programme.</p> <p>5. Cemeteries and Burial Space Crisis (eThekwini)</p> <p>The Parks, Recreation and Cemeteries Department reported a serious depletion of available land for burials, resulting in an ongoing burial space crisis within eThekwini. The Geotechnical (Geotech) Unit has been conducting assessments to determine the suitability of land for burial purposes and has confirmed the challenges relating to soil conditions and limited available land. It was therefore requested that a meeting be convened between the Municipality and the Inkosi to discuss the possible identification and setting aside of suitable land for cemetery use, should such land be available within traditional authority areas. This engagement would assist the Municipality in addressing the current burial space shortage.</p>	

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p>6. Burial Methods (Upright Burials)</p> <p>A question was raised regarding whether burials are now being conducted in an upright position as a space-saving measure. It was explained that studies have been conducted internationally on alternative burial methods, including upright burials. A representative from Cebolethu Funeral Services had previously travelled abroad to research such practices and confirmed that upright burials are practiced in some countries. However, it was clarified that this method is not currently practiced in South Africa, including within eThekweni Municipality.</p> <p>7. Water Supply Challenges (uMngeni Water and Municipal Supply)</p> <p>Precious Mbhele answered on concerns regarding water supply interruptions were addressed. It was explained that uMngeni Water is the bulk water supplier, and when complications arise at that level, it directly affects the Municipality's ability to distribute water to communities. These upstream challenges therefore have a ripple effect on local supply.</p> <p>8. Water Tanker Concerns</p> <p>Cllr Madlala further addressed concerns about:</p> <ol style="list-style-type: none"> 1. Allegations of water tankers selling water to residents. 2. Contractors allegedly damaging infrastructure in order to prolong water tanker service contracts. 3. Diesel theft involving municipal officials and water tanker operations. <p>These allegations were noted as serious and concerning, as they undermine service delivery and threaten the integrity of municipal operations. It was indicated that these matters require investigation and stricter oversight to ensure accountability and to protect municipal resources.</p>	
4	<p>Closing Remarks</p> <p>In closing, Cllr Madlala advised that Councillors would be strongly urged to consistently engage and collaborate with traditional leaders on projects within wards and traditional authority areas. It was noted that a collaborative and transparent working relationship should be maintained to ensure mutual respect, improved communication, and better service delivery outcomes. Ongoing the following recommendations were made:</p>	Cllr Madlala

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p>RECOMMENDATIONS</p> <p>That the Human Settlements Department provide written feedback regarding houses reported as completed in Ntshongweni, Geordedale, and Ngomulanga.</p> <p>That future housing project updates within traditional authority areas be formally shared with the respective Inkosi prior to project completion.</p> <p>That the matter of the severely deteriorated Mophela Road in Hammersdale be formally escalated to the Provincial Department of Transport for urgent assessment and intervention.</p> <p>That continued engagements be held with the bulk water supplier to mitigate disruptions affecting municipal distribution.</p> <p>That allegations relating to water tanker operations, including illegal sale of water, deliberate infrastructure damage, and diesel theft, be formally investigated.</p> <p>That stronger monitoring and oversight mechanisms be implemented to protect municipal resources and ensure accountability.</p> <p>That an urgent meeting be convened between the Municipality and AmaKhosi to identify suitable land for cemetery purposes.</p> <p>That long-term strategies be developed to address the burial space crisis in a sustainable and culturally appropriate manner.</p> <p>That councillors proactively engage traditional leaders throughout the lifecycle of projects within their wards.</p> <p>That structured communication platforms be established to promote ongoing dialogue between municipal departments and traditional authorities.</p>	
5.	<p>Closure</p> <p>The programme director thanked everyone for attending the session and for the participation in the engagements.</p> <p>He urged everyone to not leave directly after the meeting to engage Amakhosi on issues raised.</p> <p>The session ended 12:36</p>	Mrs Sthembile Khanyile

Annexure B: Minutes of the 2024/25 Annual Report engagement – People with Disabilities

Date : Saturday, 14 February 2026
 Venue : Amanzimtoti Civic Hall
 Time : 10h00
 Programme Director : Ms Nothemba Matshoba
 Presenter : Mr Sibonelo Mseleku – Human Capital People with Disabilities Helpdesk



Annual Report Consultation 2024-25 Financial Year

People with Disabilities Engagement
Saturday, 14 February 2026T10h00
Amanzimtoti Community Hall

No.	Item
1.	Welcome and Opening Remarks
	<p>Opening the engagement, Councillor Thamsanqa Mthethwa of Ward 81, which includes Sections B, C, E and F, welcomed everybody in attendance, expressing his appreciation for their participation. He pointed out that he had served as a community leader even prior to being elected as a Councillor, which strengthened his commitment to serving the community.</p> <p>Furthermore, Councillor Mthethwa explained that the eThekweni Municipality is structured in a manner that requires accountability and reporting to the Department of Cooperative Governance and Traditional Affairs (COGTA) through various community forums and associated oversight structures, including those representing persons with disabilities. He emphasised that all people experience different forms of limitations in life and therefore mutual respect and inclusivity should always be encouraged within communities.</p> <p>Councillor Mthethwa indicated that the presentation would outline key achievements, challenges encountered, and plans going forward. He also encouraged constructive input from attendees, noting that such engagement assists the Municipality in strengthening service delivery and improving overall performance.</p>
2.	2024-25 Annual Report Presentation: Human Capital People with Disabilities Helpdesk
	<p>Mr Sbonelo Mseleku presented the 2024/2025 Annual Report overview, noting that the City’s performance over the past three financial years reflects a period of recovery, stabilisation, and gradual improvement in service delivery and financial management. He indicated that while progress has not been uniformed across all areas, but the overall trend demonstrates strengthened planning, implementation, and oversight.</p>

No.	Item
	<p>Mseleku reported that the City’s overall performance achievement rate decreased slightly from 87.56% in the 2023/2024 financial year to 86.7% in the 2024/2025 financial year, which though still reflects a relatively stable performance level. He further indicated that eThekweni Municipality remains committed to promoting equal opportunities and recognising the skills and abilities of People with Disabilities (PWDs). That the Municipality values the contribution of all employees and strives to create a working environment in which employees with disabilities are able to participate fully and meaningfully.</p> <p>Speaking on the recruitment and selection strategy, Mseleku assured the engagement that recruiting persons with disabilities and proactively retaining employees who become disabled during their employment is an important part of demonstrating this commitment. That, as one of the initiatives, the Employment Equity Office has engaged with City Fleet and the Head of Department to arrange for Municipal vehicles to be more user-friendly for employees with special needs, as the City previously did not have such vehicles. Mseleku confirmed that this initiative forms part of a pilot project expected to be launched in the new financial year. Meaning, the eThekweni Municipal Academy will collaborate with the Employment Equity Office in implementing the project.</p> <p>The approach was reported to include the provision of three accessible vehicles, which will be utilised as follows:</p> <ul style="list-style-type: none"> • EThekweni Municipal Academy – for driving assessments. • City Fleet – to maintain the vehicles as pool cars for general Municipal use. <p>The launch of the first Non-Discriminatory Mobility (NDM) vehicles by eThekweni Municipality was noted to be designed to accommodate employees with disabilities, represents a significant step toward enhancing workplace inclusivity and removing mobility barriers. Mention being made that these vehicles intended to ensure that employees with disabilities are able to perform their duties without limitations and have equal access to opportunities within the workplace.</p> <p>Continuing with the presentation, Mseleku advised that, historically, employees with disabilities often faced mobility challenges due to inaccessible transportation, which could hinder their ability to perform their duties effectively. In response then, the Municipality implemented a plan to introduce accessible vehicle solutions that would enable employees with disabilities to carry out their responsibilities without restriction, thereby improving productivity and job satisfaction. This initiative to further ensure that employees with disabilities no longer have to depend on inadequate or inaccessible transportation. The attention was also drawn to the fact that by removing these barriers, the Municipality aims to foster a more inclusive workplace culture where employees can focus on their responsibilities without logistical challenges, leading to improved morale and productivity.</p> <p>It was advised that the Corporate and Human Capital Unit, together with City Fleet, the eThekweni Municipal Academy, and Organisational Change Management, are collaborating to introduce these user-friendly Municipal vehicles.</p> <p>The pilot launch of the accessible vehicle initiative was reported to be scheduled as follows:</p> <p>Date: 20 March 2025 Time: 12:00 – 14:00 Venue: Centre of Excellence</p> <p>Reporting on the other initiative, Mseleku advised that the Human Capital Transformation Department (HCTD) engaged in a benchmarking exercise with the South African Police Service (SAPS) regarding workplace wellness programmes. That the purpose of this engagement was to gain insights into SAPS’s successful wellness initiatives that support employees with disabilities and women, while also exploring programmes that promote interfaith harmony and inclusivity in the workplace.</p>

No.	Item
	<p>It being highlighted that the benchmarking meeting with SAPS further provided an opportunity to examine innovative approaches used to support employees with disabilities. Recognizing that SAPS has developed a number of wellness programmes specifically tailored to meet the needs of employees with disabilities and women. The exchange of insights between the two institutions was valuable in identifying potential initiatives that could enhance employee wellbeing and inclusivity within the Municipality.</p> <p>For broader career and growth aspirations, the engagement was advised that on 19 and 20 June 2025, the Human Capital: People with Disabilities Helpdesk hosted a Career Expo at the ICC, where community members received information on various career opportunities. With the Helpdesk being also honoured to be invited by the Association for the Physical Challenged (APC) to participate in their Annual Sports Day, held at Cato Crest Community Hall. The event that brought together 42 persons with disabilities from the Durban area for a day of sports, engagement, and community building.</p> <p>Mr Mseleku further highlighted the importance of hosting a Disability Management Summit in the workplace, aimed at promoting inclusivity and diversity while increasing awareness and understanding of disability inclusion. Advising that the Human Capital: People with Disabilities Helpdesk hosted a Disability Disclosure Campaign during the induction programme for new employees from eThekweni Water and Sanitation. That the session, led by the Human Capital Disability Champion, encouraged employees to voluntarily and confidentially disclose their disability status in order to access appropriate support through reasonable accommodation measures.</p> <p>Following the Annual Report overview presented, stakeholders were invited to submit comments on the 2024/2025 Annual Report to:</p> <p>Mrs Nokulunga Nyasulu Senior Manager: Performance Monitoring and Evaluation</p> <p>Monitoring, Evaluation and Advisory Services Directorate 6th Floor, 41 Margaret Mncadi Avenue Durban, 4001</p> <p>Tel: (031) 311 4208 Email: Noky.Nyasulu@durban.gov.za The closing date for submission of comments was 06 March 2026.</p>
3.	<p>Discussion: Comments, Questions and Answers</p>
	<p>A: Thembinkosi Shezi (Ward 17)</p> <p>Mr Shezi raised a concern regarding the limited number of vehicles allocated to support disability programmes, noting that only three (3) vehicles are currently available.</p> <p>Response: Mr Simon Zwane of Human Capital, explained that the allocation of the three vehicles forms part of a pilot programme, and should the programme prove successful, additional vehicles will be considered. He further indicated that driving Municipal vehicles requires compliance with certain requirements, including possessing an appropriate driver’s license and a Municipal touch key for vehicle access. He also noted that Municipal vehicles are managed through a pool system, and Directorates access them based on their approved weekly operational plans, which sometimes results in vehicles being shared across departments.</p>

No.	Item
	<p>B: Zandile Sikhwishikhwishi (Ward 78)</p> <p>Ms Sikhwishikhwishi commented on Municipal vacancies, indicating that employment opportunities appear to be mainly focused on graduates. She also raised a concern that many persons with disabilities operate Non-Profit Organisations (NPOs) but struggle to secure funding.</p> <p>Response: Mr Sbonelo Mseleku clarified that the Disability Helpdesk does not appoint staff but works closely with the eThekweni Municipal Academy (EMA) to identify people with disabilities for opportunities. He encouraged individuals to clearly indicate their disabilities on their CVs, although disclosure remains optional.</p> <p>He further encouraged participation in the Awareness and High Care Programmes, noting that these programmes are informative and beneficial. Mr Mseleku suggested that the Forum Executive work together with the Helpdesk to address issues affecting persons with disabilities, as Provincial Departments regularly notify the City about relevant programmes and initiatives. He also indicated that Grant-in-Aid funding opportunities are available, and interested organisations can contact Nothemba and Siya for assistance, including referrals to other provincial departments that provide support.</p> <hr/> <p>C: Senzokwakhe Shange (Ward 88)</p> <p>Mr Shange raised concerns regarding the high qualification requirements for certain Municipal vacancies and requested guidance on strategies for completing job application forms.</p> <p>Response: Mr Mseleku indicated that the Forum Executive, representing seventeen (17) zones, is available to assist with queries that fall outside the scope of the presentation. He also mentioned that Grant-in-Aid funding applications are expected to open around May/June, and individuals or organisations seeking assistance are encouraged to apply.</p> <hr/> <p>D: Zama Mngonyama</p> <p>Ms Mngonyama acknowledged Mr Sbonelo Mseleku, Office Administrator, for his dedication and commitment in assisting persons with disabilities and providing guidance where necessary. She further sought clarity on whether disability differences (such as deafness or blindness) are considered in application requirements.</p> <p>Response: Mr Mseleku confirmed that there are grievance platforms available for applicants who wish to raise concerns. Applicants are advised to keep their reference numbers as evidence when submitting applications or complaints. However, he noted that currently there are no differentiated application requirements based on specific disability categories (e.g., deaf or blind applicants).</p> <hr/> <p>E: Thamsanqa Mzamo (Ward 32)</p> <p>Mr Mzamo indicated that the report presented covers the 2023/2024 and 2024/2025 Annual Reporting period, but he felt that limited progress has been observed to date.</p> <p>Response: The comment was noted.</p>

No.	Item
	<p>F: Sfiso Ngobese (Magabheni, Ward 89)</p> <p>Mr Ngobese enquired whether the job application forms include a section for applicants to declare their disability and whether the Helpdesk provides assistance with applications.</p> <p>Response: Mr Mseleku confirmed that application forms do include a column for disability declaration, and applicants are encouraged to complete all sections rather than indicating “see attached CV.” He further highlighted that Sizakala Centres provide assistance to job seekers, including access to computers, free Wi-Fi, and support in preparing professional CVs. These services also assist individuals applying for jobs, internships, and learnership opportunities, including those related to Municipal service delivery.</p> <hr/> <p>G: Mfundisi</p> <p>Mfundisi raised concerns about delayed responses to job applications, stating that in some cases feedback was received only after three (3) years. He also reported an incident where an individual allegedly requested a bribe after learning that he did not possess a matric qualification.</p> <p>Response: It was indicated that the Municipality is aware of job scam activities, and that community members are strongly encouraged to report such incidents to the City Integrity and Investigations Directorate (CIID) on 0800 202 020.</p>
4.	Concluding Remarks
	<p>Wrapping up the engagement, Baba Khanyisani acknowledged the concerns raised and encouraged attendees to explore additional opportunities, including applying for IEC jobs in preparation for the upcoming elections. He also highlighted forthcoming awareness campaigns promoting sports, music, stage plays, and SASSA initiatives.</p> <p>Baba Madikizela, in turn, introduced the mother of children with disabilities within eThekweni and emphasized the importance of ensuring representation in each area on issues affecting persons with disabilities.</p> <p>Additionally, the Communications Directorate presented a video demonstration alerting participants about job scams and emphasizing the importance of keeping identity documents, including drivers’ licenses, up to date in preparation for the elections.</p>
5.	Closure
	<p>Councillor Mthethwa thanked everyone for attending the session and for their active participation in the engagements.</p> <p>The meeting was then closed with a prayer by Ms Sikhwishikhwishi.</p>

TB Mbhele
City Manager
14 February 2026

Annexure C: Minutes of the 2024/25 Annual Report engagement – Ward committees

Date : Saturday, 21 February 2026
 Venue : City Hall, Chief Albert Luthuli Hall
 Time : 10h00
 Programme Director : Mr Sakhile Sibisi – Senior Administration Officer (Ward Committees)
 Presenter : Mr Maestro Mncibi - Manager HCCOE’s



ETHEKWINI MUNICIPALITY

**2024/25 Annual Report – Ward Committee Engagement
 SATURDAY, 21 FEBRUARY 10H00
 CITY HALL LUTHULI HALL**

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
1.	<p>Welcome & Opening Remarks</p> <p>The Program Director, Mr Sakhile Sibisi: Senior Administration Officer- Office of the Speaker, officially opened the meeting and expressed appreciation to all attendees for honouring the invitation (10:13).</p> <p>He explained that due to venue capacity constraints, it was not possible to invite all Ward Committee members. As a result, Ward Committee Secretaries were requested to attend and represent their respective Ward Committees. Where a Secretary was unable to attend, they were requested to delegate a suitable representative.</p> <p>It was further emphasized that Ward Committee Secretaries carry the responsibility of reporting back to their respective Ward Committees and ensuring that all information shared during the Annual Report engagement is communicated accordingly.</p>	Mr Sakhile Sibisi

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
3	<p>Purpose of the day</p> <p>Councillor Lushaba began by greeting and welcoming everyone present and thanking them for their attendance.</p> <p>Ongoing, he explained that eThekweni Municipality is structured in a manner that requires reporting to Department of Cooperative Governance and Traditional Affairs (COGTA) through its various portfolio committees and associated oversight structures.</p> <p>Councillor Lushaba indicated that the presentation would cover key achievements, challenges encountered, and plans moving forward. He further encouraged constructive input from attendees, noting that such engagement assists the Municipality in strengthening service delivery and improving overall performance.</p>	Cllr Lushaba
2.	<p>2024/ 2025 Annual Report Presentation</p> <p><u>Presented by Mr Mlungisi Maestro Mncibi: Client Liaison Officer- Compensation Management</u></p> <p>Mr Mlungisi Maestro Mncibi reported that the City’s performance over the past three financial years reflects a period of recovery, stabilisation and gradual improvement in service delivery and financial management. The overall performance achievement rate was 86.7%, showing only a slight decrease from the previous year (87.56%). Strengthened planning, implementation and oversight processes were highlighted, although progress was not uniform across all clusters.</p> <p>Continuing, the presentation highlighted cluster performances as follows:</p> <p>Trading Services Cluster</p> <p>It was indicated that the Trading Services Cluster focused on service delivery targets and performance monitoring. It further addressed operational challenges with mitigation plans to improve efficiencies and infrastructure reliability.</p> <p>Human Settlements, Engineering & Transport Cluster</p> <p>Monitored performance against service delivery targets. The presentation highlighted implemented corrective measures to address infrastructure backlogs and project implementation delays. Some key performance indicators highlighted were:</p>	Mr Mlungisi Maestro Mncibi

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p>Community Residential Units upgraded and refurbished, Hectors of land acquired for human settlements in the municipal area and number of new serviced sites to name a few.</p> <p>Community & Emergency Services Cluster</p> <p>Began by indicating key achievements as:</p> <ul style="list-style-type: none"> • Strengthened food security through support to 426 community gardens, 1,100 household gardens, and 10 aquaculture projects, prioritising women and vulnerable households. • Improved emergency response capacity, including refurbishment of high-rise firefighting platforms. • Enhanced municipal asset protection through the Land Invasion Operational Strategy and security learnership programmes. • Expanded Metro Police services with increased law enforcement and recruitment. • Approved the Level 2 Disaster Risk and Response Management Plan and coordinated responses to over 560 disaster incidents. • Improved access to clinics, mobile health services, homelessness interventions, sports, arts and cultural programmes. <p>Economic Development & Planning Cluster</p> <p>Outlined key achievements:</p> <ul style="list-style-type: none"> • Hosted State of the Economy seminars and published monthly/quarterly economic reports. • Launched innovation platforms such as the EDGE Open Data Portal and GovLab. • Transitioned the Doing Business Programme into the Business Process Optimisation Programme (BPOP) to enhance ease of doing business. • Facilitated sector development and investment attraction initiatives across automotive, maritime, chemical and green economy sectors. <p>It further included major developments such as progress at Cornubia Town Centre, including the first Leroy Merlin store in KZN. Lastly, mention was made of the opening of Westown Square in March 2025, expanding economic activity in the Outer West.</p>	

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p>Finance Cluster Highlights</p> <p>The City demonstrated strong financial governance and sustainability:</p> <ul style="list-style-type: none"> • Unqualified audit outcome for the 5th consecutive year. • Maintained investment-grade credit rating (AA- long term; A1+ short term). • Achieved a 95% revenue collection rate. • Cash on hand: R5.62 billion (39 days cash coverage). • Gearing ratio: 19.9%, well below National Treasury’s 45% benchmark. • 96% capital budget spending rate. • 97% of creditors paid within 30 days. • Repairs and maintenance spending met infrastructure targets. <p>Human Capital Directorate – HCCOE Initiative</p> <p>Special mention was made of The Human Capital Centres of Excellence (HCCOE) Computer labs that aim to promote digital inclusion and economic empowerment.</p> <ul style="list-style-type: none"> • 31 HCCOE centres established, with 4 added in 2024/25. • 423 scholars trained in basic computer skills (accredited). • 108 individuals trained through HIV & TB Care initiatives. • Centres provide services such as job applications, bursary applications (e.g., NSFAS), CAO submissions, business registration (CIPRO), SARS support, PSIRA applications and municipal HR services. • Strong partnerships with universities, TVET colleges, traditional leaders, youth employment initiatives and private sector partners (e.g., IBM, Microsoft). <p>Governance and Public Participation</p> <p>Stakeholders were invited to submit comments on the Annual Report by 6 March 2026. The presentation reinforced transparency, accountability and stakeholder engagement.</p>	

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p>In closing, it was advised that the 2024/25 Annual Report reflects a municipality that is financially stable, maintaining clean audit outcomes and strong fiscal indicators, while continuing to expand service delivery, economic development initiatives and digital inclusion programmes.</p> <p>Despite operational and infrastructure challenges, mitigation measures and structured oversight mechanisms remain in place to support improved performance and service sustainability.</p>	
3	<p>Discussion Question and Answer Session</p> <p><u>Thobeka Gumede Ward 81)</u></p> <p>Raised concern on the number of incomplete service delivery projects within Ward 81, despite allocated budget for infrastructure.</p> <p>In addition, she indicated that a prominent issue is a blocked sewer that has been unresolved since 2020 and has now become overgrown with vegetation. This requires immediate intervention due to sanitation and public health concerns.</p> <p>Furthermore, she reported that RDP houses in areas C, B, and D are reported to be of poor quality. Many of these RDP houses lack electricity connections, and there's a specific issue with a non-functional electricity transformer</p> <p>She mentioned that the absence of proper water pipe infrastructure leads to illegal connections, which can cause water wastage and safety hazards and results to illegal connections.</p> <p>In closing, it was advised that newly built RDP houses are inaccessible due to a lack of roads, making transportation difficult for residents and emergency services.</p> <p><u>Mbalenhle Fumba Ward 88</u></p> <p>Reported that Project S1523523 at Nduduzweni Area is paused because busses are parked on the designated site, and the owner refuses to move them. There's a lack of progress despite requests for municipal intervention.</p>	Ward Committees and Departments

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p>She further reported that a blocked sewer is causing residents to dispose of waste into mainstreams, leading to a serious public health concern, specifically an increase in Tuberculosis (TB) cases in the area.</p> <p><u>Nomusa Mkhize Ward 90</u></p> <p>Raised concern regarding the ward Councillor who was reportedly not informing committee members about development plans and projects. Many projects are incomplete, and the Councillor frequently misses Ward Committee meetings. This issue has been noted to require intervention from the Speaker's Office.</p> <p><u>Bongani Khumalo Ward 71</u></p> <p>Reported that sewer pipes damaged during past floods remain unrepaired, causing raw sewage to flow directly into streams.</p> <p>Furthermore, he made mention of houses that collapsed during floods in 2017, 2019, and 2022 that have not been rebuilt, leaving affected citizens without homes for extended periods and requested for Municipality intervention.</p> <p><u>Ntombi Ngcobo Ward 84</u></p> <p>Advised that a tar road project (P725) in Engonyameni remains unfinished. The municipality is requested to ensure its completion.</p> <p>Additionally, she reported The Engonyameni electricity transformer is weak and insufficient for the large community it serves, leading to frequent and prolonged power outages (3-4 days without reinstatement).</p> <p>Continuing, concern was raised regarding water supply as a general challenge.</p> <p>In closing, Ms Ngcobo indicated that she noted that in its previous meeting, Council approved the reprioritization of funds for storm water damaged infrastructure. However, she raised concern that ward 84 was explicitly excluded from the recovery plan though there was infrastructure damaged in ward 84 as well.</p>	

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p><u>Zamani Ndlovu Ward 91</u></p> <p>Indicated that Mini Town, Phase 2, has had a poorly maintained gravel road for two years, requiring municipal intervention.</p> <p>Ongoing, Zamani reported poor quality water pipes and repeated breakdowns, specifically Sangweni (Junction Centre), experiences frequent water leaks and potholes due to poor quality water pipes. Pipes are repeatedly repaired but break again quickly, highlighting a need for better quality infrastructure.</p> <p>Finally, he mentioned that Small business stalls built at KwaMcoyi remain unoccupied, indicating wasteful expenditure and a lack of follow-through on economic development initiatives.</p> <p><u>Biyase Sibongiseni Ward 101</u></p> <p>RDP houses built since 2011 still lack water connections, resulting in widespread illegal connections and high water consumption.</p> <p><u>Muzi Gumede Ward 47</u></p> <p>Despite raising concerns about illegal dumping and job creation at a Monitoring and Evaluation meeting, Ward 47 has not received any feedback from the municipality and request for feedback.</p> <p>There's a significant increase in crime in Bester and Inanda areas. A request is made for Safer Cities patrols to reduce crime and protect water tanker drivers who are frequently hijacked.</p> <p><u>Steven Okley Ward 11</u></p> <p>Emashumeni requires refurbishment of water pipes and repair of tar roads due to extensive potholes exacerbated by rain. Four newly built houses experience severe rainwater overflow because the area lacks proper storm water drains</p>	

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p><u>Simphiwe Gumede Ward 21</u></p> <p>Located standpipes are being misused for car washing, and a request has been made to close them to prevent water wastage and inappropriate use. Frequent theft of copper electricity cables is an issue. A recommendation is made to use different cable specifications (e.g., not copper) to deter theft. Safer Cities intervention is requested to safeguard school children crossing the road at Dumisani Makhanye, as they are currently unmonitored.</p> <p><u>Cele Kwenzokuhle Ward 100</u></p> <p>A proposal to technically upgrade the municipal complaints management system to move beyond reliance on call centres for efficiency and better tracking.</p> <p><u>Ndlovu Andreas Ward 46</u></p> <p>Projects are being intentionally put on hold by "construction mafias." Mr. Ndlovu requests a platform for Ward Committee Members to report such incidents and cable theft.</p> <p><u>Nobahle Khathi Ward 37</u></p> <p>A request for the rates/rebates program to be extended and to include a 3% debt relief increase.</p> <p>There's a vacant site in Ward 37 suitable for human settlement, and a request is made for good quality workmanship if houses are built there.</p> <p><u>Liyana Lucka Ward 31</u></p> <p>Water supply is severely affected by a broken-down reservoir, inclusive of frequent electricity outages.</p>	

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p><u>Ntokozo Phewa Ward 53</u></p> <p>The eThekwini Municipality App inaccurately marks complaints as "completed" even when the work is not done.</p> <p>A request for an IsiZulu version of the annual report to be shared on the Secretaries WhatsApp group for better accessibility.</p> <p><u>Siyabonga Mngadi Ward 33</u></p> <p>Recommendation for the Municipality to integrate with Amakhosi (traditional leaders) when buying sites in rural areas to help reduce illegal connections.</p> <p>Skills development programs are conducted every three years, but there's a noticeable lack of recruitment afterward, raising questions about the effectiveness of these programs in leading to employment.</p> <p><u>Linda Khomo Ward 86</u></p> <p>The ablution facilities at Ward 86 Community Hall are in poor condition resulting to Citizens using buckets and throwing at the nearest streams.</p> <p>Traders at Philani Mall had their selling sites demolished with a promise of new trading stalls, which has not been fulfilled.</p> <p><u>Amy Padayachee Ward 50</u></p> <p>Reported that severe electricity outages occur daily from 8:00 AM to 9:30 PM without prior notice, significantly impacting residents.</p> <p>Responses</p> <p>Safer Cities Marvin Mqomboshiya responded by eluding that 3 NIU vehicles and SAPS are monitoring the area more especially Bridge City and surrounding areas. He further reported that on 11th of April Premier will be at the Ward to address strategy plan against crime</p>	

NO.	ITEMS PER AGENDA	RESPONSIBLE PERSON
	<p>In adding, Mr Phakade Mchunu from fire provide his contact details for Ward Committees to forward any fire related service delivery issues on 0720123496.</p> <p>In response to Ward 21, it was reported that the School Principal and the Governing body should write a formal letter and submit to Metro Police Head Quarters for approval of Police to ensure kids safety</p>	
4	<p>Closing Remarks</p> <p>The Ward Committees were sincerely thanked for their valuable input, constructive suggestions, insightful questions, and overall active participation during the engagement. Their contributions were acknowledged as meaningful and essential in strengthening oversight and improving service delivery within the wards.</p> <p>It was advised that in instances where there were no departmental representatives available to respond to specific questions raised, written responses would be submitted to ensure that all matters are addressed. Furthermore, all comments, inputs, and concerns raised during the session will be formally captured in the Oversight Report.</p> <p>The Senior Manager from Performance Management indicated that the final Oversight Report will be shared through the Office of the Speaker. The department will also follow up on specific issues raised to ensure accountability and progress on service delivery matters.</p> <p>In addition, Councillor Lushaba noted with concern that several departments that had been invited were not in attendance. It was indicated that the Speaker and the City Manager would be formally informed of the non-attendance to ensure improved accountability and coordination in future engagements.</p> <p>Ward Committees were further encouraged to make use of the eThekweni Municipality Municipal App and other official municipal platforms to report service delivery issues promptly, rather than waiting for formal meetings. They were also urged to report any suspected fraud, corruption, or maladministration to the City Integrity and Investigations Unit to ensure transparency and ethical governance.</p>	Cllr Madlala
5.	<p>Closure</p> <p>The programme director thanked everyone for attending the session and for the participation in the engagements.</p> <p>The session ended</p>	Mr Sakhile Sibisi

Annexure D: Minutes of the 2024/25 Annual Report engagement – Public and civil organisations

Date : Tuesday, 24 February 2026
 Venue : Pinetown Civic Centre, Main Hall
 Time : 09h00
 Programme Director : Ms Pearl Luthuli Mkhize
 Presenter : Mr Mavuso Tshabalala – Director (Customer Relations Management))

PN(2026-02-24)

- 1.1 -

2026-03-06

ETHEKWINI MUNICIPALITY

MINUTES OF THE 2024/25 ANNUAL REPORT ENGAGEMENT WITH CIVIL SOCIETY

(Meeting held on Wednesday, 2026-02-24T10:00, Pinetown Civic Centre)

Programme Director: Mrs Pearl Luthuli Mkhize

PRESENT : Councillors T Nyawose (Speaker)

OFFICIALS : Messrs/Mesdames Mr M Tshabalala (Director: Customer Relations Management) *and as per attendance register of officials.*

COMMUNITY MEMBERS : *(As per attendance register).*

SECRETARIAT : Mesdames PP Nkake (Principal Committee Officer).

NO.	ITEM AND DECISION	ACTION BY
1.	<p><u>WELCOME AND CHAIRPERSON’S REPORT</u></p> <p>(Item on agenda)</p> <p>The Speaker extended a warm welcome to all present and declared the meeting officially open at 10h10.</p>	NAR
2.	<p><u>PRESENTATION</u></p> <p>(Item on agenda)</p> <p>The Presentation highlights were as follows:</p> <ul style="list-style-type: none"> • Summary of the City’s Performance 	

NO.	ITEM AND DECISION	ACTION BY
	<p>It being noted that over the past three financial years, the City’s performance reflects a period of recovery, stabilisation, and gradual improvement across key service delivery and financial areas. Progress has not been uniform, but overall trends show strengthening planning, implementation and oversight The City’s overall achievement rate has only slightly decreased from 87.56% in 2024/2025 to 86.7% in the 2024/2025 financial year.</p> <ul style="list-style-type: none"> • Reports on each Directorate <p>Highlights were given in respect each Directorate within the City, namely, Trading Services Cluster; Human Settlements, Engineering and Transport Cluster; Community & Emergency Services Cluster; Economic Development & Planning Cluster; Finance Cluster and Human Capital Directorate. Highlights were given as follows:</p> <ul style="list-style-type: none"> - Key Achievements (All Clusters) - Target vs actual performance (All Clusters) - Challenges and mitigations (All Cluster) - Finance highlights (Finance Cluster) - Introduction of the HCCOE (Human Capital Directorate) 	
3.	<p><u>QUESTIONS AND COMMENTS</u></p> <p>(Item on agenda)</p> <ul style="list-style-type: none"> • Ward 2 – A CPF representative from KwaNuswa raised a concern on the turnaround time pertaining to the reported water challenges and water pipe bursts and fixing of the pipes thereof. It was further noted that in this ward there was a great challenge with the shortage of water tankers distributing non-revenue water. It being noted that the community would like to also be included in the list of areas that need HCCOE centres to be available. • Ward 9 - A submission was made for enhanced communication in terms of intended water and electricity cut offs within the area. • Ward 29 – the City was commended for road works that had been done within the ward, however, a representative from the Dr Taylor Foundation raised a concern with lack of involvement of NPOs when there were job opportunities with the ward. A submission was also made for consideration to grant NPOs a 50% off on payment of municipal services. Lastly, a request was made for scrutinization of water meters that were a challenge within the ward. • EThekwini Rates Payers Movement (<i>kindly refer to the document of responses, as forwarded</i>). • Ward 113 – a representative from the 1000 Hills Community Projects requested that information be included on the Annual Report which gave information on all organisations that were assisted by the City. An invite was then extended by the 1000 Hills Community Projects for the City to work closely with the organisation in the near future. It being raised with concern the Housing projects within Ward 113 that had been on a stand still, following speculations of no payment to the contractor. 	

NO.	ITEM AND DECISION	ACTION BY
	<ul style="list-style-type: none"> • Ward 16 – It was noted that the community had challenges with acquiring title deeds. It being further raised that there were elderly owned houses that were damaged by floods and still had not been assisted by the City. • Ward 16, 91, 29, 1 raised challenged with Water and Electricity shortages / cuts offs. • Ward 1 – made a submission for community members post the age of 35 years old to be considered for job opportunities (instead of the City’s focus on Youth Employment only). It being noted that the community would like to also be included in the list of areas that need the HCCOE centre to be available. • Ward 32 – It was noted that there were challenges with War Rooms that were not sitting. It being noted that in instances where Meetings sat, there was absence from Social Workers and Departmental representatives. • Ward 101 – raised concerns with overcrowded population within the area. • Ward 103 – raised concerns with storm water blockages that needed to be cleaned by the City. 	
4.	<p><u>RESPONSES FROM MANAGEMENT</u></p> <ul style="list-style-type: none"> • In respect to a query on the support given to organisations, it was noted that assistance was given by the City, however, with limited resources allocated as per the Annual Budget. It being noted that the City was unable to support all organisations as once. The invite from the 1000 Hills was appreciated and a submission being made that the City would honour the invite. • In respect to a request made for the City to enhance communication, assurance was made that the City would consider making sure that there was enhanced communication in terms of water and electricity cut offs. • In response, it was noted that irregular expenditure did not mean loss of funds, however, it referred to processes that were not followed accordingly during procurement of services. • It being further explained that non-revenue water did not refer to loss of water, however, that it referred to water that was distributed through the municipal water tankers and would not be billed to the community. • It being noted that the project on fixing water pipes was underway, with the Community being requested to assist the City in reporting areas where there were water pipe bursts. • It being noted that for water issues around Pinetown area, there had been a meeting held in Ward 113 to gather all the issues that were raised by the Community. The City was in the process of attending to all queries raised during the Community Meeting held on 20 February 2026. • It being noted that there was a major challenge in the entire country with the availability and provision of water, however, an additional reservoir had been 	Management

NO.	ITEM AND DECISION	ACTION BY
	<p>considered, and geologist were currently assessing the area for its construction. It being noted that this would improve the water accessibility within the City.</p> <ul style="list-style-type: none"> • On queries raised pertaining to human settlements in KwaNyusa, it was noted that two assessments had been done in the area, with material brought for implementation. However, the project had not commenced due to theft and vandalization of material by community members. This as a result had been a set back for the project to proceed. It being noted that a community meeting in this regard had been planned for the 4 March 2026, at KwaNgobe Community Hall. • It being noted that storm water challenges were being attended to by the City. 	
5.	<p><u>CLOSURE</u></p> <p>There being no further engagement, the meeting terminated at 12H30.</p>	

CHAIRPERSON

Date:

Annexure E: Comments from the Community Media Forum



Subject: Presentation of the draft 2024/25 Annual Report

Date: Friday, 27 February 2026

Venue: Durban Botanic Gardens

Chairperson: Mduduzi Ncalane: Manager (Communications)

Presenter: Dr Nirmala Govender - Director: Monitoring, Evaluation & Advisory Services (MEAS) Directorate

Attendees:

- Municipal Speaker – Cllr Thabani Nyawose
- Senior municipal officials and departmental representatives
- Media representatives
- Officials from various municipal units

1. Opening and Welcome

The meeting was opened by the Chairperson who welcomed members of the media and municipal officials. The Honourable Speaker outlined the purpose of the engagement, which was to present highlights of the 2024/25 Annual Report and provide an opportunity for media representatives to ask questions and provide input. The Chairperson then introduced the presenter, Dr Nirmala Govender.

2. Context and Background to the Annual Report

Dr Govender explained the municipal reporting process:

- The municipal financial year runs from 1 July to 30 June.
- The 2024/2025 financial year ended on 30 June 2025.
- The Annual Report was compiled by the MEAS Directorate
- Stakeholder engagements are rolled out in collaboration with the Speaker's Office and the Municipal Public Accounts Committee.
- The report was submitted to the Auditor-General for auditing.
- Feedback from the Auditor-General was received in December.
- Council considered the report in January 2026 before the public participation process commenced.
- Public consultations were held during February, and final submissions will be presented to Council at the end of March.

Deadline for public comments: 6 March 2026

Dr Govender then delivered the PowerPoint presentation.

3. Municipal Performance Overview

The municipality reported that it is currently on a trajectory of recovery following challenges experienced in recent years, including flood disasters and infrastructure damage.

- Overall municipal performance for 2024/2025: 86.7% achievement of SDBIP targets.
- The Service Delivery and Budget Implementation Plan (SDBIP) measures how effectively the municipal budget translates into service delivery.

4. Key Service Delivery Performance

4.1 Water and Sanitation

- Non-revenue water remains a major challenge, currently at 58.7%.
- Causes include:
 - Ageing infrastructure.
 - Water losses and leaks.
 - Illegal connections.
 - Water provided through communal standpipes.

Interventions include:

- Infrastructure replacement programmes.
- Installation of bulk and consumer meters.
- Pressure management systems.
- Performance-based maintenance contracts.

4.2 Solid Waste Management

- Improvement noted in refuse removal services.
- Waste recycling currently stands at 15.77%.

Challenges

- Landfill capacity constraints.
- Illegal dumping.

Interventions

- Community awareness campaigns.
- Dumping management strategies.
- Rehabilitation and extension of landfill sites.

4.3 Electricity Services

- Electricity losses were kept below the targeted 11.5%.

Challenges

- Infrastructure vandalism.
- Cable theft.
- Ageing infrastructure.
- Skills shortages.

Mitigation measures

- CCTV installations.
- Electric fencing.
- Dedicated security at substations.
- Cable replacement and maintenance programmes.

4.4 Human Settlements

- 1,985 fully subsidised housing units allocated.
- Ongoing housing construction programmes.

Challenges

- Land invasions.
- Infrastructure constraints.
- Budget limitations.

4.5 Roads and Engineering

- 6.096 km of unsurfaced roads converted to surfaced roads, exceeding the target.
- Road resurfacing programmes continued despite budget limitations.

4.6 Public Transport

- Bus services achieved 97% reliability against a 95% target.
- Special transport services for persons with disabilities were expanded, serving 44,000 passengers during the financial year.

4.7 Community Services and Public Safety

Initiatives included:

- Establishment of 126 community gardens.
- Development of 1,100 household gardens.
- Creation of 10 aquaculture projects.
- Refurbishment of high-rise firefighting systems.
- Strengthening of disaster response capacity.

Public safety operations have been strengthened through increased Metro Police deployment.

5. Economic Development

Key initiatives highlighted included:

- Investment attraction programmes.
- Development projects such as:
 - Cornubia Town Centre development.
 - Bridge City retail development.

These projects aim to stimulate local economic activity and job creation.

6. Financial Performance

The municipality reported positive financial indicators:

- Unqualified audit outcome.
- Credit rating: AA long-term and A1 short-term.

- Collection rate: 95%
- Capital budget expenditure: 96%
- Cash coverage: 39 days
- Creditors paid within 30 days: 97%

These indicators demonstrate financial stability and improved fiscal management.

7. Human Capital Initiatives

The municipality launched Human Capital Centres of Excellence to support community members, entrepreneurs and students.

Services provided include:

- Free or low-cost computer and internet access.
- Job application support.
- CV preparation and printing services.
- Access to online government services.
- Research and educational resources.

Residents were warned not to pay for municipal job opportunities, as all recruitment is conducted through official municipal processes.

8. Key Challenges Highlighted

Major challenges affecting municipal operations include:

- Ageing infrastructure.
- Infrastructure vandalism and theft.
- Land invasions.
- Illegal dumping.
- Budget constraints.
- Procurement delays.
- Rising crime.
- Flood disaster impacts.

9. Media Questions and Discussion

The following key issues and concerns were raised by media representatives during the discussion:

NO.	NAME	QUESTION/ COMMENT	RESPONSE
1.		<p>Deadline for Public Comments on the Annual Report Media representatives requested confirmation of the closing date for submission of comments and questions on the 2024/25 Annual Report.</p>	<p>Dr Govender confirmed that the deadline for submission of comments and questions on the 2024/25 Annual Report is 06 March 2026 (close of business). All comments received will be consolidated and submitted to Council as part of the final Annual Report adoption process through MPAC's Oversight Report.</p>
2.	Sheila Mhlongo KZN Namuhla	<p>Infrastructure Vandalism and Security Measures Questions were raised regarding whether the installation of CCTV cameras, fencing, and security personnel at municipal infrastructure sites has resulted in a reduction in vandalism incidents.</p>	<p>The municipality indicated that vandalism of infrastructure remains a major challenge. Measures that have been implemented include:</p> <ul style="list-style-type: none"> • Installation of CCTV cameras and electric fencing at critical infrastructure sites. • Deployment of security personnel at substations and pump stations. • Implementation of national key point security upgrades. <p>The Honourable Speaker reported that in areas where security has been deployed, such as certain pump stations, incidents of vandalism have decreased. However, expanding these security measures across the City is constrained by financial resources.</p>

3.		<p>Water Supply to Schools</p> <p>Concerns were raised about schools experiencing water shortages and reliance on water tankers. Clarification was requested on:</p> <ul style="list-style-type: none"> ○ Reasons for interruptions in water supply. ○ Whether schools are paying for water services. ○ Which schools are mostly affected. 	<p>The Honourable Speaker explained that:</p> <ul style="list-style-type: none"> • Schools do pay for water supplied through the municipal network. • In cases where water supply is interrupted, the municipality provides water through tankers. • Some challenges arise when the relevant department responsible for schools delays payment for tanker services. • Water shortages in some areas are also linked to supply constraints and infrastructure challenges. <p>Engagements with relevant departments are ongoing to resolve the issue.</p>
4.	Sibusiso Mlambo Umthala TV	<p>Illegal Immigration and Informal Trading</p> <p>Mr Mlambo asked about the municipality's strategy to address the growing presence of undocumented foreign nationals involved in informal trading and business activities within the city.</p>	<p>The Honourable Speaker clarified that immigration control is primarily the responsibility of national government departments, such as:</p> <ul style="list-style-type: none"> • Home Affairs • South African Police Service (SAPS) • Border Management Authorities. <p>The municipality's role is to enforce municipal by-laws, including those regulating trading activities. Where undocumented individuals are found trading illegally, enforcement actions are taken in collaboration with law enforcement agencies.</p>

5.		<p>Land Invasions and Informal Settlements</p> <p>Concerns were raised regarding the increasing number of informal settlements and land invasions, particularly in areas experiencing rapid population growth.</p>	<p>The municipality acknowledged that land invasions are a significant challenge. Current interventions include:</p> <ul style="list-style-type: none"> • Development and implementation of a land management strategy. • Acceleration of housing and relocation programmes. • Community engagement to discourage illegal occupation of land. <p>Officials also noted that relocation efforts sometimes face community resistance, which can delay implementation.</p>
6.	Sibusiso Mlambo Umthala TV	<p>Human Settlements and Housing Challenges</p> <p>Questions were raised about housing conditions in certain communities, including areas where houses are sinking due to unsuitable land conditions, and what interventions the municipality plans to implement.</p>	<p>Officials acknowledged concerns raised regarding housing conditions in certain areas, including reports of houses sinking due to unsuitable land conditions.</p> <p>The Human Settlements Unit indicated that:</p> <ul style="list-style-type: none"> • The matter will be investigated further. • Detailed information will be obtained from relevant technical teams. • A formal response will be provided once assessments have been completed.

7.	Sibusiso Mlambo Umthala TV	<p>Impact of Informal and Illegal Businesses on Local Economy</p> <p>Media representatives expressed concern that unregulated businesses may negatively affect local businesses and economic activity within communities.</p>	<p>Officials noted that illegal trading and undocumented businesses present challenges for urban management and economic regulation.</p> <p>The municipality indicated that it is:</p> <ul style="list-style-type: none"> • Conducting inspections of trading spaces. • Working with national departments to verify documentation. • Engaging property owners who allow illegal businesses to operate on their premises. <p>Officials emphasized that addressing this issue requires collaboration between the municipality, national government departments, property owners, and communities.</p>
8.	Xolani Ngidi Inkululeko News	<p>Illegal Occupation of Buildings and Public Spaces</p> <p>Mr Ngidi highlighted the issue of individuals occupying abandoned buildings, bridges, and other public spaces, raising concerns about crime, safety, and urban management.</p>	<p>The Honourable Speaker explained that removing occupants from buildings is governed by the Prevention of Illegal Eviction Act (PIE Act). The law requires municipalities to obtain court orders before evictions can take place, and alternative accommodation must often be considered.</p> <p>He indicated that the municipality has:</p> <ul style="list-style-type: none"> • Conducted operations to identify illegally occupied buildings. • Engaged with property owners. • Initiated legal processes where necessary.

9.	Phumzile Mkhungo Newz SA	<p>Allegations of Corruption and Law Enforcement Conduct</p> <p>Concerns were raised about allegations that some enforcement officials may be accepting bribes from informal traders and illegal businesses.</p>	<p>The municipality acknowledged concerns about corruption and stated that:</p> <ul style="list-style-type: none"> • Allegations against municipal officials are investigated through internal disciplinary processes. • Officials found guilty of misconduct are subject to disciplinary action or dismissal. <p>To improve accountability, the municipality is in the process of procuring body cameras for Metro Police officers.</p>
----	--------------------------	---	--

10. Closing Remarks

The Speaker thanked the media and municipal officials for their participation and encouraged continued engagement with the municipality.

Members of the public and media were encouraged to submit comments and questions on the Annual Report before 6 March 2026.

All submissions will be consolidated and presented to Council for consideration before adoption of the Annual Report.

Annexure F: Minutes of the 2024/2025 Draft Annual Report Engagement with Formal Business

Date: 04 March 2026

Time: 14:00

Platform: Microsoft Teams

1. OPENING AND WELCOME

The meeting was opened and chaired by Mr Malusi Mhlongo, who welcomed municipal officials and members of the formal business community to the engagement on the 2024/2025 Draft Annual Report.

The Chairperson indicated that the engagement forms part of the legislated public consultation process in terms of the Municipal Finance Management Act (MFMA) and the Municipal Systems Act, which require municipalities to present their Annual Report to various community stakeholders and invite comments before the report is adopted by Council.

The Chairperson further explained that comments and feedback received from these engagements will be consolidated and reported to Council as part of the Oversight Report process.

2. ATTENDANCE

Chairperson:

- Mr Malusi Mhlongo – Acting Executive Director – Office of the City Manager

Municipal Officials:

- Dr Sandile Mnguni – Chief Financial Officer (CFO)
- Dr Nirmala Govender – Director (Monitoring, Evaluation and Advisory Services)
- Municipal officials from various departments

Councillors:

- Members of the Municipal Public Accounts Committee (MPAC)

Stakeholders:

- Members of the Formal Business Community

3. ADMINISTRATIVE MATTERS

Dr Nirmala Govender requested all attendees to complete the online attendance register shared in the chat during the meeting.

4. PRESENTATION: 2024/2025 DRAFT ANNUAL REPORT

The presentation was delivered by Dr Sandile Mnguni (Chief Financial Officer), who provided an overview of the Municipality's financial and non-financial performance for the 2024/2025 financial year.

The Chairperson indicated that the presentation would be emailed to attendees, and stakeholders were encouraged to submit written comments or questions by 6 March 2026.

5. CLOSING REMARKS

Dr Nirjala Govender thanked the Chairperson, the CFO, municipal officials, councillors and members of the business community for their participation.

6. Closure

There being no further business, the Chairperson declared the meeting closed.

Meeting adjourned.

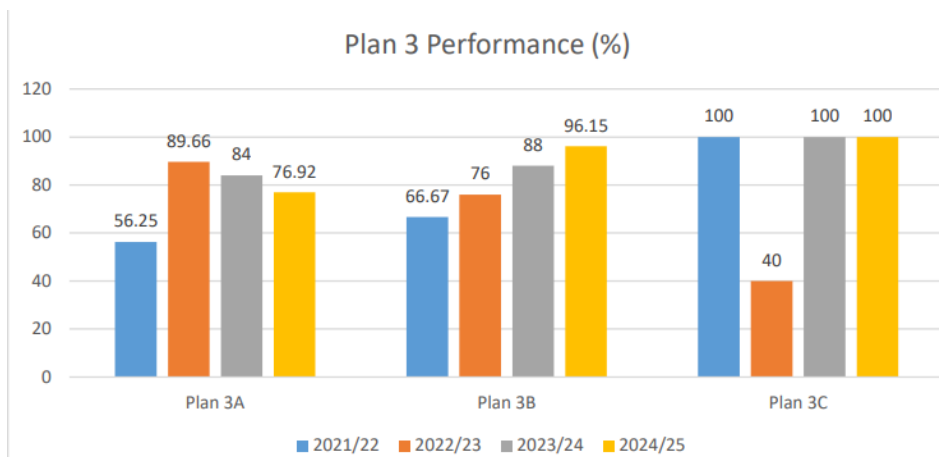


The Durban Chamber of Commerce and Industry (DCCI) welcomes the opportunity to submit a comment on the 2024/25 Annual Report. As organized business, we believe the report is comprehensive and provides a good overview of the activities of the Municipality during the period in question. Arising from the triple disaster of the Covid-19 Pandemic in 2020-21, the July 2021 unrest and the devastating flooding in 2022, combined with years of neglecting to invest in bulk infrastructure maintenance and replacement, the City and its business community suffered substantial losses, which impacted jobs and livelihoods.

The Durban Chamber of Commerce and Industry NPC lobbied the President to provide support to the City and prioritise the collective challenges that we faced together as citizens of this beautiful City. Through the work of the Municipality supported by the Presidential eThekweni Working Group (PeWG), the City has made substantial progress in stabilizing the infrastructure, rebuilding damaged infrastructure, improving service delivery and ensuring a safe and stable environment for business and citizens. The consequence of this work has been a recovery in the tourism sector during the December 2025 holiday period. The Durban Chamber of Commerce and Industry NPC acknowledges the positive working relationship it enjoys with the Municipality as well as the substantial gains that have been made towards rebuilding the City and placing it on a growth path.

Service Delivery (Page 76)

The Durban Chamber of Commerce and Industry NPC notes the achievement rate for Plan 3A, consisting of Water and Sanitation, Electricity and Cleaning, and Solid Waste, is 76.92%, and Plan 3B, consisting of Human Settlements, Engineering, and eThekweni Transport Authority, is 95.15% as depicted in the graph below. Even with the reported decrease compared to last year in Plan 3A, as organised business, we do not believe this reflects the true realities on the ground. To add to this, the quarter 4 Durban Business Confidence Index stated that 66.67% of respondents indicated that, when lodging a complaint regarding poor service, it was unlikely to be resolved in a timely manner.



Source: eThekweni Municipality's 2024/25 Annual Report

As organised business, we have witnessed our members being forced to purchase water due to ongoing shortages, while also incurring additional costs for generators and petrol to sustain productivity. Increasingly, members are choosing to leave the City for other cities that are more affordable and provide reliable services. Furthermore, global investment attraction is a highly competitive environment, and Durban is on the losing end, attracting less foreign direct investment than all large metros in the country. The Durban Chamber of Commerce and Industry NPC believes that consistent service delivery is critical for catalytic projects to yield positive results, and the City needs to work on sustaining service delivery in order to attract more investment and maintain business confidence in Durban.

Go! Durban (Page 170)

Whilst we acknowledge the clear timeline set to complete the project and note the delays in the implementation of Go! Durban, we believe the Municipality continues to invest substantial amounts of capital expenditure into Go! Durban decades after the project has failed and built infrastructure has become a 'white elephant'. For the past few years, this issue has repeatedly been raised, yet insufficient progress has been made to ensure tangible outcomes. It has been more than 10 years, and we have yet to see this project go live; at face value, the costs are clearly outweighing the benefits. The rationale for such continued investment is highly questionable, particularly while investment into important roads in areas like Umhlanga (e.g., Umhlanga Rocks Drive) has been lacking.

Logistics and Industry (Page 175)

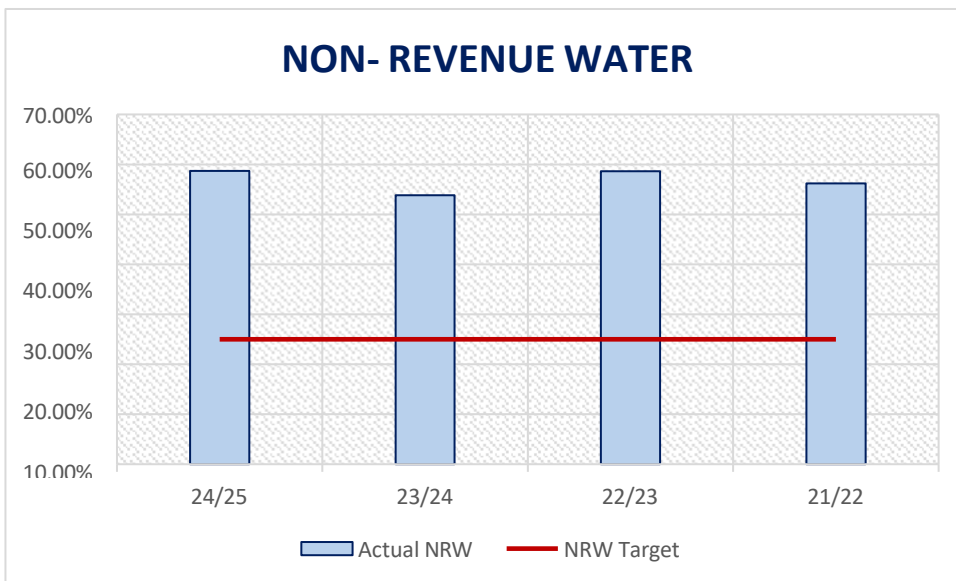
Durban is a port city, and port operations and logistics are at the centre of the City's life and economy. Despite this, there is little evidence in the Annual Report of joint planning and implementation between Transnet and eThekweni. Freight rail continues to be poor, forcing trucks onto the roads. While eThekweni concluded a freight logistics plan over 10 years ago, there has been little or no investment on the part of eThekweni into freight infrastructure. Freight and passenger traffic is allowed to mix side by side on the same road lanes without traffic management or enforcement, resulting in many road accidents and the loss of life. There is little evidence from the Annual Report of an effective plan to manage this conflict and to invest in improved systems to handle freight traffic.

Electricity Expenses (Page 335)

Despite businesses not experiencing loadshedding, the City experienced material losses of R1,91 billion (2023-24: R1,72 billion). The number of paying electricity and water customers are far outnumbered by the illegal and free connections. In addition, there has been large scale proliferation of 'formal' dwelling on traditional authority land, which demand services but do not pay for rates and are often accompanied by illegal connections. While the Council continues to turn a blind eye to this burgeoning crisis, the combined effect of the social package, illegal connections, and unmanaged development will eventually completely undermine the financial sustainability of the Municipality. This fiscal roadblock is fast approaching, and the current strategy of deferring any actions will only result in a deepening of the fiscal cliff. These inefficiencies are further affecting the Municipality's revenue, placing a financial burden (rising tariffs) on businesses and households, which are already struggling with high living costs, especially now, where ESKOM's tariffs hike are expected to be around 8%. Small businesses are unable to cope with these rising tariffs, especially amid ongoing water and electricity disruptions and outages.

Non- Revenue Water (Page 337)

The Durban Chamber of Commerce and Industry NPC remains deeply concerned about the Non-Revenue Water, which remains significantly high and is far above the targeted and sustainable value of 15% to 25%. Despite a decrease in the previous financial period, we are seeing that eThekweni was unable to sustain that decrease, resulting in it closing at 58.7% for the 2024/25 financial year. Furthermore, the stagnant trend across four years suggests that corrective measures have either been inadequate or poorly enforced, pointing to structural and operational failures. As organised business, we believe this is a cause of concern as this results in a significant financial loss of R2,912,387,244 (higher than the 2023/24 period) to the City, making many end-users, such as businesses, who will have to bear the brunt through tariff increases. We urgently call to see the implementation of the eThekweni Water & Sanitation Turnaround Strategy.



Source: DCCI, 2026

Environmental Management (340)

The Auditor-General reported that the Kingsburgh, Magabeni, Umkomaas, Mpumalanga wastewater treatment works did not have valid operating licences, as required by section 22(1)(b) of the National Water Act 36 of 1998 (NWA).

We note a decrease in the number of WWTWs operating without licenses compared to the 23/24 financial period. However, this issue was raised in our 2022/23 and 2023/24 submissions and remains a finding in the Auditor-General's 2024/25 report. This is a serious environmental concern. With four WWTWs operating without valid licenses, there is a high likelihood that treated discharge has been released into rivers and other water bodies. Such discharges not only harm the environment but also negatively impact our tourism sector. When water quality is compromised, Durban loses income, visitor foot traffic, and suffers reputational damage that has taken years to rebuild. We urgently seek clarity on the progress made and request clear timelines for when the operating licenses will be obtained.

While Durban is recovering from the challenges of recent years and making operational gains, the more structural challenges, which have resulted in lackluster growth, poor aspirations, and stagnation, have not been dealt with, and the 2024/25 annual report reinforces this notion. Much has been done, much remains to be done. There is a need for clear, direct conversations with the private sector about delivery. As organised business, we remain committed to working with government to create a conducive environment and address the challenges faced by the business community through our strong advocacy capabilities.

ETHEKWINI RATEPAYERS PROTEST MOVEMENT (ERPM)



NPC Reg Number 2023/975842 /08
Suite 1 Tel 031 309 6871
74 Dunnottar Avenue Whatsapp 067 110 2858
Asherville E-mail queries@erpm.org.za
Sydenham, Durban
Website www.erpm.org.za
ACTIVIST FORUM

06 FEBRUARY 2026

TO: The Mayor: Cyril Xaba

**The City Manager: Musa Mbhele The CFO:
Dr. Sandile Mnguni MEC Cogta: Thulasiswe
Buthelezi eThekweni Fincance Committee
MPAC (eThekweni)**

CC: Amakhosi

Ward Committees Business Leaders

All Rateayers Associations and Civic structures of eThekweni

ERPM RESPONSE TO THE 2024/2025 ETHEKWINI ANNUAL REPORT

The document is a comprehensive annual report for the fiscal year ended June 30, 2025, including financial statements, performance reviews, and the Auditor-General's (AG) findings. While the AG issued an **unqualified opinion** on the consolidated and separate financial statements (indicating they are fairly presented), there are numerous emphases of matters, material compliance findings, internal control deficiencies, and ongoing material irregularities that raise concerns about financial management, governance, and sustainability. Below, I summarize the key red flags based on the report's content, focusing on financial risks, irregularities, and operational issues. These are substantiated by specific sections, figures, and AG observations.

1. High Irregular Expenditure (R4.48 billion)

- **Details:** Irregular expenditure (spending contrary to laws like the MFMA or supply chain policies) totalled R4.48 billion in 2024/25, up from R1.2 billion in 2023/24. This includes R1.31 billion from inappropriate deviations under SCM Regulation 36, R1.94 billion from non-compliance with local content requirements, and R799 million from MFMA Section 115 violations. As of June 30, 2025, R3.25 billion awaits write-off or recovery
- **Concerns:** Reasonable steps were not taken to prevent it (MFMA Section 62(1)(d)). Investigations into liability are incomplete, leading to slow consequence management. The AG notes repeat transgressions and increased spending in the last quarter, potentially linked to rushed CAPEX.
- **Impact:** Indicates weak procurement controls, potential corruption risks, and fiscal inefficiency. The Audit and Risk Committee expressed concern over the sharp increase.
- **Management Response:** Upgrades to automated processes (e.g., procurement planning, contract management) are underway, but implementation is ongoing.

2. Fruitless and Wasteful Expenditure (R67 Million Added)

- **Details:** New fruitless/wasteful expenditure (avoidable if reasonable care was taken) was R67.35 million in 2024/25, bringing the total awaiting resolution to R81.46 million (Note 53). This includes interest on late payments, court orders, penalties for unexpired licenses, and incomplete supplier work.
- **Concerns:** Not all was investigated for liability (MFMA Section 32(2)(b)). Represents inefficient use of resources.
- **Impact:** Contributes to financial losses and erodes public trust. Cumulative with prior years.
- **Management Response:** Updated UIFW (Unauthorised, Irregular, Fruitless, Wasteful) register and framework for Council approval.

3. Material Debt Impairments and Write-Offs (R24.43 billion Provision, R1.4 billion Written Off)

- **Details:** Provision for doubtful debts on consumer debtors was R24.43 billion (up from R19.45 billion), reflecting low recoverability (Note 6). Bad debts written off were R1.4 billion (up from R0.41 billion), mainly for insolvent/deceased estates.
- **Concerns:** High unemployment, economic pressures, and collection challenges (95% rate, but debtors' days at 68 vs. norm of 45). Indicates systemic issues in revenue management.
- **Impact:** Strains liquidity (cash on hand: 39 days vs. ideal 60+). Contributes to trading services deficits (water/sanitation infrastructure ageing).
- **Management Response:** Debt relief programs, prepaid meters rollout, external collectors for data cleansing.

4. Significant Water and Electricity Losses (R2.91 billion Water, R1.91 billion Electricity)

- **Details:** Water losses: 58.7% non-revenue water (676,636 kl/day, R2.91 billion), due to ageing infrastructure, illegal connections, and rapid rural expansion (Note 52). Electricity losses: 11.2% (1.11 billion kWh, R1.91 billion), from transmission/distribution and illegal connections.

Concerns: Exceeds norms (water: 15-30%; electricity: 10%). AG emphasises as material losses.

Performance targets not met (e.g., infrastructure leakage index 11.3 vs. target 8.2; wastewater capacity unused 56.12% vs. 30%).

- **Impact:** Environmental harm (pollution from wastewater overflows), health risks, and revenue forgone. Contributes to trading deficits.
- **Management Response:** Water/Electricity Turnaround Strategies, repairs, and metering improvements.

5. Material Irregularities (Ongoing Investigations and Losses)

- **Details:** AG identified several:
 - **Water meters not repaired:** Non-functional meters led to unbilled consumption (material loss by June 2024, ongoing).
 - **EPWP invalid payments:** R3.28 million loss from payments to fictitious/deceased/ineligible beneficiaries (2018-2022); further R2.34 million likely.
 - **Wastewater pollution:** Northern, Umbilo, and other plants discharging untreated effluent,

causing environmental harm (referred to DWS for investigation).

- **Dilapidated ablution blocks:** KwaDabeka Transit Camp facilities unsafe, non-compliant with NWA/Nema.
- **Concerns:** Slow implementation of recommendations; repeat issues indicate weak oversight.
- **Impact:** Potential further losses, legal liabilities, public health risks.
- **Management Response:** Repairs/replacements, investigations, but AG notes inadequate progress.

6. Procurement and Compliance Violations

- **Details:** Deviations without justification (SCM Reg 36), awards to entities with conflicts (close family in state service, SCM Reg 46), no wastewater licenses (NWA Section 22).
- **Concerns:** Repeat findings on procurement; payments not within 30 days (MFMA Section 65(2)(e)).
- **Impact:** Risks corruption, inefficiencies; R4.48 billion irregular tied to SCM breaches.
- **Management Response:** Deviation guidelines, automated systems, task team for licenses.

7. Internal Control and Governance Deficiencies

- **Details:** AG notes failure to implement AG recommendations, ineffective senior leadership performance management, leading to repeats (e.g., irregular expenditure, performance reporting errors).
- **Concerns:** Long-outstanding audit findings (Appendix G); slow consequence management.
- **Impact:** Weak accountability, eroding controls.
- **Management Response:** Tone at top, oversight mechanisms, mandatory KPIs for executives.

8. Entity-Specific Issues (Deficits and Sustainability)

- **Details:** Durban ICC: Deficit R45 million (up from R27 million), depleted cash (R40 million at year-end vs. prior highs). DMTP: Cash depleted post-utilities settlement, feasibility delays.
- **Concerns:** Increasing deficits, liquidity risks; reliance on parent municipality.
- **Impact:** Threatens operations; ARC notes concerns.
- **Management Response:** Cashflow monitoring, feasibility re-engagement.

9. Performance Reporting Issues

- **Details:** Material misstatements in APR (e.g., overstated housing units allocated: reported 1,985 vs. actual lower; potholes resolved 54% vs. lower). Targets not achieved (e.g., non-revenue water 58.7% vs. 53.2%).
- **Concerns:** Lack of credible evidence; AG findings on usefulness/reliability.
- **Impact:** Questions service delivery claims (e.g., water connections 88.21% vs. 100%).
- **Management Response:** Regular reconciliations, reviews.

10. Overall Financial Health Risks

- **Details:** Surplus after transfers R239.73 million, but trading deficits persist. Gearing 19.9% (below 45% norm), but liquidity ratio 0.3 (norm 0.3-1), current ratio 1.13 (norm 1.5-2.1). Outstanding debtors 27.5% of revenue.

- **Concerns:** Economic pressures (unemployment, inflation) exacerbate collection issues. Ongoing investigations (SIU, Hawks on 2004-2021 irregularities).
- **Impact:** Potential going concern risks if trends continue.
- **Management Response:** Surplus budgeting, cost containment, revenue enhancement.

Visual Summary Table

Red Flag Category	Key Figure(s)	Primary Concern	Management Action
Irregular Expenditure	R4.48B (2024/25, up from R1.2B)	Non-compliance with SCM/MFMA; repeat issues	Automated procurement upgrades; investigations
Fruitless & Wasteful Expenditure	R67.35M new; R81.46M total awaiting resolution	Avoidable losses; incomplete liability probes	Updated UIFW register; Council framework
Debt Impairments & Write-Offs	R24.43B provision; R1.4B written off	Poor recoverability; high debtors' days (68)	Debt relief, prepaid meters, data cleansing
Water Losses	58.7% non-revenue (676,636 kl/day; R2.91B)	Ageing infrastructure; illegal connections	Turnaround strategy; repairs & metering
Electricity Losses	11.2% (1.11B kWh; R1.91B)	Transmission issues; tampering	Low-loss equipment; audits & enforcement
Material Irregularities	e.g., EPWP R3.28M loss; wastewater pollution	Ongoing non-compliance; environmental harm	Repairs, DWS referrals, investigations
Procurement Violations	Tied to R4.48B irregular (deviations, conflicts)	Weak SCM controls; late payments	Guidelines, automated systems, task teams
Internal Control Deficiencies	Repeat AG findings; slow recommendations	Ineffective leadership & oversight	Enhanced KPIs; oversight mechanisms
Entity Deficits	Durban ICC: R45M deficit; low cash	Sustainability risks; reliance on parent	Cash monitoring; feasibility studies
Performance Reporting	Misstatements (e.g., housing units overstated)	Lack of credible evidence	Reconciliations & reviews

Summary Assessment

The report shows a municipality plagued by systemic issues: poor controls leading to massive irregularities/losses, environmental non-compliance, and slow reforms. These could indicate mismanagement or corruption risks, especially in procurement and infrastructure. Positive steps (e.g., turnaround strategies) are noted, but AG emphasizes repeats and inadequate progress.

Recommend monitoring 2025/26 updates for improvements.

These material deficiencies highlighted by the Auditor General is a clear indication that ratepayers are being highly prejudiced by a non-compliant and negligent administration. The repeat offences highlighted by the Auditor General shows a lack of consequence management and it makes absolutely no sense to implement any further tariff increases while these material deficiencies remain unaddressed. Ratepayers are simply pouring their resources into a leaking bucket.

With the above in mind, and as a matter of extreme priority, we hereby repeat and strengthen our call to have direct input into the building of the 2026/2027 IDP Budget for eThekweni.

With thanks and Regards,

A handwritten signature in black ink, appearing to be 'Asad Gaffar', written in a cursive style.

Asad Gaffar Chairperson - ERPM

Annexure I: Submission by Rev. BK Dlodla Foundation



20 February 2026

To: Mrs Nokulunga Nyasulu

Monitoring, Evaluation and Advisory

Services Directorate eThekweni

Municipality

6th Floor, 41 Margaret Mncadi

Avenue Durban, 4001

Request for Appointment to Discuss 2024/25 Draft Annual Report and IDP

Budget Matters Dear Mrs Nyasulu,

Greetings.

The Rev BK Dlodla Foundation hereby respectfully requests an appointment with your office to discuss matters relating to the 2024/2025 Draft Annual Report and the Integrated Development Plan (IDP).

Our intention is to engage constructively on the following:

1. A review of previous financial year achievements as reflected in the Annual Report.
2. Clarification on outstanding allocations and unspent budgets from the previous financial year.
3. Alignment between the reported achievements, service delivery targets, and the approved IDP budget.
4. Community-level impact within areas where our Foundation operates.

As a community-based organisation actively working in vulnerable communities, we believe this engagement will assist in strengthening transparency, accountability, and cooperative governance between civil society and the Municipality.

We are available at your earliest convenience and are willing to attend at your offices or participate virtually should that be preferable.

Kindly confirm a suitable date and time for this meeting. We look forward to your positive response.

Yours faithfully, On behalf of

Rev BK Dludla Foundation Angeline Dludla Chairperson

Annexure J: Comments received via email

No.	Name	Comment	Response
1.	Thembelihle Zuma	<p>I welcome the opportunity to comment on the eThekwini Municipality 2024/25 Draft Annual Report.</p> <p>Firstly, I commend the Municipality for the overall performance reflected in the report, particularly the reported performance achievement, the unqualified audit outcome, and the continued focus on essential services, public safety, emergency response, and economic development. These outcomes demonstrate a strong commitment to improving governance, accountability, and service delivery to the residents of eThekwini.</p> <p>While the report shows encouraging progress, I would like to use this platform to highlight areas where further strengthening can significantly enhance impact:</p> <ol style="list-style-type: none"> 1. Integrated Digital Service Delivery <p>Although many programmes are performing well, service delivery across departments still appears largely siloed. Residents often interact with multiple offices and systems for related services, which can lead to delays, duplicated data, and inconsistent communication. There is an opportunity for eThekwini to move towards a single integrated digital service platform where citizens, municipal employees, and management can interact through one ecosystem for reporting, tracking, approvals, and feedback.</p> 	<p>Thank you for your submission and for your commitment to improving service delivery in eThekwini. Your engagement as a young local innovator is appreciated. We wish to advise that the eThekwini CRM unit is currently implementing Oracle CX, an AI-embedded platform that already addresses the functionalities you have proposed. This includes integrated citizen and employee portals, cross-departmental workflow automation, real-time dashboards, SLA monitoring, omni-channel citizen engagement, automated notifications and data-driven reporting.</p> <p>The platform is aligned to the same municipal priorities you referenced the Smart City Agenda, Digital Transformation Strategy, Batho Pele Principles, and Good Governance objectives and is an active implementation not a future plan. We would like to invite you to visit any of our Sizakala Customer Service Centres to experience Oracle CX in action firsthand. We welcome your observations and feedback as a local innovator and hope the experience provides useful insight into the Municipality's digital service delivery journey.</p> <p>We would like to acknowledge receipt of your email and the request contained therein. We have carefully reviewed the full email trail and taken into consideration all the comments and recommendations provided. The input shared is greatly appreciated, as it</p>

		<p>2. Real-Time Monitoring and Transparency The Annual Report reflects performance after the fact. However, residents would benefit greatly from access to real-time service status, progress tracking, and turnaround times, strengthening transparency, accountability, and public trust.</p> <p>3. Citizen-Centred Experience Beyond performance percentages, there is a growing need for systems that focus on the user experience of residents, including easy reporting, automated updates, and two-way communication between communities and the municipality.</p> <p>Proposed Solution: All-Rounder Service Application The All-Rounder Service Application is a smart, scalable, integrated digital platform designed to centralise municipal services into one system. The solution supports:</p> <ul style="list-style-type: none"> • Citizen, employee, and management logins • Service request logging and tracking • Cross-department workflow automation • Real-time dashboards and reporting • Data-driven decision support • Customisable modules aligned to municipal priorities <p>The platform is designed to complement existing municipal systems and enhance, not replace, current investments. Alignment to eThekweni Municipal Priorities</p> <ul style="list-style-type: none"> • Smart City Agenda: Supports a connected city environment where services, data, and decision-making are integrated through a single digital ecosystem. 	<p>contributes meaningfully to the advancement and refinement of our innovation initiatives. We remain committed to incorporating the constructive feedback received to ensure alignment, improve implementation, and support the overall progress of the project.</p> <p>Noting the proposed date, we will avail ourselves on the 5th of March 2026 [for you to engage with the team and observe the current service delivery environment].</p> <p>The site visit was successful, and Ms Zuma expressed appreciation and gratitude for the opportunity to visit the Sizakala Customer Service Centre and observe the current digital service environment in operation.</p>
--	--	--	---

		<ul style="list-style-type: none"> • Digital Transformation Strategy: Enables end-to-end digitisation of service requests, internal workflows, and reporting processes. • Batho Pele Principles: Promotes access to services, courtesy, transparency, information sharing, redress, and service standards. • Good Governance and Accountability: Provides audit-ready digital records, performance dashboards, and traceable workflows. • Economic Development and Local Innovation: Encourages adoption of locally developed digital solutions while supporting SMMEs, innovation, and job creation. • Data-Driven Planning and Budgeting: Aggregated real-time data enables better prioritisation of resources and evidence-based planning. <p>Value to eThekweni Municipality</p> <ul style="list-style-type: none"> • Faster service turnaround times • Reduced duplication of work • Improved coordination between departments • Enhanced transparency and resident satisfaction • Stronger evidence-based planning and reporting <p>I believe solutions of this nature can help eThekweni move from good performance to excellent, digitally enabled service delivery.</p> <p>As a young Black local innovator and entrepreneur based in eThekweni, I am passionate about contributing practical digital solutions that strengthen service delivery and improve the lived experience of residents. I appreciate the opportunity to contribute and would welcome engagement with the Municipality to explore how innovative local solutions can support its strategic objectives.</p>	
--	--	--	--

<p>2.</p>	<p>Deena Moodley</p>	<p>The report makes no mention of the point development as a catalytic project. I feel that this is an important project to get Durban on the same footing as the V&A waterfront which is a resounding success and undergoing a multi billion rand expansion.</p> <p>The point project was announced by the municipality some ten years ago with much fanfare and the 35 billion is going to be injected therefore. To date hereof the project is at a standstill with no updates from the municipality.</p> <p>It seems your development partners in to point uem sunrise as put this project on the back burner and show no impetus to invest as they tried and failed to sell their shares twice.</p> <p>It's high time the municipality put rocpoint into voluntary liquidation or buy out their shares to get this project off the ground with new partners.</p> <p>It was touted to create some much unemployment and with the unemployment at over 31 per cent ,this would have gone a long way to elevate such over a period of time. The municipality as invested a lot of ratepayers money into this project with no apparent returns.</p> <p>I hope the municipality amend the report to include this and what the plan is for the point development as it cannot stagnate any longer.</p> <p>Thank for your attention to this matter. Your email state information that we know that was completed by the municipality some years ago like the</p>	<p>The Durban Point Waterfront Management Association's contract was extended by the eThekweni Municipality (which ended in November 2025) to 30 June 2028. Despite various environmental and infrastructural challenges, there has been some progress, such as the 18km promenade from Blue Lagoon to the harbour mouth, improved roads, and bulk water systems. The stalled projects are concerning as the Municipality faces billions of rands in debt due to these delays.</p> <p>Kindly visit the website (Home - Durban Point Waterfront Management Association) to glean further clarity on the issues raised.</p> <p>Thank you for your considered correspondence regarding the status of the Point Precinct development and the references made in the eThekweni Municipality Annual Report.</p> <p>The Point development remains a strategic catalytic project within the City's long-term spatial and economic framework.</p> <p>The City is strongly committed to ensuring that the Point precinct is developed to its full potential and therefore are working closely with UEM Sunrise, who have given firm commitment to the City that the Point precinct remains a priority. They are focused on ensuring financial sustainability, strengthening investor confidence, and</p>
-----------	-----------------------------	--	--

	<p>promenade and water main upgrade which probably cost ratepayers over a billion rand.I know that the municipality as invested heavily in the project which I accept.</p> <p>My issue raised in my initial response of uem sunrise ,the municipality Malaysian partners in Rocpoint together with a minority share held by a local Durban property company have not come to the party and invested what was promised by them and because they have not invested ,the project is at a standstill for years now.A touted 35 billion over a 15 year period was mentioned when the project was launched some years ago.</p> <p>What is the municipality doing to put uem sunrise on terms to invest as promised because it seems they want to sell their shares ,with two failed attempts at doing so,so obviously the point project is not their priority and they want out.My opinion that the municipality should buy them out and seek new development with deep pockets or the company should be put into voluntary liquidation of they resist the buyout or if the articles of association provide ,their share could be expropriated without compensation,the municipality used these threats very well in getting the owners of Hilton Hotel to reopen</p> <p>So the municipality need a clear plan on how get this project take off again in whatever way legally possible.</p> <p>If I can feedback on your plans I will appreciate it.</p> <p>I am a proud resident of Durban and want to see a world class waterfront on our doorstep.If Capetown can do a world</p>	<p>advancing the project to unlock implementation of the next phase of development.</p> <p>The development plans were delayed due to financial setbacks over the last few years due to lack of market appetite following economic instability, amongst which include COVID-19, floods, unrest, etc.</p> <p>We acknowledge your comment on the City’s bulk infrastructure investment which supports the precinct as well as demands on the inner city.</p> <p>The City remains committed to the realisation of the Point Precinct as a transformative waterfront development for Durban.</p>
--	---	---

		<p>class waterfront,we can also,we just need impetus and timelines from the municipality.</p> <p>It's of critical importance now that just yesterday in the online website of MyBroadband and business tech ,that had an extensive article on the Point Development mess.</p> <p>The whole of South Africa and especially the business community you are trying to attract to the city ,have in all probability read this article which puts the municipality in a very bad light.If you have not read these articles,I suggest you do so.</p> <p>It's imperative now that the municipality address the point development in the annual report.</p>	
3.	Nhlakanipho Khoza	<p>I thomas khoza I want to make the surgetion on this news. But we want to make sure the durban to survive the needs to people. The issue of getting the tender in right time mean the bank needs may the work tell that problem of having the of work munipality or like award letter to make sure the continuening the work. So for it my surgestition to all needs.</p>	The email was noted.
4.	Siboniso Ngcobo	<p>I hereby submit my formal comments on the Draft Annual Report of the eThekweni Metropolitan Municipality that is due on 6th March 2026.</p> <p>Firstly, I appreciate the opportunity granted to residents to participate in strengthening governance, accountability and service delivery. Public participation is a cornerstone of</p>	<p>The Municipality appreciates the constructive comments and acknowledges the importance of public participation in strengthening governance, accountability and service delivery.</p> <p>Your recommendations regarding improved service delivery monitoring, infrastructure maintenance, response</p>

	<p>constitutional democracy, and I commend the Municipality for opening this platform.</p> <p>However, while the Draft Annual Report outlines performance targets and expenditure, there remains a significant gap between reported performance and lived reality on the ground. The following strategic recommendations are submitted to improve service delivery, restore public confidence and build a city that works for everyone.</p> <p>SERVICE DELIVERY ACCOUNTABILITY FRAMEWORK: The Municipality should implement ward-level performance dashboards that are publicly accessible. Each ward must have measurable monthly targets for:</p> <ul style="list-style-type: none"> Water supply stability, Electricity fault response times, Refuse removal frequency, Road and pothole repair turnaround time, Sewer infrastructure response time. <p>These dashboards should be published online and displayed at Sizakala Centres to ensure transparency.</p> <p>INFRASTRUCTURE MAINTENANCE FIRST POLICY: A minimum of 60% of infrastructure-related capital budgets should prioritise maintenance and refurbishment before new projects. The collapse of basic infrastructure undermines all developmental goals.</p>	<p>times for critical services, financial discipline, procurement transparency and digital service platforms are noted. The Municipality already implements performance monitoring through instruments such as the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) and continues to prioritise infrastructure maintenance and service delivery improvements within available resources.</p> <p>Suggestions related to economic growth, improved law enforcement and enhanced community engagement are also welcomed. All inputs received during the public consultation process, including your submission, will be considered by the relevant municipal structures and will form part of the Oversight Report to be tabled by the Municipal Public Accounts Committee (MPAC) before Council in the Council meeting to be held at the end of March 2026. The Municipality thanks you for the valuable feedback.</p>
--	--	---

	<p>Preventative maintenance schedules must be published and audited quarterly.</p> <p>SERVICE RESPONSE GUARANTEE SYSTEM: Introduce a 72-hour maximum response guarantee for critical services:</p> <p>Major water leaks, Electricity outages, Sewer blockages.</p> <p>If unresolved within the set timeframe, automatic escalation must occur to senior management with written feedback to residents.</p> <p>FINANCIAL DISCIPLINE AND CONSEQUENCE MANAGEMENT: The Annual Report must clearly outline:</p> <p>Disciplinary action taken for irregular, fruitless and wasteful expenditure, Recovery plans for financial losses, Contractor performance reviews. Without visible consequence management, public trust will continue to decline.</p> <p>ANTI-CORRUPTION AND PROCUREMENT REFORM:</p> <p>All tenders above a determined threshold should: Be publicly published with scoring breakdowns, Include contractor performance history, Be tracked via an open procurement portal,</p>	
--	--	--

	<p>This will reduce allegations of corruption and ensure fairness. Where possible, use internal expertise in the Municipality for building and maintenance of some works.</p> <p>ECONOMIC GROWTH AND JOB CREATION STRATEGY:</p> <p>Service delivery and economic growth are linked. To improve revenue collection and reduce dependency:</p> <p>Fast-track business permit approvals within 14 days, Create a township and informal sector support desk, Establish a rapid infrastructure response team for industrial areas, A working city attracts investment. Investment grows revenue, Revenue strengthens services.</p> <p>CLEAN CITY AND LAW ENFORCEMENT STRENGTHENING:</p> <p>Illegal dumping, vagrants overcrowding city, hijacked buildings, unmanaged informal trading, non clean streets and beaches, these harm the city's image and economy.</p> <p>The Municipality must:</p> <p>Increase visible Metro Police presence, Implement area-based cleaning contracts with strict KPIs, Introduce community reporting reward systems.</p> <p>DIGITAL TRANSFORMATION OF MUNICIPAL SERVICES:</p>	
--	---	--

		<p>Residents must be able to: Log service requests via mobile app, Track progress in real time, Receive resolution notifications, Reducing physical visits to municipal offices will improve efficiency and reduce frustration.</p> <p>COMMUNITY OVERSIGHT FORUMS Establish quarterly open accountability forums per region where senior officials present progress reports directly to residents.</p> <p>Transparency builds partnership.</p> <p>CONCLUSION</p> <p>eThekwini has the potential to be the leading metropolitan municipality in South Africa. However, performance must shift from compliance reporting to measurable service excellence.</p> <p>A city that works is not defined by plans on paper but by: Water flowing consistently, Lights staying on, Roads being maintained, Refuse collected on time, Corruption being punished, Businesses operating with confidence.</p> <p>I urge the Municipality to adopt measurable, transparent and enforceable service standards that restore dignity and trust in local government.</p>	
--	--	---	--

		My comments are submitted in the spirit of constructive engagement and partnership in building a better eThekweni for all residents.	
5.	Adesh Roopnarain	I would like to report a suspected property for illegal connection. The address is , 1 Aiken place,bluff Durban The property is occupied by a large number of unemployed vagrants as well as the unemployed owner , the lights and music is on 24 hours a day . The municipality bill has not been paid in years please investigate the matter. Please provide feedback, as this matter gets sent to other relevant stakeholders.	This complaint has been attended to and the electrical service disconnected at the pole. Back-charges and the necessary penalties will be raised to the account. The situation will be monitored for any possible unlawful connections. Mr Roopnarain thanked the municipality and appreciated the quick response.
6.	Thalente Mbewu	Thank you for the opportunity to provide comments on the Draft 2024/25 Annual Report. As a Principal Clerk in the Energy Management Directorate, I would like to share feedback based both on the challenges identified during public consultations and on the daily operational realities experienced by staff and customers, particularly in high-crime service areas. Public consultations highlighted several key service-delivery challenges, including accessibility barriers in municipal facilities and the need for stronger disability inclusion in municipal services and programmes. These concerns closely align with the challenges encountered within our directorate. [devdiscourse.com] , [sanews.gov.za] 1. Accessibility and Infrastructure Barriers Many municipal facilities remain difficult to navigate for customers with disabilities, as confirmed during consultations. This affects their ability to access essential	The Municipality appreciates the detailed and practical submission and acknowledges the challenges raised regarding accessibility, disability inclusion, communication barriers, staffing constraints, and safety risks in high crime areas. 1. Universal Access and Infrastructure and Delays in Improving Accessibility EThekweni Municipality conducted building accessibility assessments which engagement started from 2023 to 2025. The process began in the City Centre, led by the Architectural Department during the Phase one of building assessment on the 2024/2025 financial year, where eight buildings were assessed. Phase two continued in the City Centre, Outer West and North region during the 2025/2026 financial year, where fifteen buildings were assessed. The building assessment is doing the positive impact, currently some municipal buildings are

	<p>services and participate fully in civic processes. In the Energy Management Directorate, this often results in longer queues, manual assistance processes, and delays—especially for elderly or disabled customers. [devdiscourse.com], [sanews.gov.za]</p> <p>2. Limited Inclusive Employment and Economic Opportunities The report highlights the under-representation of people with disabilities in municipal employment and economic programmes, which reduces the inclusivity of service delivery. Staffing shortages further compound service-delivery bottlenecks in high-volume customer service areas. [devdiscourse.com], [sanews.gov.za]</p> <p>3. Communication Barriers Consultations emphasized the need for improved communication tools, assistive technologies, and accessible service channels for customers with communication or sensory impairments. These gaps significantly hinder fault reporting, new connection queries, and account resolution. [sanews.gov.za]</p> <p>4. Delays in Improving Accessibility Stakeholders expressed concern about the slow pace of accessibility improvements across municipal infrastructure, despite ongoing accessibility audits. These delays continue to affect service efficiency and increase administrative pressures within the directorate. [citizen.co.za]</p>	<p>currently undergoing upgrades, including accessible ablution facilities and other recommended adjustments and we also noticed that some municipal buildings are not owned by Municipality which make it hard for adjustments and modifications.</p> <p>2. Limited Inclusive Employment and Economic Opportunities</p> <p>The City has also established a Human Capital People with Disabilities Helpdesk, which consult with people with disabilities every Wednesday from 09:00 to 12:00. The Helpdesk assists people with disabilities on how to declare the disability on CVs and also advise People with Disabilities to use Human Resources Centres of Excellence to apply for municipal vacancies and refers them to Human Resources officials for further support. The Helpdesk maintains a database of people with disabilities, which assists the People with Disabilities in sharing employment opportunities and relevant information. The service is managed by employees with disabilities who also conduct disability inclusion awareness programmes in the workplace. Furthermore, they engage with communities, schools for persons with disabilities, and disability organisations together with relevant municipal stakeholders such as the eThekweni Municipal Academy, CIIU, Human Resources, Youth Office, and Community Participation. The Helpdesk also hosts monthly programmes on Microsoft Teams where specialists provide guidance on implementing the Code of Good Practice for accommodating employees with disabilities. The team advises management and HR on how to support employees with disabilities to perform</p>
--	--	--

5. Operational Constraints in High-Crime Areas

While not directly highlighted in the report, frontline staff experience substantial delays when working in high-crime zones. Safety concerns can hinder fault response times, and staff face risks such as intimidation, vandalism, and robbery while attending to service calls. These safety challenges have a direct impact on customer satisfaction and service turnaround times.

In light of the above challenges, I would like to propose the following recommendations:

- **Accelerate accessibility audits and infrastructure upgrades**, ensuring high-volume customer facilities are prioritized. [devdiscourse.com], [sanews.gov.za]
- **Strengthen inclusive employment strategies**, including targeted recruitment and improved accommodation for people with disabilities. [devdiscourse.com], [sanews.gov.za]
- **Improve communication and assistive technologies** across service centres to better support customers with disabilities and reduce miscommunication. [sanews.gov.za]
- **Implement enhanced safety measures** for staff attending complaints and faults in high-risk areas, including SAPS-supported safety corridors, improved security presence, and mobile emergency alert systems.
- **Increase reporting transparency** by publishing quarterly updates on accessibility and service-delivery improvements, consistent with recommendations raised during consultations. [citizen.co.za]

their duties effectively. For example, blind employees within the Municipality are supported with assistive technology such as JAWS software to enable them to perform their duties. On 20 March 2025, the City also launched NDM vehicles that support employees with physical disabilities by providing transport assistance when performing official duties. The City continues to support people with disabilities through scarce skills development programmes conducted in partnership with the eThekweni Municipal Academy. Further information on successful disability inclusion initiatives can also be found on municipal communication platforms such as Workplace and the Municipal social media platforms.

The recommendations you have provided are aligned with ongoing initiatives and will be incorporated into directorate-level service improvement plans.

3. Communication and Customer Services

The eThekweni Municipal Academy provides annual South African Sign Language training for customer service employees. In addition, Sizakala Centres have disability signage and customer service desks to assist customers with disabilities during consultations. I kindly request Thalente to also encourage Energy services employees to go for Sign Language Training through eThekweni Municipal Academy.

4. Operational Constraints in High-Crime Areas

	<p>The Draft 2024/25 Annual Report reflects the municipality's commitment to accountability and inclusive development. I trust that these practical, frontline-driven recommendations will assist in strengthening service delivery and improving both staff and customer experiences across eThekweni. Thank you for considering my submission.</p>	<p>Safety concerns for staff in high-risk zones are noted, and the Municipality is working with Metro Police and SAPS to enhance security support for field teams.</p> <p>5. General</p> <p>We encourage your participation in the internal People with Disabilities Committee to support employees with disabilities within Energy Services and help address workplace challenges. The committee meets monthly via Microsoft Teams to communicate, address the issues that affect employees with disabilities in the workplace and action resolutions that were presented in the committee.</p> <p>Thank you for engaging with us. Let us continue working together to build an inclusive City, as your recommendations and ideas remain valuable</p> <p>Please feel free to contact the Human Capital People with Disabilities Helpdesk located as per the details below to become part of the forum for PWDs to share your inputs into the municipality's strive to improve accessibility and disability inclusion:</p> <p>Office location: 4th Floor Shell House, 221 Anton Lembede Street, Durban, Tel: 031 311 3160</p>
--	--	--

7.	<p>Siyabonga Mlambo</p>	<p>Popularization of the relevant or important information like reporting of electricity faults, sewerage and water leakage contact details. Introduce Ethekwini relevant information notice boards or information boards basically.</p> <p>Please display that information at the entrances of shoppings Malls, Local Soaza Shops, Schools, Clinics etc.</p> <p>In townships and rural areas may be include isiZulu language, also because not everyone is on social media platforms like FACEBOOK and others.</p> <p>Also install WI-FI'S in public institutions like Clinics where there is too much waiting period.</p> <p>Establish youth development Commitee in townships and rural areas.</p>	<p>Thank you for your valuable suggestions.</p> <p>Your proposals to improve the sharing of important municipal information, such as reporting electricity, sewer and water faults, through notice boards at public places like malls, spaza shops, schools and clinics are noted. The recommendation to include isiZulu to ensure accessibility for residents in townships and rural areas is also appreciated.</p> <p>The suggestions to provide Wi-Fi in public facilities such as clinics and to establish youth development committees in townships and rural communities are welcomed, as they support improved access to information and community participation. The Municipality has made significant strides in the rollout of public Wi-Fi in various public facilities to improve community access to information and digital services.</p> <p>All inputs received will be considered as part of the Municipality's efforts to strengthen communication and service delivery.</p>
----	--------------------------------	---	---

<p>8.</p>	<p>Sandile Khoza</p>	<p>I would like to share my feedback and participate in the consultation process regarding how the City is performing and delivering services to its communities. In many respects, there has been commendable progress, though there remain areas of concern and opportunities for improvement.</p> <p><u>Positives</u></p> <ol style="list-style-type: none"> 1. Environmental Awareness – The City has made significant strides in promoting environmental consciousness. While challenges remain, the overall direction is encouraging and worth acknowledging. 2. Waste Management – This department has shown consistent effort and improvement. Waste management requires a shift in mindset, and I believe further support and capacity-building will strengthen this success. <p><u>Areas of Concern</u></p> <ol style="list-style-type: none"> 1. Visibility of Leaders – There has been a noticeable decline in the visibility of ward councillors. Community members often do not know their representatives, which weakens accountability and engagement. 2. City Infrastructure Decay – Many buildings are poorly maintained, with some illegally occupied. This neglect undermines the City’s image and functionality. 3. Local Market – Our market is a vital contributor to the economy, supporting families and education through informal trade. While cleanliness has improved, over-regulation risks harming livelihoods. 	<p>Thank you for taking the time to participate in the consultation process and for sharing such thoughtful and constructive feedback. Your reflections on the City’s performance and service delivery are appreciated and contribute meaningfully to strengthening governance and accountability within the eThekweni Metropolitan Municipality.</p> <p>The positive observations you highlighted regarding environmental awareness and the continued improvement in waste management are encouraging. These areas remain important priorities for the City as it works towards sustainable development and improved environmental stewardship. Community support and behavioural change are indeed key to sustaining progress in waste management, and your recognition of these efforts is valued.</p> <p>The concerns you have raised regarding the visibility of ward councillors, infrastructure maintenance, and service delivery are important and are issues that the City continuously seeks to address through improved planning, monitoring, and community engagement. Strengthening accountability at ward level and ensuring regular engagement between councillors and communities remains essential to building trust and responsiveness.</p> <p>Your comments on the condition of City infrastructure and illegally occupied buildings are also noted. The Municipality continues to work with relevant departments and law enforcement structures to address urban decay, building compliance, and the revitalisation of key</p>
-----------	-----------------------------	---	--

		<p>Proposals for large-scale developments, such as a mall, could displace these traders and damage the community fabric.</p> <ol style="list-style-type: none"> 4. Infrastructure Service Delivery – Roads, drains, water, and electricity systems require urgent, coordinated attention. Delays in repairs and maintenance negatively affect both townships and the city centre. 5. Skills Development – Graduate unemployment is rising due to a mismatch between industry needs and higher education curricula. This gap must be addressed to prevent long-term socio-economic challenges. 6. Port of Durban – As a logistics specialist, I see immense potential in our port. Despite criticism, I believe it remains one of the best globally. However, stronger collaboration between the City, provincial, and national government is essential to unlock its full potential. <p><u>Next Steps</u></p> <ol style="list-style-type: none"> 1. Focus on key pillars: Oceans Economy, Infrastructure Development, and the Port of Durban. 2. Engage private partners to strengthen capacity and investment. 3. Break down silos between National, Provincial, and Municipal structures to ensure unified planning and execution. 4. Foster closer collaboration with provincial departments, such as the Department of Transport, particularly on initiatives like the Oceans Economy. 	<p>economic nodes within the City.</p> <p>Regarding the local market and informal trading sector, the City recognises the critical role that informal traders play in sustaining livelihoods and contributing to the local economy. Efforts to improve cleanliness, safety, and infrastructure in trading areas aim to support traders while ensuring that development initiatives remain inclusive and sensitive to existing community economic activities.</p> <p>The concerns raised about infrastructure service delivery, particularly relating to roads, drainage, water, and electricity, are acknowledged. These are priority areas for the Municipality, and continued investment in infrastructure maintenance and upgrades forms part of the City’s broader development strategy.</p> <p>Your comment regarding the mismatch between graduate skills and labour market demand is also well noted. Addressing youth unemployment and strengthening skills development requires coordinated partnerships between government, educational institutions, and industry to ensure that training programmes are aligned with economic opportunities.</p> <p>With respect to the Port of Durban, the City shares your view that this strategic asset holds immense potential for economic growth. Unlocking this potential requires strong collaboration between local government, provincial structures, and national entities such as Transnet. Strengthening logistics efficiency and supporting the broader oceans economy remain key</p>
--	--	--	--

		<p>5. Address financial inefficiencies and ensure that resources are managed effectively, with the right people in the right positions.</p> <p>I hope these reflections contribute meaningfully to the consultation process. I am proud to be a resident of Durban and remain committed to supporting the City’s growth and success.</p>	<p>components of regional economic development. In this regard, the City is guided by the principles of the District Development Model, which promotes integrated planning, coordination, and joint implementation across national, provincial, and municipal spheres of government. Through the “One Plan” approach of the District Development Model, stakeholders work together to align infrastructure investment, economic development initiatives, and service delivery programmes to avoid fragmentation and ensure that development efforts are coordinated and impactful.</p> <p>The strategic pillars you highlighted, including the oceans economy, infrastructure development, and maximising the potential of the port, align strongly with broader government priorities and the collaborative framework promoted through the District Development Model.</p> <p>Once again, thank you for your valuable input and for demonstrating continued commitment to the development of the City and its communities. Public participation and feedback from residents such as yourself play a critical role in strengthening municipal planning and improving service delivery outcomes.</p> <p>All comments received through the public consultation process, including your submission, will be considered by the relevant municipal structures and will inform the development of the Oversight Report to be tabled by the Municipal Public Accounts Committee (MPAC) in the March 2026 Council meeting.</p>
--	--	--	--

			Thank you once again for your valuable contribution and for your continued interest in the development of the City.
9.	Bongi Hlomuka	Hi I'm Bongi ngifi I'm searching for a job can I have some job for general work.	<p>Thank you for reaching out and for your interest in employment opportunities.</p> <p>We encourage you to regularly check the Municipality's official website and notice boards for any advertised vacancies. You may submit your application as guided in the vacancy circular when positions are advertised.</p> <p>We wish you the best in your job search and encourage you to continue applying for opportunities that match your skills and experience.</p> <p>Kindly note that municipal jobs are not for sale.</p> <p>Job Applicants are warned not to pay anyone for Municipal jobs and should report the scammer to:</p> <p>City Integrity & Investigations Directorate 10th Floor, 41 Margaret Mncadi (ex-Victoria Embankment) Email: Ombuds@durban.gov.za Hotline: 0800 20 20 20/ 031-3114002</p>

10.	<p>Theresa Bernstein</p> <p>Chairperson Umhlanga Ratepayers and Residents Association NPC</p>	<p>Please note I was unable to attend.</p> <p>I would like to be notified of any meetings scheduled wrt the new report and budget.</p> <p>If there are any minutes available from the session on 24th I would appreciate receiving them.</p>	<p>The minutes and presentation were shared.</p>
11.	<p>Tholakele Gubudela</p>	<p>Sawubona sisi Nonky</p> <p>Ngiyaphila ngithemba kuthi nawe uyaphila sisi sinenlinga lana emlazi ku ward 81 B section kwi area yase Bx1 Lusaka</p> <p>Kwangena project yezindlu 2011yayenziwa Zikhulise construction yangaqeda ukwakha izindlu kwabuya DC civil construction ngo 2020 sizofaka sewer system,access road and footpath yangaqeda yathi bayayeka ngoba abasabhatalwa ngu Ethekwini municipalityuma sobuza ku councilor wathi bazobuya January 2022 kwafika izikhulkula zahamba ne main pipe ebikhona endaweni lahamba indawo noma kulinganiselwa ku 100m to 200m</p> <p>Ngabika ku councilor sabiza official wakwa water and sanitation sisi Nolwazi wabiza community meeting wathi January 2024 izolungilungiswa kwangenzeka ngabuyela ku councilor sabiza supervisor babu Maduze wafika wathi uzokwenza project izolunga soon wangalungisa sabuye sabiza war room yeza kuzobheka konke unfinished project nale ye floors ye main pipe yabuka kwafika engineer buti Velani nominee usisi ngo early 2025 bezokwenza assessment bathi kuzolungiswa kuze kube manje abahlali basahleli nalo sewerage plant ka 2022 akubuyi muntu bathule bonke</p>	<p>The matter was escalated to Water and Sanitation.</p>

		<p>Sesiqale kabutsha nobuti Fanelesbonge sekune reference numbers ezimbili manje F231116-999 ngeka 2023 F260226-1088 ngeka 2026</p> <p>Ngiyojabuliswakukungenelela kwakho</p>	
12.	Kevin Pillay	<p>This morning whilst i was driving on the Higginson Highway about 6h45 a municipality Health occupational reg NDb14937 VW Polo was recklessly driving on the highway! I was on the left lane doing 80km he was behind me showing lights & requesting me to drive more faster totally unacceptable please resolve this frustrating issue.</p>	<p>The matter has been escalated to the relevant directorate to address.</p>
13.	Various	<p>Requests for the link to access the draft 2024/25 annual report were received from: Wenzile Zama (Black Lawyers Association) Lyse Comins Stuart Dicks Mabeba, T. (Thato) – Nedbank Dr Kholekile Ntsobi Thami Magubane Pat Naidoo Dhanashwar Basdew (Secretary - Verulam Civic Association)</p>	<p>The link below was shared: 2024-2025-draft-annual-report-tabled-29-jan-2026-2.pdf</p>

STATUS OF AUDIT ACTION PLANS

After the Auditor-General issued the Final Audit Report and Management Report on the outcomes of the year ended 30 June 2025, Audit Action Plans (APPs) were developed, agreed and approved on the National Treasury's Financial Management Capability Maturity Model (FMCMM) system as follows:

Development of Action Plans	NO. OF FINDINGS		
	Matters Affecting Audit Report	Other Important Matters	Total
Not Yet Started	0	0	0
Under Development	0	0	0
Developed - Management Approved	13	157	170
Developed - CFO Approved	13	157	170
Developed - Internal Audit Approved	13	157	170
Developed - Audit Committee Approved	0	0	0
Developed - Council Approved	0	0	0

ETHEKWINI MUNICIPALITY
TRACKING OF AUDIT ACTION PLANS FOR THE YEAR 30 JUNE 2025
As of 10 March 2026

NO.	DEPARTMENT	TOTAL	REPEAT FINDINGS	REPEAT FINDINGS RESOLVED	OTHER MATTERS RESOLVED	IN PROGRESS > 50%	IN PROGRESS < 50%	NOT STARTED
1.	Corporate Services	48	18	2	11	14	18	2
2.	Finance	37	12	0	5	25	7	0
3.	Office of the City Manager	8	0	0	2	2	2	2
4.	Office of Operations Management	9	8	0	0	9	0	0
5.	Public Safety	4	3	0	1	2	0	1
6.	Technical Services	64	24	2	6	22	20	14
Total		170	65	4	25	74	47	20

The Auditor-General raised a total of 170 findings which comprised of 13 matters that affected the Audit Report and 157 Other Matters. 65 of these findings were repeat findings from prior years. The number of findings has reduced significantly from the 2023/2024 financial year which reflected a total of 208 findings with 20 matters affecting the Audit Report and 106 repeat findings.

The progress to date on the 2024/2025 findings shows that:

- 29 findings have been resolved
- 74 are still in progress >50%
- 47 are in progress <50%
- 20 are not started