

MBHASHE LOCAL MUNICIPALITY



MID-YEAR BUDGET & PERFORMANCE REPORT

25 JANUARY 2026

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1. INTRODUCTION

The Mbhashe municipality is reporting for the institutional performance relating to 2025/2026 financial year, as required through the municipal systems Act No 32 of 2000 and municipal finance Management Act no 56 of 2003, in terms of section 72 of the local government: Municipal Finance Management Act (Act no 56 of 2003) the accounting officer of a municipality must by the 25 January of every year must assess the performance of the municipality during the first half of the financial year, in terms of section 51(1), the mayor must report to the council by the 31st of January of the financial year. Thereafter the accounting officer need to:

- (a) Submit a report on such assessment to
- (i) the Mayor of the municipality
 - (ii) the National Treasury
 - (iii) the relevant Provincial Treasury
 - (iv) the provincial COGTA

Therefore, this report is being submitted as a fulfilment of this legislative provision for the 2025/26 financial year.

This report is in compliance with the following pieces of legislation:

- Municipal Systems Act No 32 of 2000
- Municipal Finance Management Act No 56 of 2003

2. EXECUTIVE SUMMARY

This section contains an assessment of mid-year budget performance. This is guided by the MFMA as depicted in the below section. The aim is to assess revenue and expenditure performance of the municipality in line with the SDBIP as an implementation monitoring tool for IDP objectives funded to be implemented in the year under review.

Mbhashe Local Municipality is reporting for the institutional performance relating to 2025/2026 financial year, as required by the Municipal Systems Act No 32 of 2000 and Municipal Finance Management Act No 56 of 2003. In terms of section 51(1) of the MFMA, the mayor must report to the council by the 31st of January of the financial year.

Also Section 39 of the Municipal Systems Act 32 of 2000 requires municipalities to manage the development of the municipality's Performance Management System (PMS); assign responsibilities in this regard to the Municipal Manager and submit the proposed system to the Municipal Council for adoption. This has been achieved with adoption of the 2025/26 Organisational Performance Management System and the score card for monitoring and review of performance.

In accordance with Section 26(d)(e) of the Municipal Performance Regulations For Municipal Managers and Managers Directly Accountable To Municipal Managers, 2006 and Section 77(d) of the Municipal Systems Act No. 32 of, 2000, we hereby submit institutional performance information report.

2.1 Section 72 Mid-year Budget and Performance Assessment Report

Legislative Background

Section 72 of the Municipal Finance Management Act 2003 (Act No. 56 of 2003) stipulates as follows: -

Mid-year budget and performance assessment

72. (1) The accounting officer of a municipality must by 25 January of each year—
- (a) assess the performance of the municipality during the first half of the financial year, taking into account
 - (i) the monthly statements referred to in section 71 for the first half of the financial year,
 - (ii) the municipality's service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan,
 - (iii) the past year's annual report and progress on resolving problems identified in the annual report; and
 - (iv) the performance of every municipal entity under the sole or shared control of the municipality taking into account reports in terms of section 88 from any such entities; and
 - (b) submit a report on such assessment to:
 - (i) the mayor of the municipality,
 - (ii) the National Treasury, and
 - (iii) the relevant provincial treasury.
- (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.
- (3) The accounting officer must as part of the review—
- (a) make recommendations as to whether an adjustments budget is necessary; and
 - (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

2.2 Preparation of the Mid-year Budget and Performance Assessment Report

A mid-year budget and performance assessment was carried out and a report submitted to the Honorable Executive Mayor and Council during January 2026. Set out below is a summary of the report and findings submitted by the Municipal Manager.

(i) MONTHLY BUDGET STATEMENTS FOR THE FIRST HALF OF THE FINANCIAL YEAR

1. Analysis of operating revenue

OWN REVENUE (BILLABLE)

REVENUE SOURCE	APPROVED BUDGET (A)	ACTUAL BILLED (B)	VARIANCE (C) = (A)-(B)	6 MONTH ACTUAL COLLECTIONS (D)	VARIANCE (B) – (D)
Rates & taxes	R 10 000 000	R 8 606 912.48	R 1 393 087.52	R 9 703 396.66	(R1 096 484.18)

Refuse removal	R 500 000	R 1 994 941.95	(R1 494 941.95)	R 64 625.44	R 1 930 316.51
TOTAL	R 10 500 000	R 10 601 854.43	(R101 854.43)	R 9 768 022.10	R 833 832.33

Billable Revenue

The Original Gross budgeted amount (including revenue foregone) was R 10 500 000. The actual Gross billing was R10 601 854.43. The difference in billing is due to the fact that budget is based on actual collection assumptions not billing while actual for the 6-month period reflects billed amount.

The actual collection is R9 768 022.10, which is 92.14% of the billed revenue, and 93% of the annual budget. This performance indicates improvement when compared to the amount of 2024/2025 Mid-year performance. This improvement can be linked to increased payments by Commercial customers and Government. Residential customers are still affected by the effects of past decline of the economy and loss of income by many families, which one can still link to the effect of Covid 19 and increase in food prices which is a global issue and a culture of non-payment.

The following are factors that have contributed to the collection rate which is still below the set Treasury norm:

- The inability of the municipality to fully and successfully engage its debtors such as businesses and individual residential customers and implementation of the Credit Control and Debt Collection policy.
- The municipality's inadequate efforts in following up on Government debt,
- The challenges in implementing resolutions taken in the meetings which were held between the municipality and the ratepayer's association. The dissatisfaction of rate payers on the service delivery priorities demonstrated by the municipality is another contributing factor on the low collection rate.
- The non-payment and defiance culture adopted by ratepayers.

Other Revenue

MBHASHE LOCAL MUNICIPALITY - OWN REVENUE REPORT (NON-BILLABLE) AS AT 31 DECEMBER 2025							
OWN REVENUE SOURCES	BUDGET	Q1	Q2	YEAR TO DATE	BALANCE		%
POS-BUILDING PLANS	500,000.00	26,372.10	41,157.00	67,529.10	432,470.90		13.51%
POS-BILLBOARD RENTAL	120,000.00	59,735.81	64,226.72	123,962.53	(3,962.53)		103.30%
POS-HALL HIRE	150,000.00	46,469.37	46,600.00	93,069.37	56,930.63		62.05%
POS-LEARNER AND DRIV	500,000.00	239,152.00	270,143.00	509,295.00	(9,295.00)		101.86%
REGISTERING AUTHORITY	1,700,000.00	585,908.05	435,577.26	1,021,485.32	678,514.69		60.09%
POS-POUND FEES	200,000.00	32,442.26	41,394.00	73,836.26	126,163.74		36.92%
POS-PUBLIC TOILETS	200,000.00	36,452.52	45,448.00	81,900.52	118,099.48		40.95%
POS-RENTAL OF COMMON	2,000,000.00	816,278.94	676,578.30	1,492,857.24	507,142.76		74.64%
POS-SALE OF LAND	800,000.00	21,010.00	99,500.00	120,510.00	679,490.00		15.06%
HAWKERS AND BUSINESS LICENCE	500,000.00	266,130.94	83,874.77	350,005.71	149,994.29		70.00%
POS-TRAFFIC FINES	1,500,000.00	420,510.74	959,380.74	1,379,891.48	120,108.52		91.99%
LAW ENFORCEMENT/ BY-LAWS	500,000.00		87,650.00	87,650.00	412,350.00		17.53%
VAT RECOVERY	27,057,474.06	6,237,547.33	10,290,896.29	16,528,443.62	10,529,030.44		61.09%
LGSETA	210,000.00	-	-	-	210,000.00		0.00%
INTEREST ON INV & CR BALANCE	32,000,000.00	10,681,165.64	10,695,772.34	21,376,937.98	10,623,062.02		66.80%
SUNDRY INCOME/ VALUATION CERT	1.00	4,521,617.16	397,583.50	4,919,200.66	(4,919,199.66)		491920066.00%
TENDER DOCUMENTS	200,000.00	944.10	4,249.40	5,193.50	194,806.50		2.60%
CEMETERY & BURIAL	1.00	-	1,000.00	1,000.00	(999.00)		100000.00%
NON-BILLABLE REVENUE	68,137,476.06	23,991,736.96	24,241,031.32	48,232,768.29	19,904,707.78		70.79%

This comprises of building plans, pound fees, public toilets, sale of land, tender fees, VAT refunds and interest on investments, rental of billboards, Hall hire and e.t.c

The total approved annual budget amount is R68 137 476.06. The actual collection as compared to the approved annual budget at the six months period reflects that the municipality has collected R48 232 768.29 which translate to 70.79% when compared to Annual Budget. This collection is above the projected six months collection of R34 068 738.03. The collection rate is 141.57% when measured against the six months' projection. The major contributors being Vat Refunds and Interest on investments.

COMPARISON OF 2025/26 & 2024/25 REVENUE COLLECTION AT MID-YEAR

	2025/26	2024/25	COMMENT
OWN REVENUE	70.79%	88%	<i>The budget for own revenue (excluding billable revenue) 2025/26 is R68.1m, whereas in the 2024/25 it was R53.8 million. Therefore, the municipality is being more realistic in its projections.</i>

Traffic Fines, Licensing and Registering Authority

Traffic Fines

The original annual budget for traffic fine is R1 500 000, and the actual collections amounts to R1 379 891.48 which is 91.99% of the annual budget. This indicates that the municipal

traffic section is doing a good job, they are able collect what management could estimate at the time of budgeting, also it points to the fact that fines are to a large extent paid, an upward adjustment will be necessary. The Mid-Term budget is R750 000 and the actual collection for the 6 months translates to 183.99% as compared to the approved budget at the six-months period reflecting over achievement as target is 50% as at Mid-term. The collection from Traffic Fines is expected to improve even further as the municipal has acquired a Traffic Management system together with the roadblock bus.

Learners and Driver's License

The approved annual budget is R500 000 for learners & driver's license. The actual collection is R509 295.35, which is 101.86% of the annual budget. The mid-year budget is R250 000, and the actual collection is 203.72%, showing an over-collection of R259 295.35 to the projected approved budget of six months. This performance means that during adjustment budget we have to adjust the annual budget upwards.

Registering Authority

The approved annual budget is R1 700 000 for registering authority which is the 19% commission in respect of agency fees collected from DOT. The actual collections amount to R1,021 485.32 which is 60.09% of the annual budgeted amount. This collection exceeded the mid-year collection budget of R850 000 by R171 485.32. This performance means that during the budget adjustment we have to increase the budget for this item so that we can cater for the remaining months.

Rental of Facilities

This comprises of Billboard Rentals, Hall Hire & Rental of Commonage.

The approved annual budget of billboards rentals amount is R120 000 and the actual collection is at R123 962.53 this translates to 103.30% of the annual budget, this reflects an improved performance compared to the first 6 months of 2024/2025. This also means that since we have exceeded the mid-year target, which is 50% of the annual Budget, management must increase Rental of Billboards budget in order to cater for the remaining months of the financial year.

The approved annual budget for Hall Hire is R150 000, collection is R93 069.37, this translates to 62.05% of the annual budget, this shows poor performance when compared to the six months performance of 2024/2025 which was 32%.

The biggest contributor to revenue of rental of facilities is rental of commonage (lease rentals), the annual budget for this item is R2 000 000, its collection is R1 492 857.24, this translates to 74.64% of annual budget. This shows good achievement when compared to the R1 000 000 budget of the first six months. We propose upwards adjustment on these items that exceeded the 50% as at mid – term.

Steps taken to address shortfall on operating revenue

- The municipality is charging interest on all long outstanding debts, and we have a Credit Controller in place, we are also making use of the debt collectors.
- The Registering Authority function is closely monitored and controls around this function have been strengthened in order to ensure smooth functioning and improved customer service.
- Valuation roll is being updated timeously in order to ensure that correct customers are being billed at right values and revenue collection is enhanced, we are in the process of compiling the 2025-2030 General Valuation Roll.
- We are constantly engaging with rate payers urging them to pay their accounts on time and also to find out what are the issues that lead to non-payment of municipal bills so that these can be prioritized by the relevant service delivery departments of the municipality, Credit controller is assisting with this function.
- Customer-related issues communicated through our customer care unit by the customers are quickly addressed.
- We have introduced some incentive schemes that encourages customers to come forward and negotiate affordable payment terms.
- We are currently engaging businesses through one-on-one engagements and offering them payment arrangements to settle their accounts.

Grants

GRANTS			
OPERATIONAL GRANTS AND SUBSIDIES	APPROVED BUDGET	TOTAL RECEIVED	% RECEIVED
Equitable Share	325,208,000.00	243,906,000.00	75%
CONDITIONAL GRANTS AND SUBSIDIES	APPROVED BUDGET	TOTAL RECEIVED	% RECEIVED
Municipal Infrastructure Grant (MIG)	74,175,000.00	61,790,000.00	83%
Finance Management Grant (FMG)	1,700,000.00	1,700,000.00	100%
Expanded Public Works Programme (EPWP)	2,382,000.00	1,668,000.00	70%
Intergrated National Electrification Programme	16,369,000.00	9,167,000.00	56%
Grant from Office of The Premier (OTP)	10,000,000.00	14,216,961.75	142%
Library Grant	1,490,000.00	1,490,000.00	100%
Municipal Disaster Response Grant	24,167,000.00	12,325,000.00	51%
	130,283,000.00	102,356,961.75	79%

The municipality has received all its transfers as per the DORA payment schedule for the first 6 months of the 2025/2026 financial year. OTP Grant is from the Office of the Premier, it's intended for refurbishing and urbanizing small towns, included in that is the improvement of internal roads. Receipt of OTP monies depends on municipal spending, we submit invoices first then receive monies for the submitted invoices, but for this financial year OTP has put more money which exceeded our initial annual budget, this means that we have to adjust OTP upwards. The municipality also received an additional R 8 000 000.00 for Disaster Response and this will also have to be adjusted for when adjusting the budget.

3. Analysis of Expenditure per department

PROJECT NAME	ORIGINAL BUDGET	ADJUSTED BUDGET	Evo Budget		COMMITMENT	TOTAL EXPENDITURE	BALANCE	% SPENT
			Amount	ACTUAL				
BUDGET AND TREASURY OFFICE	44,993,748.10	-	44,993,748.10	25,598,688.24	1,196,284.50	26,794,972.74	18,198,775.36	60%
CORPORATE SERVICES	37,666,809.75	-	37,041,809.75	15,403,628.28	3,072,455.55	18,476,083.83	18,565,725.92	50%
OPERATIONS	28,583,217.27	-	28,583,217.27	10,017,617.02	1,289,795.95	11,307,412.97	17,275,804.30	40%
DEVELOPMENTAL PLANNING	25,033,000.00	-	25,433,000.00	10,485,429.60	2,001,200.82	12,486,630.42	12,946,369.58	49%
COMMUNITY SERVICES	19,117,695.65	-	19,317,695.65	6,675,450.76	1,563,709.29	8,239,160.05	11,078,535.60	43%
INFRASTRUCTURE	187,638,208.20	-	186,888,208.20	124,317,007.03	5,382,773.01	129,699,780.04	57,188,428.16	69%
GRAND TOTAL	343,032,678.97	-	342,257,678.97	192,497,820.93	14,506,219.12	207,004,040.05	135,253,638.92	60%

Spending Patterns

The above expenditure per department excludes the non-cash items (Depreciation & Provision for Bad Debts).

3. DISCUSSION ON EXPENDITURE

3.1 SALARIES AND WAGES

The total personnel budget amounts to R 177 141 003.29. This budget included new posts which were added during the organogram review, management has worked very hard during planning phase in order to reduce the personnel budget so that the municipality remains within the statutory norms and thresholds. As at end of 2nd quarter spending amounted R89 828 964.55, which translates to 50.71% of total budget. Included in the actual expenditure is EPWP which is funded separately by the conditional grant from Public Works, DEDEAT and rural waste project. The available budget at end of 2nd quarter amounted to R87 312 038.74, which translates to 49.29% of the original budget. Management will continue monitoring the employee costs to ensure that they are within the approved budget.

3.2 PROJECT EXPENSES

The total annual budget per project as per mSCOA requirements is R343 032 678.97. The actual expenditure incurred as at 31 December 2025 is R192 497 820.93 which is 56% of the total budget. The available budget is R135 253 638.92 which will cover the last six months that will end at 30 June 2026.

3.3 Below is the detailed project expenditure per department:

3.3.1 Budget and Treasury Office

PROJECT NAME	ORIGINAL BUDGET	ACTUAL	COMMITMENT	TOTAL		
				EXPENDITURE	BALANCE	%
AFS Preparation	1.730.000.00	872.806.61	13.770.00	886.576.61	843.423.39	51%
Annual Regularity Audit	5.000.000.00	4.960.909.14	-	4.960.909.14	389.090.86	93%
Debt Collection	2.126.956.52	2.364.83	-	2.364.83	2.124.591.69	0%
Expenditure and payroll management	1.326.095.93	792.647.80	24.561.98	817.209.78	508.886.15	62%
Financial Management Grant	1.700.000.00	884.024.76	116.601.86	1.000.626.62	699.373.38	59%
Fleet Management	18.970.000.00	13.652.178.39	417.384.87	14.069.563.26	4.900.436.74	74%
Free Basic Services	1.677.000.00	370.841.72	144.174.88	515.016.60	1.161.983.40	31%
Full Implementation of SCM system	770.000.00	233.952.32	64.073.01	298.025.33	471.974.67	39%
General Valuation Roll	2.163.695.65	151.511.08	13.157.90	164.668.98	1.999.026.67	8%
GRAP Compliant Asset Register	6.610.000.00	2.138.211.32	10.541.04	2.148.752.36	4.461.247.64	33%
mSCOA Implementation	2.920.000.00	1.539.240.27	392.018.96	1.931.259.23	638.740.77	75%
	44.993.748.10	25.598.688.24	1.196.284.50	26.794.972.74	18.198.775.36	60%

Budget and treasury performance for the six months ended 31 December 2025 has reached the 60% mark. There are three projects that are close to 100% of annual budget, spending on Grap Compliance Asset Register is 33%, spending on mSCOA-Implementation project is 75%, Spending on AFS preparation is sitting at 51%, Budget for External Audits has been spent fully with only 7% remaining.

3.3.2 Corporate services

PROJECT NAME	ORIGINAL BUDGET	ACTUAL	COMMITMENT	TOTAL		%
				EXPENDITURE	BALANCE	
Air Conditioners	450.000.00	-	-	-	450.000.00	0%
Bereavement support	190.788.04	-	16.850.00	16.850.00	173.938.04	9%
Career Exhibition	450.000.00	27.090.58	-	27.090.58	422.909.42	6%
Cleaning of offices	610.000.00	25.493.49	-	25.493.49	554.506.51	4%
Compliance with Legislation	400.000.00	51.877.92	2.559.78	54.437.70	345.562.30	14%
Computers	500.000.00	396.311.00	-	396.311.00	103.689.00	79%
Convening of oversight structures meetings	750.000.00	170.257.52	34.757.50	205.015.02	544.984.98	27%
Council Chamber Recording System	520.000.00	141.314.37	-	141.314.37	378.685.63	27%
Customer Care building	150.000.00	68.840.25	-	68.840.25	81.159.75	46%
Desludging of Septic tank	200.000.00	76.500.00	-	76.500.00	123.500.00	38%
Disaster Recovery site establishment	3.000.000.00	1.739.130.43	-	1.739.130.43	1.260.869.57	58%
Dutywa main Building	2.000.000.00	465.230.00	1.013.735.52	1.478.965.52	321.034.48	82%
Dutywa TRC Offices	500.000.00	331.270.00	-	331.270.00	168.730.00	66%
EC121_TOWN HALL UPGRADE	2.000.000.00	205.392.43	191.386.17	396.778.60	1.603.221.40	20%
Elliotdale Green Park	100.000.00	85.850.00	-	85.850.00	14.150.00	86%
Elliotdale Indoor Sport Centre	250.000.00	271.350.00	-	271.350.00	8.650.00	97%
Employee wellness programs	1.630.000.00	1.529.640.24	-	1.529.640.24	100.359.76	94%
Executive House	110.000.00	78.590.00	-	78.590.00	31.410.00	71%
Gatyana Municipal Offices	550.000.00	-	-	-	550.000.00	0%
Gatyane Indoor Sport Centre	250.000.00	122.100.00	-	122.100.00	127.900.00	49%
ICT License Renewal	2.060.000.00	1.434.348.90	187.567.18	1.621.916.08	438.083.92	79%
IT Master Plan-IT Strategic Plan	28.000.00	-	1.647.83	1.647.83	26.352.17	6%
Leave Management System	350.000.00	-	-	-	350.000.00	0%
Maintenance of ICT Equipment	600.000.00	-	68.045.00	68.045.00	531.955.00	11%

PROJECT NAME	ORIGINAL BUDGET	ACTUAL	COMMITMENT	TOTAL		%
				EXPENDITURE	BALANCE	
Maintenance of the lift	280.000.00	-	39.751.38	39.751.38	240.248.62	14%
Municipal Clocking System	570.000.00	-	-	-	570.000.00	0%
Municipal Staff Accomodation	330.000.00	49.500.00	61.835.00	111.335.00	218.665.00	34%
Network Infrastructure on Municipal offices	-	7.074.08	-	7.074.08	7.074.08	0%
Occupational Health & Safety	1.275.000.00	34.143.14	-	34.143.14	1.240.856.86	3%
Performance Management	1.515.000.00	338.676.36	34.821.68	373.498.04	441.501.96	46%
Personal Protective Equipment	250.000.00	-	-	-	250.000.00	0%
Printers	900.000.00	855.874.39	-	855.874.39	44.125.61	95%
Provision of electricity	2.450.000.00	964.552.86	224.881.28	1.189.434.14	1.260.565.86	49%
Provision of Office Furniture	250.000.00	19.000.00	-	19.000.00	231.000.00	8%
Recruitment & Selection	685.000.00	166.548.06	168.902.23	335.450.29	349.549.71	49%
Registry Management	570.000.00	278.268.54	119.606.25	397.874.79	172.125.21	70%
Study Assistance	461.000.00	141.286.00	67.645.43	208.931.43	252.068.57	45%
Tesko Building	300.000.00	144.925.00	-	144.925.00	155.075.00	48%
Tools And Equipment	75.000.00	-	-	-	75.000.00	0%
Training and Development for Councillors	1.491.086.95	327.970.17	218.883.64	546.853.81	1.019.233.14	35%
Training and Development for Employees	2.385.500.00	1.765.025.84	350.919.07	2.115.944.91	269.555.09	89%
VPN (Virtual Private Network), WiFi (Wireles	2.200.000.00	1.227.936.02	-	1.227.936.02	972.063.98	56%
Ward Committee Training	1.130.434.76	-	15.500.00	15.500.00	1.114.934.76	1%
Water consumption	2.000.000.00	1.441.558.69	160.500.00	1.602.058.69	397.941.31	80%
Website management	300.000.00	-	-	-	300.000.00	0%
Workshop Office	250.000.00	-	-	-	250.000.00	0%
Xhora Municipal Offices	350.000.00	420.702.00	92.660.61	513.362.61	36.637.39	93%
TOTAL	37.666.809.75	15.403.628.28	3.072.455.55	18.476.083.83	18.565.725.92	50%

Corporate services performance for the past six months ended 31 December 2025 is 50%. The major contributors to the improved spending of this department are the ICT related projects and Repairs and maintenance of Municipal facilities and offices. Training related projects for ward committees has only moved by 1%.

3.3.3 Operations Department

PROJECT NAME	ORIGINAL		TOTAL			
	BUDGET	ACTUAL	COMMITMENT	EXPENDITURE	BALANCE	%
Annual report development	100.000.00	-	-	-	100.000.00	0%
Branding of the Municipality	1.005.000.00	423.567.20	153.106.40	576.673.60	428.326.40	57%
Co-ordination of Audit and Risk Committee meetings	549.565.21	191.876.04	7.000.00	198.876.04	350.689.17	36%
Customer care update	1.076.086.95	1.611.30	-	1.611.30	1.074.475.65	0%
Development of Newsletters	506.956.52	146.400.00	191.578.34	337.978.34	168.978.18	67%
Engagement meetings	626.086.95	224.669.45	62.307.63	286.977.08	339.109.87	46%
Fraud Awareness	290.000.00	114.197.27	17.391.30	131.588.57	158.411.43	45%
IDP Development	728.478.25	94.802.38	27.021.78	121.824.16	606.654.09	17%
IGR meetings	30.000.00	26.100.00	-	26.100.00	3.900.00	87%
implementation of Communication Strategy and media Plan	2.369.565.21	599.767.61	222.431.03	822.198.64	1.547.366.57	35%
Implementation of IDP, SDBIP and Budget integration	591.739.12	163.744.34	19.414.00	183.158.34	408.580.78	31%
Internal Audits and ad-hoc assignments	2.076.695.64	1.362.539.27	5.170.70	1.367.709.97	708.985.67	66%
Legal cases	4.520.000.00	2.359.828.69	-	2.359.828.69	2.160.171.31	52%
MPAC	586.739.08	189.660.70	19.632.22	209.292.92	377.446.16	36%
MRM Programs	950.000.00	165.279.58	-	165.279.58	784.720.42	17%
Performance Management System	700.000.00	-	-	-	700.000.00	0%
Policy Review	1.000.000.00	-	-	-	1.000.000.00	0%
Programmes as per HIV/Aids, STI & TB Strategy Implementation Plan	115.000.00	6.750.00	-	6.750.00	108.250.00	6%
Programmes for Designated groups as per SPU Strategy	2.550.000.00	991.252.35	133.112.64	1.124.364.99	1.425.635.01	44%
Public Participation Programmes/Meetings	1.770.000.00	638.902.84	56.663.29	695.566.13	1.074.433.87	39%
Risk Management	395.000.00	127.659.94	263.699.00	391.358.94	3.641.06	99%
SALGA	1.000.000.00	93.015.65	8.167.65	101.183.30	898.816.70	10%
Troika	100.000.00	32.670.00	-	32.670.00	67.330.00	33%
Ward Committee Administration	4.391.304.34	1.869.500.00	-	1.869.500.00	2.521.804.34	43%
Whippery Programme	125.000.00	52.438.57	50.599.97	103.038.54	21.961.46	82%
Women caucus	430.000.00	141.383.84	52.500.00	193.883.84	236.116.16	45%
	28.583.217.27	10.017.617.02	1.289.795.95	11.307.412.97	17.275.804.30	40%

Operations department performance on spending the allocated budget is 40% as at the end of the previous six months, this is below the six months target which is 50%. Projects such as Policy review will move mostly in quarter three and four. We busy finalizing payroll Integrations of ward committees' costs, SALGA fees are not yet due, Internal Audit unit will incur most of its budget between quarter three and four. Risk Management budget is depleted sitting at 99%.

3.3.4 Community Services

PROJECT NAME	ORIGINAL BUDGET	ACTUAL	COMMITMENT	TOTAL		
				EXPENDITURE	BALANCE	%
Animal Pound Management	700.000.00	-	33.190.42	33.190.42	666.809.58	5%
EC121_WASTE RECYCLING SOLUTIONS				-	-	0%
Environmental awareness and Signage	200.000.00	-	52.200.43	52.200.43	147.799.57	26%
Environmental Forums	288.695.65	237.261.09	14.481.31	251.742.40	36.953.25	87%
Environmental Management	3.300.000.00	1.581.113.28	124.438.00	1.705.551.28	1.594.448.72	52%
Green Coast Programme	50.000.00	-	-	-	50.000.00	0%
Land Rehabilitation	500.000.00	-	222.625.00	222.625.00	277.375.00	45%
LANDFILL SITE	200.000.00	100.919.73	-	100.919.73	99.080.27	50%
Law Enforcement/ Traffic support	2.050.000.00	1.007.761.04	212.774.00	1.220.535.04	829.464.96	60%
Library Costs	-	4.100.00	29.505.14	33.605.14	- 33.605.14	0%
Public Ablution maintenance	2.000.000.00	389.378.17	283.339.53	672.717.70	1.327.282.30	34%
Recycling initiatives	1.000.000.00	-	-	-	1.000.000.00	0%
Reviewal of Sector Plans	500.000.00	-	-	-	500.000.00	0%
Security Services	1.620.000.00	166.630.00	479.398.72	646.028.72	973.971.28	40%
Supply of chairs	159.000.00	138.000.00	69.200.00	207.200.00	- 48.200.00	130%
Tree Planting	200.000.00	28.080.00	-	28.080.00	171.920.00	14%
Waste Management Services	6.550.000.00	3.022.207.45	42.556.74	3.064.764.19	3.485.235.81	47%
	19.317.695.65	6.675.450.76	1.563.709.29	8.239.160.05	11.078.535.60	43%

Community services performance on spending allocated budget is 43%, which is below 50% target mark. Since this is a service delivery department this performance is not favorable to the communities that we serve. Waste management is sitting at 47%. Spending on Security services appears to be sitting at 40%, this amount does not include wages.

Municipality has implemented costs saving strategies which in addition have created work opportunities while saving a lot of monies. Law enforcement is sitting at 60% spending. Library budget will be adjusted upwards to be equal to what the municipality has received which is R1 490 000.

3.3.5 Planning and Development

PROJECT NAME	ORIGINAL BUDGET	ACTUAL	COMMITMENT	TOTAL		%
				EXPENDITURE	BALANCE	
Agricultural Information Days	400.000.00	236.870.91	27.147.30	264.018.21	135.981.79	66%
Battle of Lurhwayizo Development Project	1.000.000.00	560.869.57	-	560.869.57	439.130.43	56%
Conveyancing	530.000.00	-	-	-	530.000.00	0%
Co-Operatives Development	2.000.000.00	1.831.051.83	-	1.831.051.83	168.948.17	92%
Craft development	300.000.00	2.700.00	-	2.700.00	347.300.00	1%
Crop Production	3.800.000.00	3.762.523.22	-	3.762.523.22	387.476.78	91%
Development of Sector Plans	897.000.00	12.418.00	-	12.418.00	884.582.00	1%
Disaster Management	500.000.00	-	-	-	500.000.00	0%
Enterprise (SMME) Development Support	715.000.00	76.873.75	24.427.74	101.301.49	613.698.51	14%
External Events	1.100.000.00	573.832.07	15.924.90	589.756.97	510.243.03	54%
Heritage Development Strategy	630.000.00	9.200.00	12.417.39	21.617.39	608.382.61	3%
Informal Trader Support	500.000.00	368.700.00	-	368.700.00	131.300.00	74%
Internal Events(Tourism)	1.865.000.00	1.142.019.91	98.369.17	1.240.389.08	624.610.92	67%
Investment Brochure	340.000.00	-	-	-	340.000.00	0%
Investment Promotion Consulting	1.000.000.00	-	-	-	1.000.000.00	0%
Land Use Scheme	252.000.00	48.613.40	-	48.613.40	203.386.60	19%
Life Rescue Services	1.040.000.00	205.000.00	390.104.00	595.104.00	444.896.00	57%
Live Stock Improvement	2.000.000.00	762.818.13	508.329.88	1.271.148.01	728.851.99	64%
Maintanace of Heritage Sites	600.000.00	-	436.399.00	436.399.00	163.601.00	73%
Marine Economic Initiative support (Mncwasa Fishery , Mpame& Tenza)	600.000.00	-	383.760.00	383.760.00	216.240.00	64%
Mayoral Investment Symposiums Attendance	130.000.00	3.747.37	-	3.747.37	126.252.63	3%
SDF	280.000.00	-	-	-	280.000.00	0%
SMME Capacity Building Programmes	400.000.00	18.900.00	-	18.900.00	381.100.00	5%
SMMEs Roadshows	500.000.00	26.760.00	38.660.44	65.420.44	434.579.56	13%
Spluma Implementation	144.000.00	11.974.26	-	11.974.26	132.025.74	8%
Supporting of Tour Guides	330.000.00	-	-	-	330.000.00	0%
Surveying	1.090.000.00	372.025.70	3.261.00	375.286.70	714.713.30	34%
Tourism & Heritage Support Fund	1.400.000.00	458.531.48	-	458.531.48	941.468.52	33%
Township Establishment (Layout Plans)	690.000.00	-	62.400.00	62.400.00	627.600.00	9%
	25.033.000.00	10.485.429.60	2.001.200.82	12.486.630.42	12.946.369.58	49%

Planning and development department performance on spending allocated budget is 49%, this is below the 50% six months target. During adjustment budget management will prioritize closing the gaps of projects that zero variance as can be seen in the above table, monies will be re-allocated to other user departments that have higher spending.

3.3.6 Infrastructure Department

PROJECT NAME	ORIGINAL BUDGET	ACTUAL	COMMITMENT	TOTAL		
				EXPENDITURE	BALANCE	%
Bobani Access Road	4.000.000.00	3.371.294.56	-	3.371.294.56	628.705.44	84%
Bolish to Ngabarha Access Road	6.128.052.00	4.526.129.84	-	4.526.129.84	1.601.922.16	74%
Bomvana to Lalini Access road	200.000.00	189.827.15	-	189.827.15	10.172.85	95%
Bulungula bridge	3.000.000.00	868.019.95	-	868.019.95	2.131.980.05	29%
Construction of Dutywa sports facility	1.250.000.00	629.476.81	-	629.476.81	620.523.19	50%
Construction of Xhorha sportfields	303.465.00	264.334.57	-	264.334.57	39.130.43	87%
Construction of Vehicle Testing Station for Dutywa	17.870.385.65	13.249.475.62	-	13.249.475.62	4.620.910.03	74%
Dutywa Taxi and Bus Rank	7.079.000.00	6.806.309.39	-	6.806.309.39	272.690.61	96%
Electrification	16.369.000.00	12.138.704.68	1.513.735.68	13.652.440.36	2.716.559.64	83%
Emkhwezeni to Nqadu J.S.S	4.372.440.00	3.832.576.96	-	3.832.576.96	539.863.04	88%
Gqukesi to Qhorha Access road	200.000.00	-	-	-	200.000.00	0%
Generator Maintenance	400.000.00	-	-	-	400.000.00	0%
Ext 1 Ward 25	8.250.000.00	428.242.52	-	428.242.52	7.821.757.48	5%
Gravel Road maintainance	24.196.535.00	19.356.684.64	1.958.943.05	21.315.627.69	2.880.907.31	88%
Maintanance of street lights	5.982.000.00	1.268.506.86	25.100.00	1.293.606.86	4.688.393.14	22%
Nkelekethe to Upper Gwadu JSS	2.120.000.00	1.380.137.86	-	1.380.137.86	739.862.14	65%
Mayosi stop to Mhlohlozi VD	2.185.000.00	1.797.639.56	-	1.797.639.56	387.360.44	82%
Mayosi stop to Fort malan VD	2.309.965.59	1.815.132.70	-	1.815.132.70	494.832.89	79%
Mwezeni to Sirhoboxeni	2.777.000.00	1.313.915.40	-	1.313.915.40	1.463.084.60	47%
PMU	282.508.20	161.459.73	3.781.30	165.241.03	117.267.17	58%
Thandiwe to Njuqwana	4.460.000.00	2.381.116.50	-	2.381.116.50	2.078.883.50	53%
Upgrading of stormwater	700.000.00	540.140.49	-	540.140.49	159.859.51	77%
Xhora Mouth Bridge	5.500.000.00	2.884.658.55	-	2.884.658.55	2.615.341.45	52%
Upper Gwadu	2.065.000.00	1.641.580.00	-	1.641.580.00	423.420.00	79%

PROJECT NAME	ORIGINAL BUDGET	ACTUAL	COMMITMENT	TOTAL		
				EXPENDITURE	BALANCE	%
Mathunzini to Nqileni Access Road	884.176.35	748.144.62	-	748.144.62	136.031.73	85%
Makabongwe shop to Jikanaye Access road	200.000.00	135.286.48	-	135.286.48	64.713.52	68%
Magwevini Access road	800.000.00	452.488.91	-	452.488.91	347.511.09	57%
Ndudumeni to Tywaka Access Road	4.490.480.00	2.704.804.01	-	2.704.804.01	1.785.675.99	60%
No-Ofisi to Mthonjeni Access road	800.000.00	-	0.00	-	800.000.00	0%
NoCwane to Diphini Access road	800.000.00	456.672.10	-	456.672.10	343.327.90	57%
Mbhashe Conference facility (ward 1)	3.500.000.00	-	-	-	3.500.000.00	0%
Mtshkelweni Bridge (ward 17)	3.000.000.00	2.389.198.76	-	2.389.198.76	610.801.24	80%
OTP_ Upgrading of small towns	10.000.000.00	5.505.079.96	1.367.644.54	6.872.724.50	3.127.275.50	69%
Ntlonyane Bridge	1.700.000.00	1.927.531.66	-	1.927.531.66	227.531.66	113%
Ntahlane Access Road	1.133.304.00	200.000.00	-	200.000.00	933.304.00	18%
Ntilini to Botwe Access Road	3.751.105.00	3.631.890.28	-	3.631.890.28	119.214.72	97%
Quku to Mpume Access road-MIG	1.278.757.00	495.465.61	-	495.465.61	783.291.39	39%
Redevelopment of Dutywa Arts Centre	4.500.000.00	3.353.575.37	-	3.353.575.37	1.146.424.63	75%
Upgrade of Ngumbela Sport Facility	6.250.000.00	3.267.799.04	513.568.44	3.781.367.48	2.468.632.52	61%
Upgrade of ward 21 Community Hall	1.000.000.00	728.032.50	-	728.032.50	271.967.50	73%
Upgrade of ward 23 community hall	1.000.000.00	406.960.00	-	406.960.00	593.040.00	41%
Rehabilitation of internal streets	10.500.000.00	8.903.765.24	-	8.903.765.24	1.596.234.76	85%
Siyibane Access Road-ES	2.000.000.00	1.915.690.18	-	1.915.690.18	84.309.82	96%
Willowvale Taxi Rank	6.300.000.00	6.249.257.97	-	6.249.257.97	50.742.03	99%
Ward 1 stormwater management	1.000.000.00	-	-	-	1.000.000.00	0%
	186.888.173.79	124.317.007.03	5.382.773.01	129.699.780.04	57.188.393.75	69%

Infrastructure department has managed to reach 69% spending as at the end of the previous six months, this is more than the 50% midterm target. MIG spending was above the 50% mark, it was more than 40% usually targeted midterm mark.

4.1 GRANT EXPENDITURE

GRANTS STATUS FOR THE PERIOD ENDED 31 DECEMBER 2025						
GRANT DETAILS	PERIOD	ANNUAL BUDGET	TOTAL RECEIVED AS AT 31 DECEMBER 2025	ACTUAL SPENT	% SPENT vs ANNUAL BUDGET	% SPENT BASED ON RECEIPTS
MIG	July 25 – December 2025	R74,175,000.00	R61,790,000.00	63,568,232.86	86%	103%
EPWP	July 25 – December 2025	2,382,000.00	1,668,000.00	2,382,000.00	100%	143%
OTP	July 25 – December 2025	10,000,000.00	14,216,961.75	6,129,706.90	61%	43%
FMG	July 25 – December 2025	1,700,000.00	1,700,000.00	869,533.97	51%	51%
INEP	July 25 – December 2025	16,369,000.00	9,167,000.00	13,959,510.40	85%	152%
DISASTER RESPONE GRANT	July 25 – December 2025	24,167,000.00	12,325,000.00	12,371,429.24	51%	100%
LIBRARY GRANT	July 25 – December 2025	R1,490,000.00	R1,490,000.00	313,737.45	21%	21%
GRAND TOTAL		R130,283,000.00	R102,356,961.75	R99,594,150.82	76%	97%

The overall expenditure for conditional grants was sitting at 76% as at end of mid-year, this shows a decline when compared to the 2024/2025 mid-year spending which was 61%. Expenditure rate for Library Grant is low considering that we are at mid-year already and actual amount received is R1 490 000 which makes the actual spending of this grant to be 21% at mid-term. Spending on FMG Grant has improved compared to previous years. Management is pushing to complete INEP projects and close them out in the books of the municipality then hand everything back to Eskom and Energy. Spending on OTP allocation is 61%. MIG has achieved more than 86% spending.

4.8 CAPITAL SPENDING

PROJECT NAME	ORIGINAL BUDGET	ADJUSTED BUDGET	Evo Budget Amount	ACTUAL	COMMITMENT	TOTAL EXPENDITURE	BALANCE	%
Bobani Access Road	4,176,133.57	4,802,553.60	1,486,482.72	1,186,903.72	-	1,186,903.72	299,579.00	80%
Bolish to Ngabarha Access Road	3,489,894.80	5,393,379.00	7,216,135.92	6,542,490.53	-	6,542,490.53	673,645.39	91%
Bomvana to Lalini Access road	304,347.82	349,999.99	349,999.99	260,079.75	-	260,079.75	89,920.24	74%
Bulungula bridge	680,869.56	783,000.00	783,000.00	492,897.94	-	492,897.94	290,102.06	63%
Construction of Dutywa sports facility	2,463,210.36	6,216,037.00	7,312,016.68	5,568,915.14	-	5,568,915.14	1,743,101.54	76%
Construction of Vehicle Testing Station for Dutywa	5,217,391.30	3,705,750.00	3,305,750.04	3,221,754.55	-	3,221,754.55	83,995.49	97%
Construction of Xhorha sportfields	3,043,478.26	3,500,000.00	3,500,000.00	2,866,738.61	-	2,866,738.61	633,261.39	82%
Dutywa Taxi and Bus Rank	2,708,216.46	3,689,449.00	5,280,468.04	5,004,960.81	-	5,004,960.81	275,507.23	95%
Gqukesi to Qhorha Access road	304,347.82	350,000.00	350,000.00	304,018.09	-	304,018.09	45,981.91	87%
Magwevini Access road	304,347.82	350,000.00	350,000.00	234,782.61	-	234,782.61	115,217.39	67%
Mathunzini to Nqileni Access Road	5,096,170.44	5,100,000.00	5,950,000.00	3,699,265.34	-	3,699,265.34	2,250,734.66	62%
Ndudumeni to Tywaka Access Road	2,647,778.26	917,445.00	331,555.56	211,888.75	-	211,888.75	119,666.81	64%
Makabongwe shop to Jikanaye Access road	304,347.82	350,000.00	350,000.00	403,147.98	-	403,147.98	53,147.98	115%
NoCwane to Diphini Access road	304,347.82	350,000.00	350,000.00	234,782.61	-	234,782.61	115,217.39	67%
Ntlongane Bridge	3,478,260.87	4,000,000.00	3,796,324.04	2,928,924.25	-	2,928,924.25	867,399.79	77%
Ntahlane Access Road	3,587,662.39	2,400,812.00	2,400,812.00	136,200.00	-	136,200.00	2,264,612.00	6%
Ntilini to Botwe Access Road	2,672,121.40	3,072,940.00	3,072,940.00	1,243,052.50	-	1,243,052.50	1,829,887.50	40%
No-Ofisi to Mthonjeni Access road	304,347.82	350,000.00	350,000.00	265,691.15	-	265,691.15	84,308.85	76%
Bobani Access Road	4,678,052.00	-	4,000,000.00	3,371,294.56	-	3,371,294.56	628,705.44	84%
Bolish to Ngabarha Access Road	4,000,000.00	-	6,128,052.00	4,526,129.84	-	4,526,129.84	1,601,922.16	74%
Bomvana to Lalini Access road	800,000.00	-	200,000.00	189,827.15	-	189,827.15	10,172.85	95%
Bulungula bridge	3,000,000.00	-	3,000,000.00	868,019.95	-	868,019.95	2,131,980.05	29%
Construction of Dutywa sports facility	600,000.00	-	1,250,000.00	629,476.81	-	629,476.81	620,523.19	50%
Construction of Xhorha sportfields	0.00	-	303,465.00	264,334.57	-	264,334.57	39,130.43	87%
Construction of Vehicle Testing Station for Dutywa	5,954,562.00	-	17,870,385.65	13,249,475.62	-	13,249,475.62	4,620,910.03	74%
Dutywa Taxi and Bus Rank	7,079,000.00	-	7,079,000.00	6,806,309.39	-	6,806,309.39	272,690.61	96%
Emkhwezani to Nqadu J.S.S	4,372,440.00	-	4,372,440.00	3,832,576.96	-	3,832,576.96	539,863.04	88%
Gqukesi to Qhorha Access road	800,000.00	-	200,000.00	-	-	-	200,000.00	0%
Ext 1 Ward 25	1,400,000.00	-	8,250,000.00	428,242.52	-	428,242.52	7,821,757.48	5%
Mqonci to Kwazulu	1,960,000.00	-	-	-	-	-	-	0%
Nkelekethe to Upper Gwadu JSS	1,470,000.00	-	2,120,000.00	1,380,137.86	-	1,380,137.86	739,862.14	65%
Ndlazi stop to Entilini	1,750,000.00	-	-	-	-	-	-	0%
Ndudumeni to Mfenzane Komkhulu	2,485,000.00	-	0.00	0.00	-	-	-	0%
Mayosi stop to Mhlohlozi VD	2,135,000.00	-	2,185,000.00	1,797,639.56	-	1,797,639.56	387,360.44	82%
Mayosi stop to Fort malan VD	1,295,000.00	-	2,309,965.59	1,815,132.70	-	1,815,132.70	494,832.89	79%
Mwezeni to Sirhoboxeni	2,257,000.00	-	2,777,000.00	1,313,915.40	-	1,313,915.40	1,463,084.60	47%
MAQHUBELA STOP TO MABHULWINI	1,995,000.00	-	0.00	-	-	-	-	0%
Thandiwe to Njuqwana	1,715,000.00	-	4,460,000.00	2,381,116.50	-	2,381,116.50	2,078,883.50	53%
Thobumoya to Ntlangano JSS	1,785,000.00	-	-	-	-	-	-	0%
Quku to Nkonjane	1,855,000.00	-	34.41	-	-	-	34.41	0%
Upgrading of stormwater	700,000.00	-	700,000.00	540,140.49	-	540,140.49	159,859.51	77%
Xhora Mouth Bridge	5,500,000.00	-	5,500,000.00	2,884,658.55	-	2,884,658.55	2,615,341.45	52%
Upper Gwadu	2,065,000.00	-	2,065,000.00	1,641,580.00	-	1,641,580.00	423,420.00	79%
Mathunzini to Nqileni Access Road	350,000.00	-	884,176.35	748,144.62	-	748,144.62	136,031.73	85%
Makabongwe shop to Jikanaye Access road	800,000.00	-	200,000.00	135,286.48	-	135,286.48	64,713.52	68%
Magwevini Access road	800,000.00	-	800,000.00	452,488.91	-	452,488.91	347,511.09	57%
Ndudumeni to Tywaka Access Road	4,190,480.00	-	4,490,480.00	2,704,804.01	-	2,704,804.01	1,785,675.99	60%
No-Ofisi to Mthonjeni Access road	800,000.00	-	800,000.00	-	0.00	-	800,000.00	0%
NoCwane to Diphini Access road	800,000.00	-	800,000.00	456,672.10	-	456,672.10	343,327.90	57%
Mbhashe Conference facility (ward 1)	5,000,000.00	-	3,500,000.00	-	-	-	3,500,000.00	0%
Mtshkelweni Bridge (ward 17)	3,000,000.00	-	3,000,000.00	2,389,198.76	-	2,389,198.76	610,801.24	80%
OTP Upgrading of small towns	10,000,000.00	-	10,000,000.00	5,505,079.96	1,367,644.54	6,872,724.50	3,127,275.50	69%
Ntlongane Bridge	350,000.00	-	1,700,000.00	1,927,531.66	-	1,927,531.66	227,531.66	113%
Ntahlane Access Road	3,633,304.00	-	1,133,304.00	200,000.00	-	200,000.00	933,304.00	18%
Ntilini to Botwe Access Road	4,251,105.00	-	3,751,105.00	3,631,890.28	-	3,631,890.28	119,214.72	97%
Quku to Mpume Access road-MIG	1,978,757.00	-	1,278,757.00	495,465.61	-	495,465.61	783,291.39	39%
Redevelopment of Dutywa Arts Centre	5,000,000.00	-	4,500,000.00	3,353,575.37	-	3,353,575.37	1,146,424.63	75%
Upgrade of Ngumbela Sport Facility	8,250,000.00	-	6,250,000.00	3,267,799.04	513,568.44	3,781,367.48	2,468,632.52	61%
Upgrade of ward 21 Community Hall	1,000,000.00	-	1,000,000.00	728,032.50	-	728,032.50	271,967.50	73%
Upgrade of ward 23 community hall	1,000,000.00	-	1,000,000.00	406,960.00	-	406,960.00	593,040.00	41%
Rehabilitation of internal streets	10,500,000.00	-	10,500,000.00	8,903,765.24	-	8,903,765.24	1,596,234.76	85%
Siyibane Access Road-ES	-	-	2,000,000.00	1,915,690.18	-	1,915,690.18	84,309.82	96%
Willowvale Taxi Rank	13,000,000.00	-	6,300,000.00	6,249,257.97	-	6,249,257.97	50,742.03	99%
Ward 1 stormwater management	1,000,000.00	-	1,000,000.00	-	-	-	1,000,000.00	0%
	187,638,208.20	-	186,888,208.20	124,317,007.03	5,382,773.01	129,699,780.04	57,188,428.16	69%

The municipality has different sources to fund its capital budget of R187,638,208.20. which are Municipal Infrastructure Grant (MIG), Office of the Premier (OTP) Subsidy, Municipal Disaster Relief Grant as well as Capex funded from reserves. This is to augment the grant funding to ensure a sustained capital investment outlay within the municipality. As at 31 December 2025 the municipality was sitting at 69% of the total allocated funding.

An adjustment needs to be made in order to close the negatives on moving projects, monies have to be rechanneled to moving projects from those that are on the stand still in order to avoid risk of losing the allocated amount once it's not fully spent and also risk of having unauthorized expenditure.

STEPS BEING IMPLEMENTED IN ADDRESSING THE ISSUE OF UNDER-SPENDING

- Developed procedures of ensuring that invoices are submitted on time to the expenditure section.
- Enforced spending of maximum monthly cash flow expenditure targets.
- Improved on contract management – project management of consultants.
- Reduced over reliance on consultants.
- Pre-planning processes were done in the preceding year and once budget was tabled before council, processes to source service providers were commenced on time and awarding was done on time.

4.9. Bank and Investment Accounts

Total bank balances as at 31 December 2025 amounted to: **R 585 740 341.95**

MBHASHE MUNICIPALITY									
INVESTMENTS AS AT 31 DECEMBER 2025									
	Bank	Account Type	Status	2025/07/01	Interest	Deposits	Withdrawals	Bank	Closing Balance as at 31/12/2025
					Total	Total	Total	Total	
1	FNB	7 Day Interest Plus	Active	108,339.29	1,370,425.65	80,000,000.00	(81,300,000.00)	-	178,764.94
2	FNB	Call Account	Active	37,179.16	944.41	-	-	-	38,123.57
3	FNB	Call Account	Active	152,647.98	4,074.06	-	-	-	156,722.04
4	FNB	Call Account	Active	43,151,432.71	1,779,314.29	5,000,000.00	-	-	49,930,747.00
5	ABSA	Fixed Deposit	Active	-	11,087,999.99	300,000,000.00	-	-	311,087,999.99
6	Nedbank	Fixed Deposit	Active	10,780.82	1,757,273.98	50,000,000.00	-	-	51,768,054.80
7	Standard Bank	Fixed Deposit	Active	-	3,616,438.36	100,000,000.00	-	-	103,616,438.36
				43,460,379.96	19,616,470.74	535,000,000.00	(81,300,000.00)	-	516,776,850.70

Total investments at the end of 2nd quarter amounts to **R516 776 850.70** The balance of the main account as at 31 December 2025 was **R 68 963 491.25** and total cash and cash equivalents amounted to **R 585 740 341.95** that is a very good liquidity position which must be maintained as there is a need to invest in more working capital in order to sustain the municipality in the near future. Interest earned from investments will be directed to a project that will help to sustain growth and economic development.

4.10 C-Schedule tables for Month 06 (31 December 2025)

Below are the tables extracted from Schedule C for the month as stipulated in the act and above.

EC121 Mbashe - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		405,937	396,375	-	113,270	305,173	198,188	106,985	54%	396,375
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		405,937	396,375	-	113,270	305,173	198,188	106,985	54%	396,375
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5,244	4,932	-	639	4,187	2,466	1,721	70%	4,932
Community and social services		3,632	2,732	-	200	2,721	1,366	1,355	99%	2,732
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1,612	2,200	-	440	1,466	1,100	366	33%	2,200
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		125,748	114,462	-	15,399	89,601	57,231	32,370	57%	114,462
Planning and development		3,488	3,920	-	397	2,462	1,960	502	26%	3,920
Road transport		122,260	110,542	-	15,002	87,139	55,271	31,868	58%	110,542
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		11,747	16,869	-	322	16,027	8,435	7,593	90%	16,869
Energy sources		7,851	16,369	-	-	13,960	8,184	5,775	71%	16,369
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		3,895	500	-	322	2,068	250	1,818	727%	500
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	548,676	532,638	-	129,630	414,988	266,319	148,668	56%	532,638
Expenditure - Functional										
Governance and administration		213,219	240,545	-	6,624	68,307	121,744	(53,437)	-44%	240,545
Executive and council		58,550	69,537	-	1,288	18,899	34,768	(15,870)	-46%	69,537
Finance and administration		152,635	162,909	-	5,318	48,360	82,926	(34,566)	-42%	162,909
Internal audit		2,034	8,099	-	18	1,049	4,050	(3,001)	-74%	8,099
Community and public safety		68,159	76,097	-	2,332	26,812	39,413	(12,602)	-32%	76,097
Community and social services		63,490	70,165	-	2,087	25,517	36,114	(10,597)	-29%	70,165
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2,929	3,900	-	241	672	2,283	(1,611)	-71%	3,900
Housing		1,383	1,566	-	-	433	783	(351)	-45%	1,566
Health		358	465	-	4	190	233	(43)	-18%	465
Economic and environmental services		125,994	119,644	-	9,842	55,373	81,570	(26,197)	-32%	119,644
Planning and development		27,872	39,296	-	2,164	14,515	20,148	(5,633)	-28%	39,296
Road transport		96,521	79,584	-	7,652	40,499	60,951	(20,452)	-34%	79,584
Environmental protection		1,601	764	-	25	360	472	(112)	-24%	764
Trading services		25,231	35,762	-	160	16,388	18,011	(1,623)	-9%	35,762
Energy sources		15,976	20,654	-	-	13,629	10,327	3,302	32%	20,654
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		9,255	15,107	-	160	2,759	7,684	(4,924)	-64%	15,107
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	432,603	472,047	-	18,958	166,880	260,738	(93,858)	-36%	472,047
Surplus/ (Deficit) for the year		116,073	60,592	-	110,672	248,107	5,581	242,526	4346%	60,592

EC121 Mbashe - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December										
Vote Description	Ref	2024/25			Budget Year 2025/26					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - Executive & Council	1	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		405,937	396,375	-	113,270	305,173	198,188	106,985	54.0%	396,375
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		3,632	2,732	-	200	2,721	1,366	1,355	99.2%	2,732
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		1,612	2,200	-	440	1,466	1,100	366	33.2%	2,200
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development		3,488	3,920	-	397	2,462	1,960	502	25.6%	3,920
Vote 10 - Road Transport		122,260	110,542	-	15,002	87,139	55,271	31,868	57.7%	110,542
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		7,851	16,369	-	-	13,960	8,184	5,775	70.6%	16,369
Vote 13 - Water Management		3,895	500	-	322	2,068	250	1,818	727.1%	500
Vote 14 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	548,676	532,638	-	129,630	414,988	266,319	148,668	55.8%	532,638
Expenditure by Vote										
Vote 1 - Executive & Council	1	58,550	69,537	-	1,288	18,899	34,768	(15,870)	-45.6%	69,537
Vote 2 - Finance and Admin		152,635	162,909	-	5,318	48,360	82,926	(34,566)	-41.7%	162,909
Vote 3 - Internal Audit		2,034	8,099	-	18	1,049	4,050	(3,001)	-74.1%	8,099
Vote 4 - Community and Social Services		63,490	70,165	-	2,087	25,517	36,114	(10,597)	-29.3%	70,165
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		2,929	3,900	-	241	672	2,283	(1,611)	-70.6%	3,900
Vote 7 - Housing		1,383	1,566	-	-	433	783	(351)	-44.8%	1,566
Vote 8 - Health		358	465	-	4	190	233	(43)	-18.4%	465
Vote 9 - Planning & Development		27,872	39,296	-	2,164	14,515	20,148	(5,633)	-28.0%	39,296
Vote 10 - Road Transport		96,521	79,584	-	7,652	40,499	60,951	(20,452)	-33.6%	79,584
Vote 11 - Environmental Protection		1,601	764	-	25	360	472	(112)	-23.7%	764
Vote 12 - Energy Sources		15,976	20,654	-	-	13,629	10,327	3,302	32.0%	20,654
Vote 13 - Water Management		9,255	15,107	-	160	2,759	7,684	(4,924)	-64.1%	15,107
Vote 14 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	432,603	472,047	-	18,958	166,880	260,738	(93,858)	-36.0%	472,047
Surplus/ (Deficit) for the year	2	116,073	60,592	-	110,672	248,107	5,581	242,526	4345.5%	60,592

EC121 Mbashe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	Budget Year 2025/26								
		2024/25	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		3,895	500	-	322	2,068	250	1,818	727%	500
Sale of Goods and Rendering of Services		2,325	700	-	28	98	350	(253)	-72%	700
Agency services		(342)	1,700	-	595	2,440	850	1,590	187%	1,700
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1,552	-	-	133	768	-	768	#DIV/0!	-
Interest from Current and Non Current Assets		45,354	32,000	-	3,919	18,198	16,000	-	-	32,000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	2,000	-	301	1,662	1,000	662	-	2,000
Rental from Fixed Assets		3,191	270	-	28	203	135	68	50%	270
Licence and permits		1,945	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		428	1,210	-	44	330	605	(275)	-45%	1,210
Non-Exchange Revenue										
Property rates		21,099	10,000	-	406	18,508	5,000	13,508	270%	10,000
Surcharges and Taxes		615	27,057	-	-	21,441	13,529	7,913	-	27,057
Fines, penalties and forfeits		1,625	2,200	-	440	1,466	1,100	366	-	2,200
Licence and permits		574	1,000	-	76	883	500	383	-	1,000
Transfers and subsidies - Operational		382,941	373,535	-	114,368	277,688	186,767	90,920	-	373,535
Interest		4,130	-	-	225	1,330	-	1,330	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		469,331	452,172	-	120,885	347,081	226,086	120,995	54%	452,172
Expenditure By Type										
Employee related costs		143,176	166,716	-	548	55,382	83,358	(27,976)	-34%	166,716
Remuneration of councillors		26,342	30,565	-	-	7,816	15,283	(7,467)	-49%	30,565
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		-	-	-	-	-	-	-	-	-
Debt impairment		-	-	-	-	-	-	-	-	-
Depreciation and amortisation		67,765	55,000	-	-	-	27,500	(27,500)	-100%	55,000
Interest		218	-	-	-	-	-	-	-	-
Contracted services		101,245	153,503	-	12,846	75,048	99,649	(24,601)	-25%	153,503
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		19,176	2,000	-	-	71	1,000	(929)	-	2,000
Operational costs		74,613	64,263	-	5,563	28,553	33,948	(5,396)	-16%	64,263
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		432,534	472,047	-	18,958	166,869	260,738	(93,869)	-36%	472,047
Surplus/(Deficit)		36,797	(19,875)	-	101,927	180,212	(34,652)	214,864	(0)	(19,875)
Transfers and subsidies - capital (monetary allocations)		79,344	80,466	-	8,745	67,907	40,233	27,674	0	80,466
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		116,141	60,592	-	110,672	248,119	5,581			60,592
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		116,141	60,592	-	110,672	248,119	5,581			60,592
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		116,141	60,592	-	110,672	248,119	5,581			60,592
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		116,141	60,592	-	110,672	248,119	5,581			60,592

EC121 Mbashe - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Executive & Council		281	200	-	142	142	100	42	42%	200
Vote 2 - Finance and Admin		27,351	18,704	-	2,916	11,866	9,615	2,251	23%	18,704
Vote 3 - Internal Audit		-	900	-	-	563	450	113	25%	900
Vote 4 - Community and Social Services		(939)	8,100	-	1,818	4,489	7,050	(2,561)	-36%	8,100
Vote 5 - Sport & Recreation		(31,849)	8,850	-	-	4,162	6,003	(1,842)	-31%	8,850
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		81,249	83,338	-	11,685	67,691	65,868	1,823	3%	83,338
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		1,006	2,500	-	452	567	1,250	(683)	-55%	2,500
Vote 14 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	77,098	122,592	-	17,013	89,480	90,337	(857)	-1%	122,592
Total Capital Expenditure		77,098	122,592	-	17,013	89,480	90,337	(857)	-1%	122,592
Capital Expenditure - Functional Classification										
Governance and administration		27,632	24,804	-	3,058	12,572	13,332	(760)	-6%	24,804
Executive and council		281	200	-	142	142	100	42	42%	200
Finance and administration		27,351	23,704	-	2,916	11,866	12,782	(916)	-7%	23,704
Internal audit		-	900	-	-	563	450	113	25%	900
Community and public safety		(32,788)	16,950	-	1,818	8,650	13,053	(4,403)	-34%	16,950
Community and social services		(939)	8,100	-	1,818	4,489	7,050	(2,561)	-36%	8,100
Sport and recreation		(31,849)	8,850	-	-	4,162	6,003	(1,842)	-31%	8,850
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		81,249	83,338	-	11,685	67,691	65,868	1,823	3%	83,338
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		81,249	83,338	-	11,685	67,691	65,868	1,823	3%	83,338
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		1,006	2,500	-	452	567	1,250	(683)	-55%	2,500
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1,006	2,500	-	452	567	1,250	(683)	-55%	2,500
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	77,098	122,592	-	17,013	89,480	93,504	(4,024)	-4%	122,592
Funded by:										
National Government		(40,207)	70,488	-	7,645	54,047	60,522	(6,475)	-11%	70,488
Provincial Government		19,556	10,000	-	-	5,505	5,000	505	10%	10,000
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		(20,651)	80,488	-	7,645	59,552	65,522	(5,970)	-9%	80,488
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		98,526	47,104	-	9,367	29,928	27,982	1,946	7%	47,104
Total Capital Funding		77,875	122,592	-	17,013	89,480	93,504	(4,024)	-4%	122,592

PART 2 – NON-FINANCIAL

PURPOSE

The purpose of this report is to account to public on the 2025/2026 mid-year institution performance of Mbhashe Local Municipality. The report contains information which is based on the SDBIP formulated for the financial year 2025/2026. The information of the report concentrate on both the financial and service delivery performance assessment as contained in the municipality's service delivery and budget implementation plan. The report was compiled using 1st and 2nd quarter performance information received for the mid-year assessment.

STATUS REPORT ON AUDIT OF PREDERMINED OBJECTIVES

The municipality received an **unqualified audit opinion**.

PROGRESS ON RESOLVING CHALLENGES IDENTIFIED IN THE 2025/2026 ANNUAL REPORTS

Given that the 2024/2025 will be dealt with by Council and published, it would be proper to consider it for purposes of the assessment (section 72. (1)(a)(iii) of the local government: municipal Finance Management Act (Act No.56 of 2003).

Auditors' opinion on Audit of AOPO

21. I did not identify any material findings on the reported performance information for the selected key performance area.

However below is a highlight of the matters of importance raised in the Auditor-General's report on the 2024/2025 audit of performance measurement. These issues are rated by the Auditor General's office as "**other important matters**". The municipal management has committed to address these issues as part of its strategic interventions in the 2026/27 IDP development process.

CHALLENGES PER KEY PERFORMANCE AREA

KPA 1-SERVICE DELIVERY

- Late Appointment of service providers has contributed to the non-achievement of some service delivery projects.
- Non-responsive bidders to some other tender projects that are service delivery related results in the failure of projects planned in the SDBIP.
- Budget constraints on projects planned have an impact in implementation process of projects.
- Poor performance by service providers appointed to work on service delivery projects which leads to non-completion of projects on time.

- Challenges of EIA approval

REMEDIAL ACTIONS

- The Bid Committees to ensure that they sit timeously to Fastrack the appointment of service providers.
- The municipality to ensure that the specifications developed are clear and understood by Bidders that want to Bid for a certain project.
- The service delivery department to ensure that they do proper planning on all service delivery projects.
- Service providers to be monitored and assessed by project managers responsible for project implementation.
- Projects with EIA approval to be not included in the plan for implementation (SDBIP) until EIA has been approved by COGTA.

25. I did not identify any material findings on the reported performance information for the key

2. SERVICE DELIVERY PERFORMANCE ASSESSMENT

Section 39 of the Municipal Systems Act 32 of 2000 requires municipalities to manage the development of the municipality's Performance Management System (PMS); assign responsibilities in this regard to the Municipal Manager and submit the proposed system to the Municipal Council for adoption.

The Mid-year performance assessments reveal that the implementation of PMS in the municipality is still in its early stages. The assessment also reveals that there is a continuous management of performance throughout the institution.

A Service Delivery Budget Implementation Plan (SDBIP), and Departmental Service Delivery and Budget Implementation Plans for each of the departments of the municipality, in line with appropriate guidelines and legislation, must be developed annually. Section 56 managers (reporting to the Municipal Manager) have signed Performance Agreements, as prescribed in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to the Municipal Manager, in line with published regulations and/or amendments.

The SDBIP of the municipality comprises of five Key Performance Areas which are derived from Local Government's Strategic Agenda and are aligned to our IDP cluster approach. These are:

- Basic Service Delivery and Infrastructure;
- Local Economic Development;
- Financial Viability and Management;
- Institutional Transformation and Organizational Development; and
- Good Governance and Public Participation

Quarter 1 performance report was reviewed during October 2025 and Quarter 2 performance report review was performed in January 2026. It is also important to note that performance

KEY PERFORMANCE AREA	TOTAL NO OF KPAs	RATING 1	RATING 2	RATING 3	RATING 4	RATING 5	Not Applicable	Mid-year %
MTI	16	0	1	7	0	3	5	97%
SDI	27	1	3	16	2	4	1	98%
LED	13	2	1	5	2	2	1	92%
MFV	15	4	0	6	1	4	0	87%
GGP	41	0	0	34	0	1	6	100%
TOTAL NO OF KPAs	112	7	5	68	5	14	13	96%

reviews of Section 56 managers are conducted by the Municipal Manager. The Midyear assessment is therefore based on the Service Delivery Budget Implementation Plans for the period 01 July 2025 to 31 December 2025.

3. MID-YEAR 2025/2026 SDBIP PERFORMANCE

3.1 INSTITUTIONAL SDBIP PERFORMANCE

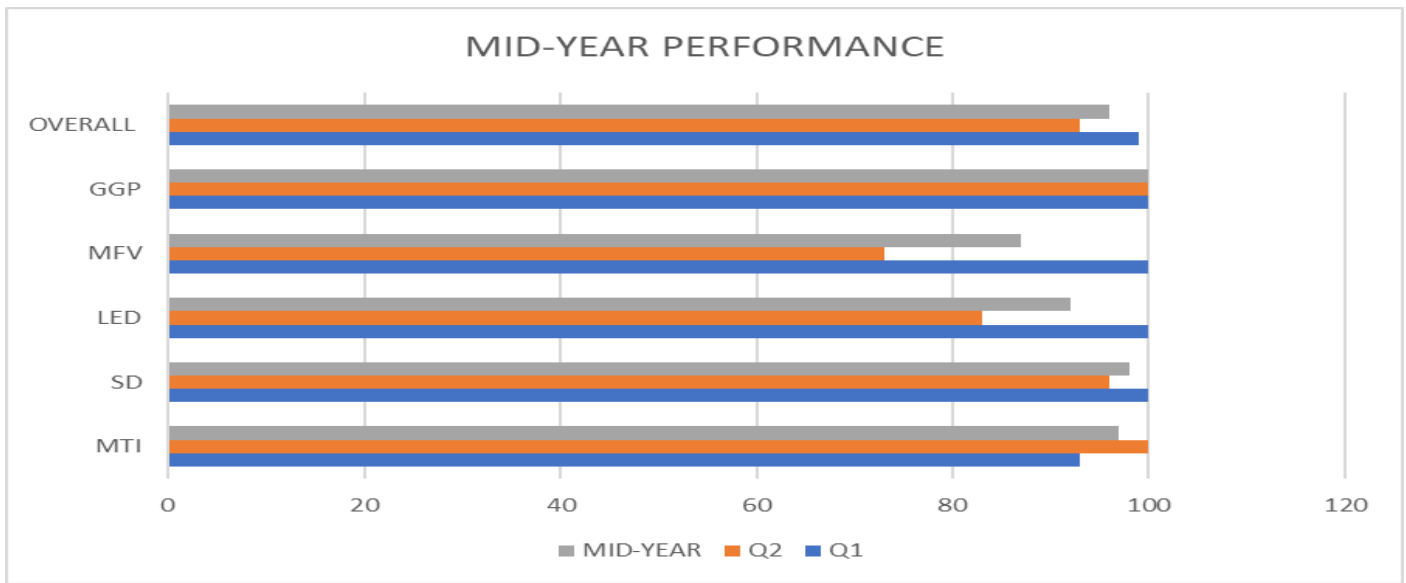
The overall performance level achieved by the Municipality is **96%** for the mid-year assessment reflecting an improvement from the same time during the previous financial year which was **93%**. This achievement is above 80% which is the minimum acceptable standard of performance. The municipality is structured appropriately to achieve the targets as laid out in the IDP inclusive of the SDBIP during the second half of the financial year.

3.1.1 INSTITUTIONAL SUMMARY OF PERFORMANCE PER KEY PERFORMANCE AREA (INSTITUTIONAL)

3.1.2 MID YEAR PERFORMANCE

A table summarizing organizational performance SDBIP scorecard for the MID Year is as follows:

KEY PERFORMANCE AREA	Q1	Q2	MID-YEAR
Municipal Transformation and organizational Development	93%	100%	97%
Basic Service Delivery and Infrastructure	100%	96%	98%
Local Economic Development	100%	83%	92%
Financial Viability and Management	100%	73%	87%
Good Governance and public participation	100%	100%	100%
Overall performance	99%	93%	96%



3.2 SUMMARY OF QUARTER 2 PERFORMANCE RESULTS PER DEPARTMENT

DEPARTMENTS	TOTAL NO OF KPI	RATING 1	RATING 2	RATING 3	RATING 4	RATING 5	Not Applicable	Mid-year %
Corporate Services	17	0	0	8	0	3	6	100%
Infrastructure	23	1	2	13	2	3	2	96%
Community Services	23	0	3	10	2	2	6	98%
Developmental Planning	22	2	1	10	2	3	4	95%
BTO	20	4	0	8	1	4	3	85%
Operations	37	0	0	29	0	2	6	100%
Total No of KPI's	142	7	6	78	7	17	27	96%

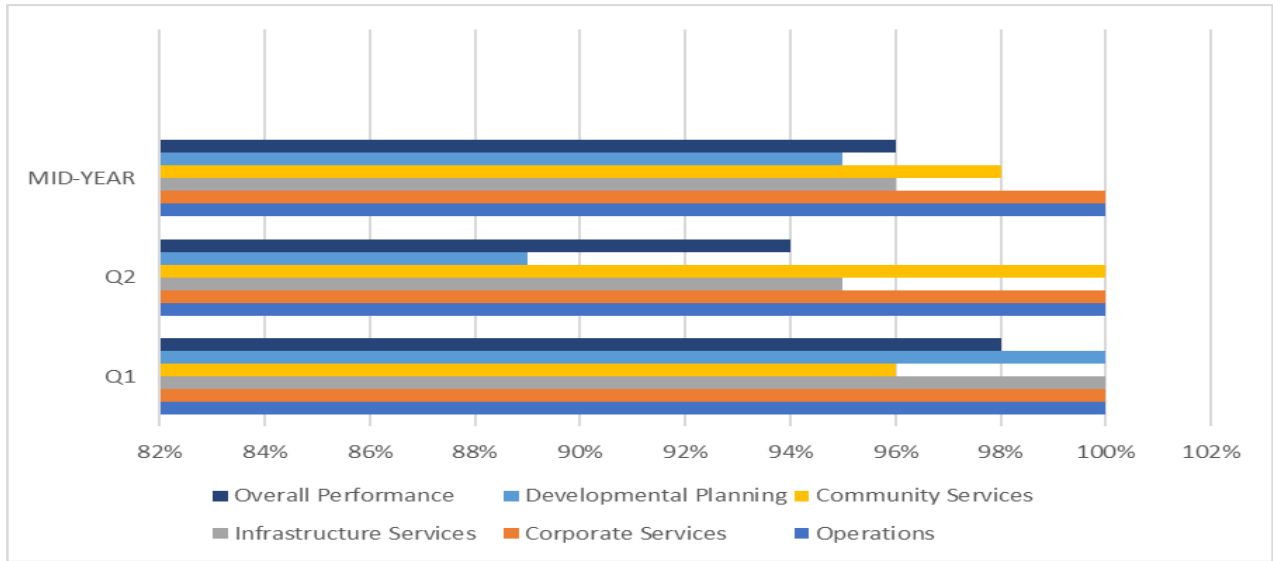
The following tables and graphs reflect a narrative of the mid-year service delivery performance assessment for the period of July – December 2025 in line with the municipality’s service delivery and budget implementation plan (SDBIP).

3.2.2 MID -TERM ASSESSMENT

A table summarizing organizational performance SDBIP scorecard per department for the MID Year is as follows

KEY PERFORMANCE AREA	Q1	Q2	MID-YEAR
1. Corporate Services	100%	100%	100%
2. Infrastructure	100%	95%	96%

3. Community Services	96%	100%	98%
4. Developmental Planning	100%	89%	95%
5. BTO	94%	94%	85%
6. Operations	100%	100%	100%
OVERALL PERFORMANCE	98%	94%	96%



MID TERM PERFORMANCE RESULTS						
LEVEL OF PERFORMANCE	OVERALL	MTI	GGP	MFV	LED	SDI
LEVEL 5: OUTSTANDING PERFORMANCE	14	3	1	4	4	2
LEVEL 4: PERFORMANCE SIGNIFICANTLY ABOVE EXPECTATIONS	5	0	0	1	2	2
LEVEL 3: FULLY EFFECTIVE	68	7	34	6	5	16
LEVEL 2: PERFORMANCE PARTIALLY SATISFACTORY	5	1	0	0	1	3
LEVEL 1: UNACCEPTABLE PERFORMANCE	7	0	0	4	2	1
REMOVED TARGET	N/A	N/A	N/A	N/A	N/A	N/A
NOT APPLICABLE	13	5	6	0	1	1



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B.3 KEY INDICATORS FULLY EFFECTIVE (PERFORMANCE LEVEL 3)

PERFORMANCE

Q 1					Q 2	
KEY PERFORMANCE INDICATORS FULLY EFFECTIVE (3)						
No	KPI No	INDICATOR	TARGET	REASONS	TARGET	REASONS/EVIDENCE
QUARTER 1						
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT						

1.	MTI 2.1 (Corp)	Turnaround time taken to fill vacant positions from the date of approval by Municipal Manager	90 days turnaround time taken to fill the vacant position	Target is achieved as follows: Signed report by SM illustrating that 90 days' turnaround time taken to fill vacant positions has been achieved. Request for filling of vacancy signed by MM is attached.	90 days turnaround time taken to fill the vacant position	Target is achieved as follows: Signed report by SM showing the list of vacant positions which have been finalized within 90 days period time. Request for filling of vacancy signed by the MM is attached.
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	<p>MTI 3.1.1 (Dev)</p>			<p>The target is achieved as follows:</p> <p>Signed report by SM on individual departmental performance reviews conducted and proof of submission to Corporate Services.</p>		<p>The target is achieved as follows:</p> <p>Q2 departmental IPMDS report has been developed, consolidated, and attached.</p>
	<p>MTI 3.1.1 (Co mm)</p>			<p>The target is achieved and means of verification is as follows</p> <p>Report signed by SM illustrating that individual assessment has been done. Proof of submission to corporate services is attached.</p>		<p>The target is achieved and means of verification is as follows</p> <p>Signed report by SM on individual departmental performance reviews conducted and proof of submission to Corporate Services.</p>



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4.	MTI 3.2 (Oper)	Number of quarterly organizational performance assessment reports submitted to Council	2 quarterly performance assessment reports (Q4 2024/2025 and Annual Performance report) submitted to Council and AGSA	Target achieved as follows: 2 quarterly assessment report signed by MM with council agenda dated July and August 2025. Proof of submission to AGSA is attached.	2 quarterly performance assessment reports (Q4 2024/2025 and Annual Performance report) submitted to Council and AGSA	Target achieved as follows: Q2 signed performance report by MM and council agenda dated October 2025
5.	MTI 3.3 (Oper)	Turnaround time for the submission of 2023/2024 final and audited annual report submitted to Council, AGSA, Provincial and National Treasury, COGTA and Legislature	2024/25 Unaudited Annual report submitted to AG by 31 August 2025 and to, COGTA , Provincial Legislature & Provincial Treasury (Within 7 days after approval by council)	Target achieved as follows: Draft annual report for 2024/25 financial year. Proof of submission to COGTA, PL, PT & AGSA	N/A this Quarter	



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6.	MTI 4.1 (Corp)	Number of municipal facilities maintained as follows: (Executive House, Staff Accommodation, Customer Care building, Tesko building, Dutywa main building, Gatyana TRC building, Elliotdale Municipal building, Dutywa TRC, Elliotdale Green park, Dutywa Workshop, Elliotdale Indoor Sport Centre, Willowvale Indoor Sport Centre, Gatyana Townhall upgrade)	6 municipal facilities maintained as follows: Dutywa Main Building, Gatyana TRC, Elliotdale municipal building, Tesko Building, Elliotdale Indoor sport centre, Gatyana Townhall upgrade,	The target is achieved as follows: Report signed by SM illustrating that 6 municipal facilities have been maintained as follows: Dutywa Main Building, Gatyana TRC, Elliotdale municipal building, Tesko Building, Elliotdale Indoor sport centre, Gatyana Townhall upgrade. Pictures of before and after are attached.	7 municipal facilities maintained as follows: Willowvale Indoor Sport centre, Elliotdale Green park, Dutywa TRC, Staff Accommodation, Continuation of maintenance on Gatyana Town hall upgrade, Executive House, Customer Care building	The target is achieved as follows: Report signed by SM illustrating that 7 municipal facilities have been maintained. Pictures of before and after are attached
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10.	MTI 6.2 (Corp)	Number of municipal buildings with maintained Wi-Fi connection as follows: (Main Building, Customer Care, TRC Hall, Tesko, Dutywa Workshop, Gatyana offices, Xhorha offices & Xhorha library)	2 Municipal buildings with maintained Wi-Fi connections: Main Building, Customer Care)	The target is achieved as follows: System generated report signed by SM	2 Municipal buildings with maintained Wi-Fi connections: Town Hall, TESKO	The target is achieved as follows: System generated report signed by SM
SERVICE DELIVERY						
1	SD 1.1 (Infra)	Number of site establishment conducted at ward 28,2, 12, 16,18,29 and completion of access road at ward 21	Site establishment at ward 21- Quku to Mpume-	The target is achieved as follows: by SM illustrating that site establishment at ward 21 Quku to Mpame has been done. Site minutes with attendance register dated 1st August 2025 and expenditure report is also attached.	Construction of bulk earthworks at ward 21 Quku to Mpume-	The target is achieved as follows: Signed report by SM & Consultant stating that earthworks have been completed. Site minutes with attendance register and expenditure report is attached



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6.	SD 1.1.6 (Infra)	Number of meters surfaced at Dutywa as per the assessment report	Construction of earthworks	The target is achieved as follows: Quarterly report signed by SM & Consultant illustrating that earthworks have been completed. Site minutes with attendance register is attached.	Continuation of earthworks	The target is above expectation and means of verification is as follows: Signed report by SM illustrating that 200m of surfaced road is complete. A practical completion certificate is attached.
7.	SD 1.1.7 (Infra)	Number of storm water control measures upgraded in each unit (Gatyana, Dutywa and Xhorha)	8 storm water control measures upgraded in each unit (Gatyana, Dutywa and Xhora)	The target is achieved as follows: 25 storm water control measures upgraded as follows: Dutywa-8 Gatyana-9 Xhorha-8	8 storm water control measures upgraded in each unit (Gatyana, Dutywa and Xhora)	The target is above expectations as follows: 33 storm water control measures upgraded as follows: Gatyana- 8. Dutywa- 10 Xhora- 15
8.	SD 1.2 (Infra)	Number of households electrified at ward 8 Sibane & Msikithi and km's of link line constructed at Langeni ward 13.	Site establishment in Msikithi, Sibane and Langeni	The target is achieved as follows: Quarterly report signed by SM & Consultant illustrating that site establishment has been done at Msikithi, Sibane & Langeni. Site minutes with attendance register are	Digging of holes and plantation of poles in Msikithi, Sibane and Langeni	The target is achieved as follows: Reports signed by SM & Consultant illustrating that digging of holes and plantation of poles in Msikithi, Sibane and Langeni has been done.



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				attached.		Pictures and site minutes are attached.
9.	SD 1.3 (Infra)	% of streetlights maintained as per the assessment report at Dutywa, Gatyana and Xhora	100% of streetlights maintained as per the assessment report at Dutywa, Gatyana and Xhora	The target is achieved as follows: 100% maintenance of streetlights as follows: Dutywa-100% Gatyana-100% Xhorha-100%	100% of streetlights maintained as per the assessment report at Dutywa, Gatyana and Xhora	The target is achieved as follows: 100% maintenance of streetlights as follows: Dutywa-100% Gatyana-100% Xhorha-100%
10.	SD 1.4 (Infra)	% of high mast lights maintained in each unit Dutywa, Gatyana & Xhorha as per the assessment report	100% of highmast lights maintained as per the assessment report at Dutywa, Gatyana and Xhora	The target is achieved as follows: 100% maintenance of 8 highmast lights as follows: Dutywa-100% Gatyana-100% Xhorha-100%	100% of highmast lights maintained as per the assessment report at Dutywa, Gatyana and Xhora	The target is achieved as follows: 100% maintenance of high masts as per the assessment report as follows: Dutywa-100% Gatyana-100%



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12.	SD 1.7 (Infra)	Number of taxi ranks in construction at Gatyana and Dutywa	Completion of decanting site for ward 1 taxi rank Site establishment for ward 25 taxi rank	The target is achieved as follows: Quarterly report signed by SM and consultant illustrating that site establishment for ward 25 taxi rank has been done and completion of decanting site for ward 1 taxi rank has been done. Site minutes with attendance registers are attached.	Completion of paving for ward 1 taxi rank Construction of earthworks for ward 25 taxi rank	The target is achieved as follows: Report signed by SM & consultant with pictures illustrating that paving at Dutywa has been completed. Construction of earthworks for ward 25 taxi rank is in 50% progress.
13.	SD 1.8 (Infra)	Number of community halls rehabilitated at Ward 21 (Mpozolo) & 23 (Bhojini)	Site establishment for existing community halls as follows: ward 21 & 23.	The target is achieved as follows: Signed quarterly reports by SM & Consultant illustrating that site establishment for ward 21 & 23 has been done. Site minutes with attendance register are attached.	Completion of roof for ward 21 Completion of super structure at Ward 23	The target is above expectation and means of verification is as follows: Report signed by SM illustrating that ward 21 community hall is practically complete.



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14.	SD 2.1 (Comm)	Number of waste collection areas serviced at Dutywa, Gatyana & Xhora	77 waste collection points serviced as follows: (Dutywa-20, Gatyana-27 Xhora-30	The target is partially achieved as follows: Collection Point register signed by Driver and CSO. Signed report by Senior Manager.	77 waste collection points serviced as follows: (Dutywa-20, Gatyana-27 Xhora-30	The target is partially achieved as follows: Collection Point register signed by Driver and CSO. Signed report by Senior Manager.
15.	SD 2.2 (Comm)	Number of programmes implemented as per the waste management plan at ward 1, 13 and 25.	Landfill Site Audit, clearing of disposal sites & Eradication of illegal dumpsite in Townships at Ward 1,13,25	The target is achieved and means of verification is as follows: landfill Site Audits & Signed report by SM with pictures	N/A this quarter	
16.	SD 2.3 (Comm)	Number of Reports on Municipal Pounds Activities	1 Report on Municipal Pound Activity	The target is achieved and means of verification is as follows: Signed quarterly Report by SM	1 Report on Municipal Pound Activity	The target is achieved and means of verification is as follows: Signed quarterly Report by SM, attached are reports from units detailing Activities from each unit.



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17.	SD 2.4 (Comm)	Number of Registration and Licensing Authorities Functional at Dutywa and Xhorha	Registration & Licensing Authorities functional at Dutywa and Xhorha	The target is achieved and means of verification is as follows: Signed quarterly Report by SM	Registration & Licensing Authorities functional at Dutywa and Xhorha	The target is achieved and means of verification is as follows: Signed quarterly Report by SM
18.	SD 3.3 (Comm)	Number of municipal sites safeguarded at Dutywa, Gatyana & Xhorha units	33 municipal sites safeguarded as follows: Dutywa-17 Gatyana- 8 Xhorha-8	The target is achieved and means of verification is as follows: Signed Quarterly Report with pictures and list of municipal sites guarded as follows: Dutywa-17 Gatyana- 8 Xhorha-8	33 municipal sites safeguarded as follows: Dutywa-17 Gatyana- 8 Xhorha-8	The target is achieved and means of verification is as follows: Signed Quarterly Report with pictures and list of municipal sites guarded



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21.	SD 4.1 (Dev)	Number of relocation plans developed for ward 13 Xhora	Development of Terms of Reference for development of Layout Plan for Ward 13	The target is achieved as follows: Signed TOR	Convening of inception meeting and establishment of the Project Steering Committee	The target is achieved as follows: 1. Signed Inception report by SM attached. 2. PSC establishment report signed by SM, attendance registers are on file. 3. Minutes of the meeting attached
LOCAL ECONOMIC DEVELOPMENT						
1.	LED 1.1 (DE V)	Number of LED Infrastructure projects (Dipping tanks & shearing sheds) maintained at Ward 8,9,10 and 12 at Dutywa, Ward 21,22 and 23 at Gatyana and 16, 17 and 18 at Xhorha as per assessment report	Maintenance of LED Infrastructure at Ward 8 - Nonhonho Dip Tank, Ward 9 - Sizini Shearing Shed, Ward 10 - Mthuvi Dip Tank and Ward 12 - Tyekelebende Dip Tank	The target is achieved as follows: Signed quarterly reports by SM for ward 8, 9, 10 & 12 illustrating that maintenance of Dip tank was done for ward 8, maintenance of shearing shed done for ward 9, maintenance of Dip tank was done for ward 10 & 12. Attendance registers for the handover of LED Infrastructures are attached.	Maintenance of LED Infrastructure at Ward 21 - Nkonjana Dip Tank, Ward 22 - Qorha Dip Tank and Ward 23 - Bojini Dip Tank	The target is achieved as follows: 3 LED Infrastructure projects were maintained - Ward 21 - Nkonjana Dip Tank, Ward 22 - Qorha Dip Tank and Ward 23 - Bojini Dip Tank



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4.	LED 4.3 (DE V)	Number of businesses licensed within Mbhashe	25 Business Licenses issued within Mbhashe	The target is achieved as follows: Report signed by SM illustrating those 27 copies of business licenses were issued as follows: Dutywa-17 Gatyana-7 Xhorha-3	25 Business Licenses issued within Mbhashe	The target is achieved as follows: Quarterly Report signed by SM and 30 Copies of Business Licenses issued.
5.	LED 5.1 (DE V)	Number of marine economic initiatives supported as per approved concept plan at ward 21, 29 and 32 (Fishing equipment)	Conduct assessment on 4 marine economic initiatives for (20 Hobeni, Lurhwayizo 21, Dwesa 29, Qatywa , 32)	The target is achieved as follows: Assessment report signed by SM	Support two marine economy initiatives - Hobeni at Ward 20 and Mampondweni at Ward (21) as per approved concept document	The target is not achieved as follows: Order and remedial action attached.



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6.	LED 5.2 (DEV)	Number of local SMMEs capacitated and supported with tools of trade/trainings as per approved concept plan in Dutywa, Gatyana & Xhorha	10 SMME' s supported with tools of trade/trainings	The target is achieved as follows: Quarterly report signed by SM on support of SMME's. Confirmation signed by beneficiaries are attached.	20 SMME' s supported with tools of trade/trainings	The target is overachieved as follows: 1. Signed report by SM. 2. Delivery notes signed by project member for tools of trade 3. Attendance register for trainings attached.
7.	LED 6.1 (DEV)	Number of events hosted and participated on- Ilifa Lo Mbashe signature event, Beach Festival, Horse Racing, Africas Travel Indaba & Makhanda Arts Festival.	1 event participated on - Makhanda Arts Festival and 1 event hosted - Ilifa LoMbashe Festival.	The target is achieved as follows: Report signed by SM for 2 events conducted Makhanda Arts festival and Ilifa Lo-Mbashe. Pictures and attendance registers are attached.	1 event hosted - Coastal Beach Festival	The target is achieved as follows: Signed report by SM event pictures & no registers attached on file,



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1.	MFV 1.1 (BT O)	% alignment of 2026/27 Budget to the approved 2026/27 IDP	Developing 2026/2027 Budget process plan for submission to Council	The target is achieved and means of verification is as follows: 1. 2026/2027 Budget process plan 2. Proof of Submission to Council 3. Copy of Sec 52D report for Quarter 4 of 2024/25 4. NT Quarterly Verification Report for Quarter 4 of 2024/25	Developing 2026/2027 Budget process plan for submission to Council	The target is achieved and means of verification is as follows: Report signed by SM illustrating that S52D report for Q1 and NT quarterly verification report is attached.
2.	MFV 1.2 (BT O)	Number of financial reports submitted (Section 71, Section 52d, Section 72 and Data strings) submitted to the Executive Mayor and Treasury by the 10th working day of the following month and 30 days after the end of the	7 Financial reports [3 x Section 71; 1 x Section 52(d); 3 x Data Strings submitted to Executive Mayor and Treasury by the 10th working day of the following month and 30 days after the end of the quarter	The target is achieved and means of verification is as follows: Proof of submissions as follows: S71-3 S52d-1 Data Strings-3	7 Financial reports [3 x Section 71; 1 x Section 52(d); 3 x Data Strings submitted to Executive Mayor and Treasury by the 10th working day of the following month and 30 days after the end of the quarter	The target is achieved and means of verification is as follows: Proof of submissions as follows: S71-3 S52d-1 Data Strings-3



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		quarter.				
3.	MFV 2.1	Number of unadjusted material audit queries raised by AG on the 2024/25 Annual Financial Statements	Preparation of 2024/25 Annual Financial Statements and submit to AG, PT and NT	The target is achieved as follows: Proof of submission to AGSA, PT & NT are attached	Attending to audit queries raised by AG on the 2024/25 Annual Financial Statements	The target is achieved as follows: RFI register and Management letter is attached.
4.	MFV 3.1 (BTO)	% of billable properties included in the municipal billing system as per the General Valuation Roll	Implementation of SV and Compilation of GVR 2025-30	The target is achieved as follows: 1. Proof of updated billing system 2. Proof of updated SV accounts 3. Progress report on GVR	Updating billing database with new transfers and Compilation of GVR 2025-30	The target is achieved as follows: Proof of updated billing system and progress report on the GVR compilation are attached.



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7.	MFV 5.1 (BTO)	% incurred of irregular expenditure on new procurement	0% of New irregular expenditure on new procurement	<p>The target is achieved and means of verification is as follows:</p> <ol style="list-style-type: none"> 1. Register of all orders issued for the quarter 2. Irregular Expenditure Compliance Checklist for the Quarter 3. Irregular Expenditure Register for the quarter 	This target is not achieved	
8.	MFV 5.3 (BTO)	Turnaround time taken for paying creditors.	Payment of all valid invoices submitted to Expenditure within 30 days	<p>The target is achieved and means of verification is as follows:</p> <ol style="list-style-type: none"> 1. 2025/26 Quarter 1 Invoice Register Report 2. Creditors Age Analysis as at end of the quarter 3. Creditors Recon for Quarter 1 	Payment of all valid invoices submitted to Expenditure within 30 days	<p>The target is achieved and means of verification is as follows:</p> <ol style="list-style-type: none"> 1. 2025/26 Quarter 2 Invoice Register Report 2. Creditors Age Analysis as at end of the quarter 3. Creditors Recon for Quarter 2



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9.	MFV 6.1 (BT O)	% expenditure of the operational budget allocated for repairs and maintenance.	25% expenditure of the operational budget on R&M	<p>The target is achieved and means of verification is as follows:</p> <p>Quarterly Actual vs Operational Budget report reflecting 30% spending on repairs and maintenance.</p>	25% expenditure of the operational budget on R&M	<p>The target is overachieved and means of verification is as follows:</p> <p>Report signed by SM on repairs and maintenance, reflecting 58% of expenditure spent.</p>
10.	MFV 6.2 (BT O)	Updating of GRAP compliant asset register	Quarterly updated GRAP Asset Register	<p>The target is achieved and means of verification is as follows:</p> <ol style="list-style-type: none"> 1. List of Asset Additions for the Quarter 2. Summary of GRAP Updated Asset Register for the Quarter 	Quarterly updated GRAP Asset Register	<p>The target is achieved and means of verification is as follows:</p> <ol style="list-style-type: none"> 1. List of Asset Additions for the Quarter 2. Summary of GRAP Updated Asset Register for the Quarter



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GGP 1.1 (Co mm)			implementation of mitigation action plans that were not achieved in the previous quarter.		6. Signed report on implementation of mitigation action plans that were not achieved in the previous quarter.
			<p>The target is achieved as follows:</p> <p>Report signed by SM on departmental risk conducted, agenda and updated risk registers</p>		<p>The target is achieved as follows:</p> <ol style="list-style-type: none"> 1. Risk management report for previous quarter signed by SM 2. Agenda for the meeting 3. Minutes of the meeting signed by SM 4. Attendance register 5. Updated previous quarter risk registers 6. Signed report on implementation of mitigation action plans that were not achieved in the previous quarter
GGP 1.1			The target is achieved as follows”		The target is achieved as follows”



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(BT O)			<ol style="list-style-type: none"> 1. Risk management report for previous quarter signed by SM 2. Agenda for the meeting 3. Minutes of the meeting signed by SM 4. Attendance register 5. Updated previous quarter risk registers 6. Signed report on implementation of mitigation action plans that were not achieved in the previous quarter 		<ol style="list-style-type: none"> 1. Risk management report for previous quarter signed by SM 2. Agenda for the meeting 3. Minutes of the meeting signed by SM 4. Attendance register 5. Updated previous quarter risk registers 6. Signed report on implementation of mitigation action plans that were not achieved in the previous quarter
	GGP 1.1 (Op er)			<p>Target achieved as follows:</p> <ol style="list-style-type: none"> 1. Risk management report for previous quarter signed by SM 2. Agenda for the meeting 3. Minutes of the meeting signed by SM 4. Attendance register 	



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GGP 1.1 (Infr a)			<ol style="list-style-type: none"> 5. Updated previous quarter risk registers 6. Signed report on implementation of mitigation action plans that were not achieved in the previous quarter. 		are attached.
			<p>The target is achieved and means of verification is as follows:</p> <ol style="list-style-type: none"> 1. Risk management report for previous quarter signed by SM 2. Agenda for the meeting 3. Minutes of the meeting signed by SM 4. Attendance register 5. Updated previous quarter risk registers 6. Signed report on implementation of mitigation action plans that were not achieved in the previous quarter. 		<p>The target is achieved and means of verification is as follows:</p> <ol style="list-style-type: none"> 1. Risk management report for previous quarter signed by SM 2. Agenda for the meeting 3. Minutes of the meeting signed by SM 4. Attendance register 5. Updated previous quarter risk registers 6. Signed report on implementation of mitigation action plans that were not achieved in the



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						previous quarter
	GGP 1.1 (Dev)			The target is achieved as follows: Report signed by SM on departmental risk conducted, agenda and updated risk registers		The target is achieved as follows: 1. Risk management report for previous quarter signed by SM attached. 2. Agenda for the meeting 3. Minutes of the meeting signed by SM but there is no date 4. Attendance register 5. Updated previous quarter risk registers 6. Signed report on implementation of mitigation action plans that were not achieved in the previous quarter.
2.	GGP 1.3 (Oper)	Number of anti-fraud and corruption awareness workshops conducted per	Conduct 1 anti- fraud and corruption awareness (Community Services)	Target is achieved as follows: Report signed by SM on Anti-Fraud and Corruption Awareness workshop conducted for Community	Conduct 1 anti-fraud and corruption awareness to Councillors and Traditional Leaders	Target is achieved as follows: Report signed by SM on Anti-fraud and corruption awareness workshop



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		department, councillors and council traditional leaders		Services and attendance register dated 27 August 2025		conducted for councillors and traditional leaders on the 13th of November 2025. Attendance register is attached.
3.	GGP 1.4 (Oper)	Number of updated reports on legal matters (litigation Trends) and their status with financial implication and legal opinion submitted to Council	Q4 Updated litigation register and assessment of cases	Target is achieved as follows: 1. Q4 2024/25 Updated litigation register 2. Assessment report signed by Legal Manager, Senior Manager and MM 3. Council agenda	Q1 Updated litigation register and assessment of cases	Target is achieved as follows: Q1 updated litigation register, signed assessment report and council agenda dated October 2025
4.	GGP 1.5 (Oper)	Number of audit reports on assignments conducted as per approved Internal Audit Plan submitted to the Audit committee	Four (4) audit reports conducted including special assignments	Target is achieved as follows: 5 Internal audit reports signed by IA manager. Progress report on the status of audits conducted.	Five (5) audit reports conducted including special assignments	Target is achieved as follows: 5 audit reports as follows: BTO procedure manual for 2025/26 FY, IA tracker, Q1 Risk Management report, Q1 performance reviews & IA on active approved file plan consulting engagement
5.	GGP	Number of Audit	Two (2) audit committee	Target is achieved as follows:	One (1) audit	Target is achieved as



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	er	Coordinated		attendance register dated 11/09/2025	coordinated	Copy of Agenda and attendance register dated 9 December is attached
9.	GGP 1.7.1 (Operer)	Number of projects coordinated or verified by MPAC in 2025/26 FY	6 Projects coordinated	The target is overachieved as follows: Report With pictures signed by Chairperson illustrating that 9 projects were visited and verified. Attendance Register dated 17-18 September 2025	6 Projects coordinated	Target is achieved as follows: Report signed by MPAC Chair illustrating that 6 projects were visited. Attendance register dated 8 December is attached.
10.	GGP 1.8 (Corp)	Number of coordinated council structures held in 2025/26	11 coordinated meetings this quarter	The target is achieved and means of verification is as follows: 1. Proof of submission of reminders about the Oversight Structures meetings to chairpersons	15 coordinated meetings this quarter	The target is achieved and means of verification is as follows: 1. Proof of submission of reminders about the Oversight Structures meetings to chairpersons
11.	GGP 1.9 (Operer)	Number of monitoring reports on service delivery and operational issues in the Satellite Offices (Gatyana and	2 monitoring reports on service delivery and operational issues submitted to Management	Target is achieved as follows: 2 monitoring reports on service delivery and operational issues signed by SM and Agenda for Management meeting dated July 2025	2 monitoring reports on service delivery and operational issues submitted to Management	Target is achieved as follows: 2 monitoring reports on service delivery and operational issues signed by SM and Agenda for



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		Xhorha) submitted to Management				Management.
12.	GGP 2.1 (Oper)	Number of policies/strategies developed	N/A this quarter		1 Situational Analysis and Draft Policy	Target is achieved as follows: Report Signed by SM, Situational Analysis and copy of draft policies
13.	GGP 2.2 (Corp)	Number of workshops conducted on all approved municipal policies/code of conduct/By-Laws that relates to employees in all units (Dutywa, Xhora and Gatyana)	3 workshops conducted on approved municipal policies relating to employees in all units	The target is achieved and means of verification is as follows: Signed report by SM List of policies workshopped Policy workshop Agenda Attendance Register	1 workshop conducted on approved municipal policies relates to employees in Dutywa	The target is achieved and means of verification is as follows: Signed report by SM List of policies workshopped in Policy workshop, Agenda Attendance Register
14.	GGP 3.1 (Oper)	Number of property lease registers updated and reviewed	Q4 updated lease register	Target is achieved as follows: 1. Report signed by Legal Manager, Senior Manager and MM. 2. Q4 Updated Lease Register. 3. Proof of submission to the Council dated August 2025	Q1 updated lease register	Target is achieved as follows: 1. Report signed by Legal Manager, Senior Manager and MM. 2. Q1 Updated Lease Register. 3. Proof of submission to



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						the Council
15.	GGP 4.1 (Co mm)	Number of programs implemented as per Climate Change Strategy at ward 02 & 25	Arbo day Awareness Campaign in Ward 02, Consultation of stakeholders in ward 25	The target is achieved as follows: Signed reports by SM for Arbo day awareness in ward 2 and report on consultation meeting held at ward 25. Attendance registers are attached.	removal of Alien Vegetaion in ward 25	The target is achieved as follows: Report signed by SM with pictures attached
16.	GGP 4.2 (Co mm)	Number of programs implemented for coastal zone monitoring at (ward 19, 20, 22, 29 & 32	N/A this quarter		Marine Day Awareness Campaign at ward 19, 20, 22, 29 & 32	The target is achieved as follows: Signed report, attendance register and pictures attached
17.	GGP 4.3 (Co mm)	Number of greening and beautification programmes implemented at Dutywa Gatyana and Xhora	Implementation of greening initiatives in Recreational Parks at Dutywa-1, Gatyana-1 and Xhora-1	The target is achieved as follows: Signed report with pictures	N/A this quarter	
18.	GGP 4.4 (Co mm)	Number of Cemeteries maintained at Dutywa, Gatyana &	Maintenance of cemeteries as Dutywa, Gatyana and Xhorha	The target is achieved as follows: Progress report with pictures	Maintenance of cemeteries as Dutywa, Gatyana and Xhorha	The target is achieved as follows: Progress report with



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		Xhorha		signed by SM.		pictures attached
19.	GGP 5.1 (DEV)	Number of developed coastal Local Spatial Development Framework (LSDF) at ward	Terms of Reference for LSDF at Ward 21 developed	The target is achieved as follows: Signed Terms of Reference	Convening of inception meeting and establishment of the project steering committee	The target is achieved as follows: 1. Inception report signed by SM attached 2. Report on PSC establishment and attendance registers
20.	GGP 5.2 (DEV)	Number of abandoned, dilapidated and unsightly buildings served with contravening notices	5 illegal buildings served with Contravention Notices	The target is achieved as follows: 1. Report on Enforcement of Building Regulations signed by SM 2. Copies of Contravention Notices	5 illegal buildings served with Contravention Notices	The target is achieved as follows: 5 illegal buildings served with Contravention Notices attached.
21.	GGP 6.1 (Oper)	Number of IGR meetings coordinated	1 IGR meetings coordinated	Target is achieved as follows: Proof of invitation to stakeholders and attendance register dated 20/08/2025.	1 IGR meetings coordinated	Target is achieved as follows: Action issues for IGR meeting held on the 20th of November 2025, Invitation, and attendance register is attached.
22.	GGP 7.1	Number of programs	3 Programs for Designated	Target is achieved as follows:	2 Programs for	Target is overachieved as



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	(Op er)	implemented for designated groups (Youth, Older persons, Persons with disability, Gender)	groups (2-Youth, Older Persons	Quarterly report signed by SM with pictures and attendance register for 2 youth programs implemented and 1 older person's program implemented.	Designated groups (Youth & Persons Living with Disability)	follows: Reports signed by SM with pictures and attendance registers as follows: Youth program-2 Persons living with disability-2
23.	GGP 8.3 (Op er)	Number of MRM awareness campaigns conducted	1 MRM Awareness campaign conducted	Target is achieved as follows: Report signed by SM on 1 MRM awareness campaign conducted. Attendance register dated July 2025 is attached.	1 MRM Awareness campaign conducted	Target is achieved as follows: Signed report signed by SM with pictures and attendance register
24.	GGP 8.4 (Op er)	Number of Programs supported for Traditional Leaders	1 Traditional Leaders programme supported	Target overachieved as follows: Report signed by SM illustrating that 2 program on Traditional Leader was supported. Attendance register dated 22 August 2025 is attached together with pictures of the program	1 Traditional Leaders programme supported	Target is achieved as follows: Signed Report by SM on programme supported
25.	GGP 9.1 (Op)	Date on which the 2026/2027 reviewed IDP is submitted to	Develop IDP/Budget process plan 2026/27 and	Target is achieved as follows: Council resolution dated 27	Develop situational analysis report	Target is achieved as follows:



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	er)	Council for approval	submit to council	August 2025 and IDP process Plan		Situational analysis report signed by SM.
26.	GGP 9.2 (Op er)	Number of days by which the SDBIP is submitted to the Mayor for approval after approval of the IDP and budget	Submission of the approved 2025/26 SDBIP to COGTA, National and Provincial Treasury	Target is achieved as follows: Proof of Submission of 2025/2026 SDBIP to COGTA, National and Provincial Treasury.	N/A this quarter	
27.	GGP 10.1 (Op er)	Number of media Interviews/activities Conducted	1 quarterly media Interviews/activities Conducted	Target is overachieved as follows: Report signed by SM illustrating that 18 quarterly media activities were conducted. confirmation schedule from Media house	1 quarterly media Interviews/activities Conducted	Target is achieved as follows: Report signed by SM & Confirmation schedule from Media house
28.	GGP 10.2 (Op er)	Number of legislated adverts/notices	5 adverts / notices (2 Council meetings, 1 draft annual report, 1 final SDBIP and 1 IDP/Budget process plan)	Target is achieved as follows: 5 Copies of Adverts / Notices	3 adverts/ notices (2 Council meetings, 1 Mayoral imbizo)	Target is achieved as follows: 3 Copies of Adverts / Notices



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B.3 KEY PERFORMANCE INDICATORS ABOVE EXPECTATION (PERFORMANCE LEVEL 5)

Q 1					Q 2	
KEY PERFORMANCE INDICATORS ABOVE EXPECTATION (5)						
No	KPI No	INDICATOR	TARGET	REASONS	TARGET	REASONS/EVIDENCE
QUARTER 1						
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT						

1.	MTI 1.1 (Corp)	Number of employees/Councillors registered for formal qualifications (new & continuing) and informal trainings conducted as per approved skills development plan (WSP and SETA, SALGA, TVET)	5 informal trainings/workshops conducted as per approved skills development plan (WSP and SETA, SALGA, TVET), 3 employees/Councillors registered for formal qualifications	The target is above expectation and means of verification is as follows: Informal Qualification Signed report by SM illustrating 10 informal training programmes and 3 Formal qualification and order.	5 informal trainings/workshops conducted as per approved skills development plan (WSP and SETA, SALGA, TVET)	The target is above expectation and means of verification is as follows: Report signed by SM illustrating that 9 informal trainings were conducted as follows: CIGFARO, Integrated Councilor Executive Development Programme, Local Government Conference, Employment Equity, IMPSA Seminar, Organizational design and
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2.	SD 1.1.6 (Infr a)	Number of meters surfaced at Dutywa as per the assessment report	Target was achieved at 3 in Q1		Continuation of earthworks	The target is above expectation and means of verification is as follows: Signed report by SM illustrating that 200m of surfaced road is complete. A practical completion certificate is attached.
3.	SD 1.8 (Infr a)	Number of community halls rehabilitated at Ward 21 (Mpozolo) & 23 (Bhojini)	Target was achieved at 3 in Q1		Completion of roof for ward 21 Completion of super structure at Ward 23	The target is above expectation and means of verification is as follows: Report signed by SM illustrating that ward 21 community hall is practically complete.
4.	SD 1.10 (Infr a)	Number of phase 1 vehicle testing station in construction at ward 1	Construction of platform	The target is above expectation and means of verification is as follows: Report signed by SM illustrating that construction of platform has been completed and an additional works have been put to place as follows:	Construction of super structure for building works	The target is achieved as follows: Report signed by SM & consultant illustrating that super structure for building works has been completed



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6.	SD 3.2 (Comm)	Number of Traffic fine tickets issued at Dutywa, Gatyana and Xhorha	100 Traffic fine tickets issued as follows: Dutywa-50 Gatyana-25 & Xhorha-25	The target is above expectation and means of verification is as follows: Dutywa -684 Tickets Willowvale 509 Tickets Elliotdale 154 Tickets	100 Traffic fine tickets issued as follows: Dutywa-50 Gatyana-25 & Xhorha-25	The target is above expectation and means of verification is as follows: Signed report by SM attached. List of tickets issued attached
LOCAL ECONOMIC DEVELOPMENT						
1.	LED 3.1 (Comm)	Number of participants on short-term employment opportunities (EPWP and CWP)	Recruitment of EPWP Participants	The target is above expectation and means of verification is as follows: EPWP-269 CWP-1012	Target achieved at 3 in Q2	
2.	LED 4.1 (Dev)	% of the Mbashe operational budget allocated to SMMEs	30% of the Mbashe budget to be allocated to SMMEs	The target is overachieved as follows: Signed report by SM illustrating that 335% has been spent towards SMME's	30% of the Mbashe budget to be allocated to SMMEs	The target is overachieved as follows: 1. Signed report SM 2. Expenditure Report from BTO attached.



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MUNICIPAL FINANCIAL VIABILITY						
1.	MFV 1.3 (BT O)	<p>Financial Viability as expressed by Cost Coverage Ratio $(B+C) \div D$ B represents all available cash at a particular time C represents investments D represents monthly fixed operating expenditure</p> <p>“Financial Viability as expressed by Cost Coverage Ratio $(B+C) \div D$</p> <p>B represents all available cash at a particular time</p> <p>C represents investments</p> <p>D represents monthly fixed</p>	'3:1	<p>The target is above expectation and means of verification is as follows:</p> <p>Analysis report signed by SM illustrating that 11.06:1 has been maintained as a cost coverage ratio. Investment register, cashflow statement and bank statement are attached.</p>	'3:1	<p>The target is above expectation and means of verification is as follows:</p> <p>Report signed by SM illustrating that 12.9:1 is maintained as a financial cost coverage ratio. Bank statement, cashflow report, investment register is attached.</p>



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		operating expenditure"				
2.	MFV 3.2 (BTO)	% of budgeted billed income collected	25% collected on own budgeted billed revenue	The target is above expectation and means of verification is as follows: Revenue report signed by CFO illustrating that 72% has been collected on revenue. Arrear debt collection report is attached. .	25% collected on own budgeted billed revenue	The target is above expectation and means of verification is as follows: Quarterly revenue report signed by SM and Arrear debt report signed by SM. 80% has been collected on own revenue as per the evidence provided (R2 111 796.56/R2 625 000x100=80%



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3.	MFV 3.3 (Comm)	% collected on other own budgeted revenue	25% collected on other own budgeted revenue	<p>The target is above expectation and means of verification is as follows:</p> <p>Quarterly revenue report signed by SM illustrating that 115% has been collected. (R1 360 934.94/R1 187 500X100=115)</p>	25% collected on other own budgeted revenue	<p>The target is above expectation and means of verification is as follows:</p> <p>Revenue report signed by SM illustrating that (R24 241 031.32/R14 506 868X100=167%) has been achieved.</p>
	MFV 3.3 (Dev)		<p>The target is overachieved as follows:</p> <p>Report signed by SM illustrating that R789 614.76 total revenue was collected and quarterly budget of revenue collection is R480 000 and therefore 165% has been collected.</p>	<p>The target is above expectation and means of verification is as follows:</p> <p>Quarterly revenue report signed by CFO illustrating that 43% has been collected.</p>		



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3.	GGP 10.4 (Oper)	Number of communication activities conducted to support institutional programs as per the communication plan based on the communication strategy ((Digital Poster production, social media post, Media article, branding, photography, PA System)	6 communication activities conducted (Digital Poster production, social media post, Media article, branding, photography, PA System) to support 7 institutional programs as per the communication plan based on the communication strategy (SMMEx1, 1 Ilifa loMbhashe, Agriculturex2, Wellnessx1, Youthx1 & Older personsx1)	Target overachieved as follows: Report signed by SM illustrating that 53 communication activities have been conducted.	Target fully effective at the rating of 3 during Q2
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B.4 KEY PERFORMANCE INDICATORS PARTIALLY ACHIEVED (LEVEL 2)

QUARTER 2						
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT						
KEY PERFORMANCE INDICATORS PARTIALLY ACHIEVED (LEVEL 2)						
No	KPI No	INDICATOR	TARGET	ACTUAL PERFORMANCE – DEPARTMENTS	REASONS	REMEDIAL ACTION
1.	MTI 4.2 (Comm)	Number of community halls & public ablution facilities maintained at Dutywa, Gatyana & Xhorha	Maintenance of community halls at Dutywa-2, Gatyana-2 & Xhorha-2	The target is partially achieved as follows: <ul style="list-style-type: none"> ➤ Only two halls were maintained in quarter two based on the submitted evidence. 	1 Community hall was maintained in Xhorha	Will be done in the next quarter



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3.	SD 2.4 (Co mm)	Number of Registration and Licensing Authorities Functional at Dutywa and Xhorha	Registration & Licensing Authorities functional at Dutywa and Xhorha	The target is partially achieved as follows: Signed detailed quarterly Report by SM.	Elliotdale RA Is waiting for DOT to approve the municipalities Application. However, Dutywa Is fully Functional.	Elliotdale RA depends on the approval of the Application
MUNICIPAL FINANCIAL VIABILITY						
1.	MFV 5.2 (Co mm)	% expenditure on conditional Grants received	100% expenditure on conditional grants allocated this quarter as per the business plan/Cash Flows	The target is partially achieved as follows 1. Report on conditional grant expenditure signed by SM attached 2. Grant Expenditure Reports submitted to Management not submitted.	Library Grant was not loaded in the Municipal Account.	Library Expenditure will be available after the adjustment period



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PERFORMANCE INDICATORS EFFECTIVE (LEVEL 1)

QUARTER 2

BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

KEY PERFORMANCE INDICATORS WITH UNACCEPTABLE PERFORMANCE (LEVEL 1)

No	KPI No	INDICATOR	TARGET	ACTUAL PERFORMANCE – DEPARTMENTS	REASONS	REMEDIAL ACTION
1.	SD 1.1.1 (Infra)	Number of bridges constructed at Ward 17 (Mtshekelweni) and ward 19 (Bulungula)	Site establishment for ward 17 & 19	The target is not achieved as follows: ➤ Report signed by SM & Consultant illustrating that site establishment has been done at Bulungula ward 19, however at ward 17 its has not been done due to non-appointment of service provider.	Late appointment for Service provider	Consultations have been made with SCM, with regards to the appointment of the service provider. Possibilities are that appointment will be done before end of January 2026 and the target will be met in 3rd quarter of 2025/26 FY.
LOCAL ECONOMIC DEVELOPMENT						
1.	LED 5.1 (DEV)	Number of marine economic initiatives supported as per approved concept plan at ward 21, 29 and 32 (Fishing equipment)	Support two marine economy initiatives - Hobeni at Ward 20 and Mampondweni at Ward (21) as per approved concept document	The target is not achieved as follows: ➤ Order and remedial action attached.	The appointed service has failed to timeously deliver fishing equipment	Fishing equipment to two marine economy initiatives will be conducted in Q3



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CONCLUSION

Overall performance of the Institution during the Mid-year of 2025/26 is sitting at **98%**, when comparing to the performance of the previous year 2024/25 at Mid-term where the institution performed at **93%**, therefore the municipality has increased by **5%**. In terms of quarterly performance, the institution has also maintained the good performance during Q2 which is sitting at **96%**. In quarter 1 the performance of the institution was at **99%**. The total number of indicators which were not achieved in the 1st quarter was 1 indicator, which was achieved during quarter 2 as per the remedial actions that were provided by department.

Evidence provided shows that monthly meetings are being held by departments to discuss performance issues and any challenges which might affect departments in achieving their goals. The Municipal Manager has been holding informal and formal reviews to check progress on departmental performance in preparation for quarterly reporting.

The process of motivating for changes in the SDBIP as part of the mid-year performance and budget assessment is unfolding, as a result, a revised SDBIP will be tabled during February 2026 Council and based on the Mid-year budget performance, the budget will be adjusted accordingly as well.

M. NAKO

MUNICIPAL MANAGER

23 January 2026

DATE