

2025/26

DRAFT ANNUAL REPORT

www.richmond.gov.za.co.za





Contents

1. Mayor's Foreword and Executive Summary

1.1	Component A: Mayor's Foreword.....	6
1.2	Component B: Executive Summary	8
1.3	Municipal Overview	11

2. Governance

Component A: Governance Structure

2.1	Political Governance Structure.	35
2.2	Administrative Governance Structure.	39

Component B: Intergovernmental Relations

2.3	Intergovernmental Relations.....	41
-----	----------------------------------	----

Component C: Public Accountability and Participation

2.4	Public Meetings.	43
2.5	Ward Committees	44

Component D: Corporate Governance

2.6	Risk Management	45
2.7	Internal Audit.....	45
2.8	Anti-Corruption and Fraud.	46
2.9	Supply Chain Management.....	47
2.10	By-Laws.	47
2.11	Websites.	49
2.12	Public Satisfaction on Municipal Services.	50
2.13	All Municipal Oversight Committees.	52

3. Service Delivery Performance (Performance Report Part I)

3.1	Municipal Manager's Department	54
3.2	Development Planning.....	67
3.3	Technical and Infrastructure Services.....	70
	Water Services.	70
	Water Services (Sanitation).	70
	Electricity	71
	Waste Management, Refuse Collection, Waste Disposal and Street Cleaning Services.....	72
	Housing Projects.	73
	Projects in Planning Stage.	73
	Free Basic Services and Indigent Support: Adding Value Through Free Basic Services.	77
	Roads and Other Infrastructure.....	77
3.4	Public Safety and Emergency	81
3.5	Community and Social Services.....	87
	Mayoral Cup Competition.	88
3.6	Organizational Scorecard.	91

4. Organisational Development Performance (Performance Report Part II)

Component A: Introduction to Municipal Workforce

4.1	Employee Totals, Turnover and Vacancies.	105
-----	---	-----

Component B: Managing the Municipal Workforce

4.2 Policies.....	106
4.3 Injuries, Sickness and Suspensions.....	108
4.4 Performance Rewards.	108
Component C: Capacitating Municipal Workforce	
4.5 Skills Development and Training.....	109
Component D: Managing the Municipal Workforce Expenditure	
4.6 Employee Expenditure.....	110

5. Financial Performance

Component A: Statement of Financial Performance	
5.1 Statements on Financial Performance.....	112
5.2 Grants.	114
5.3 Asset Management.....	115
5.4 Financial Ratios Based on Key Performance Indicators.....	116
Component B: Spending Against Capital Budget	
5.5 Capital Expenditure.....	123
5.6 Sources of Finance.	124
5.7 Capital Spending on 5 Largest Projects.....	124
5.8 Basic Services and Infrastructure Backlogs.....	125
Component C: Cash Flow Management and Investments	
5.9 Cashflow	125
5.10 Borrowings and Investments.	127
5.11 Public Private Partnership.....	129
5.12 Cost Containment Measures.	129
Component D: Other Financial Matters	
5.13 Supply Chain Management	130
5.14 GRAP Compliance.	130
5.15 Accounting Officer's Assessment of the Municipality's Debtors and Rates Taxes.....	131

6. Auditor – General Audit Findings

6.1 Auditor General Report (Previous Year).	134
6.2 Remedial Action Taken (Previous Year).	136
6.3 Auditor General's Report (Current Year).	137
6.4 Remedial Action Taken (Current Year).	143
APPENDIX A – CONCILLORS ATTENDANCE AND COMMITTEE ATTENDANCE	149
APPENDIX B – COUNCIL COMMITTEES AND PURPOSES.....	150
APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE	151
APPENDIX D – MUNICIPAL POWERS AND FUNCTIONS	152
APPENDIX E – WARD COMMITTEE MEMBERSHIP	154
APPENDIX F – RECOMMENDATION OF THE MUNICIPAL AUDIT COMMITTEE	158
APPENDIX G – DECLARATION OF INTEREST	167
VOLUME 1 – SECTION 46 ANNUAL PERFORMANCE REPORT FOR 2025/2026	163
VOLUME 2 – ANNUAL FINANCIAL STATEMENTS FOR 2025/2026.....	187



CHAPTER 1:

**MAYOR'S FOREWORD &
EXECUTIVE SUMMARY**

1.1 COMPONENT A: MAYOR'S



HIS WORSHIP THE MAYOR – CLLR. MK NGCONGO
RICHMOND LOCAL MUNICIPALITY

TO BE INCLUDED IN THE FINAL ANNUAL REPORT

1.2 COMPONENT B: EXECUTIVE SUMMARY



MUNICIPAL MANAGER: B E MSWANE

TO BE INCLUDED IN THE FINAL ANNUAL REPORT



MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

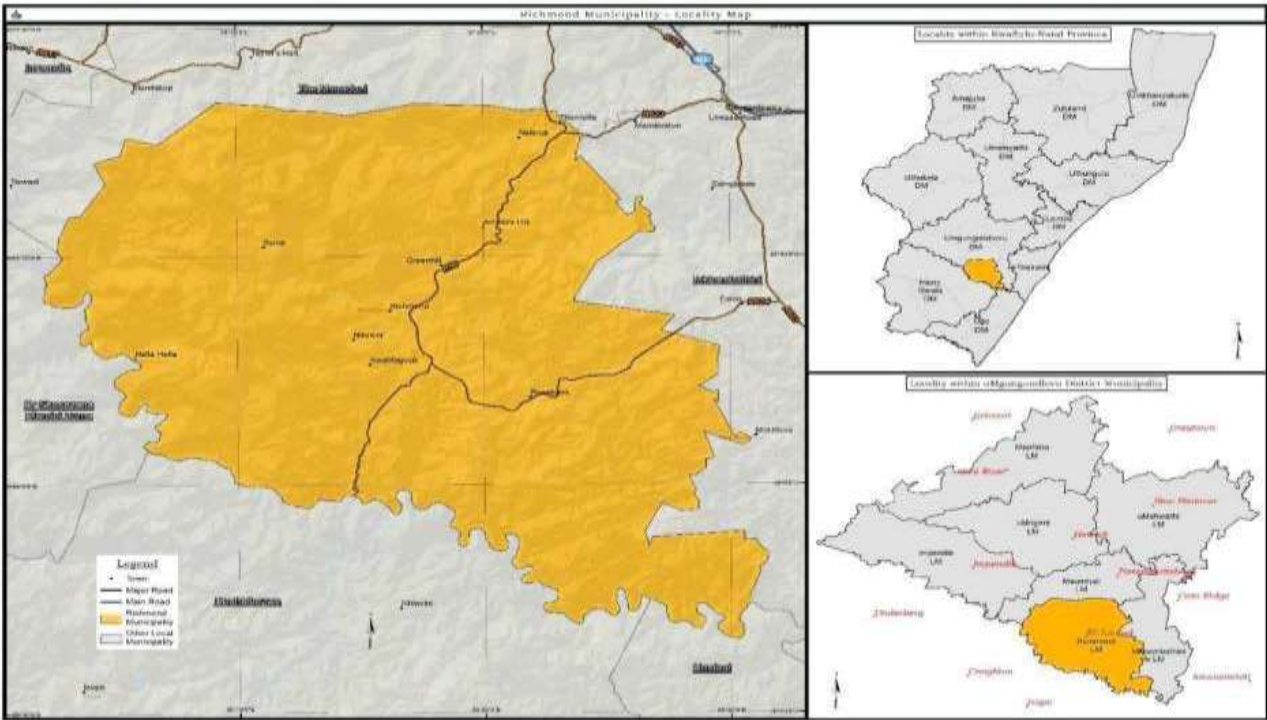
■ 1.3 MUNICIPAL OVERVIEW

The Richmond Municipality (KZ227) is one of the category B municipalities and comprises of seven (7) wards. It is located on the southern part of the uMgungundlovu District Municipality (DC22) and is approximately 38 kilometres south of Pietermaritzburg which is the capital of the KwaZulu-Natal Province. It is bordered by Msunduzi Municipality to the north, to the west, Dr Nkosazana Dlamini-Zuma Municipality, Mkhambathini Municipality to the east and Ubuhlebezwe Municipality to the south.

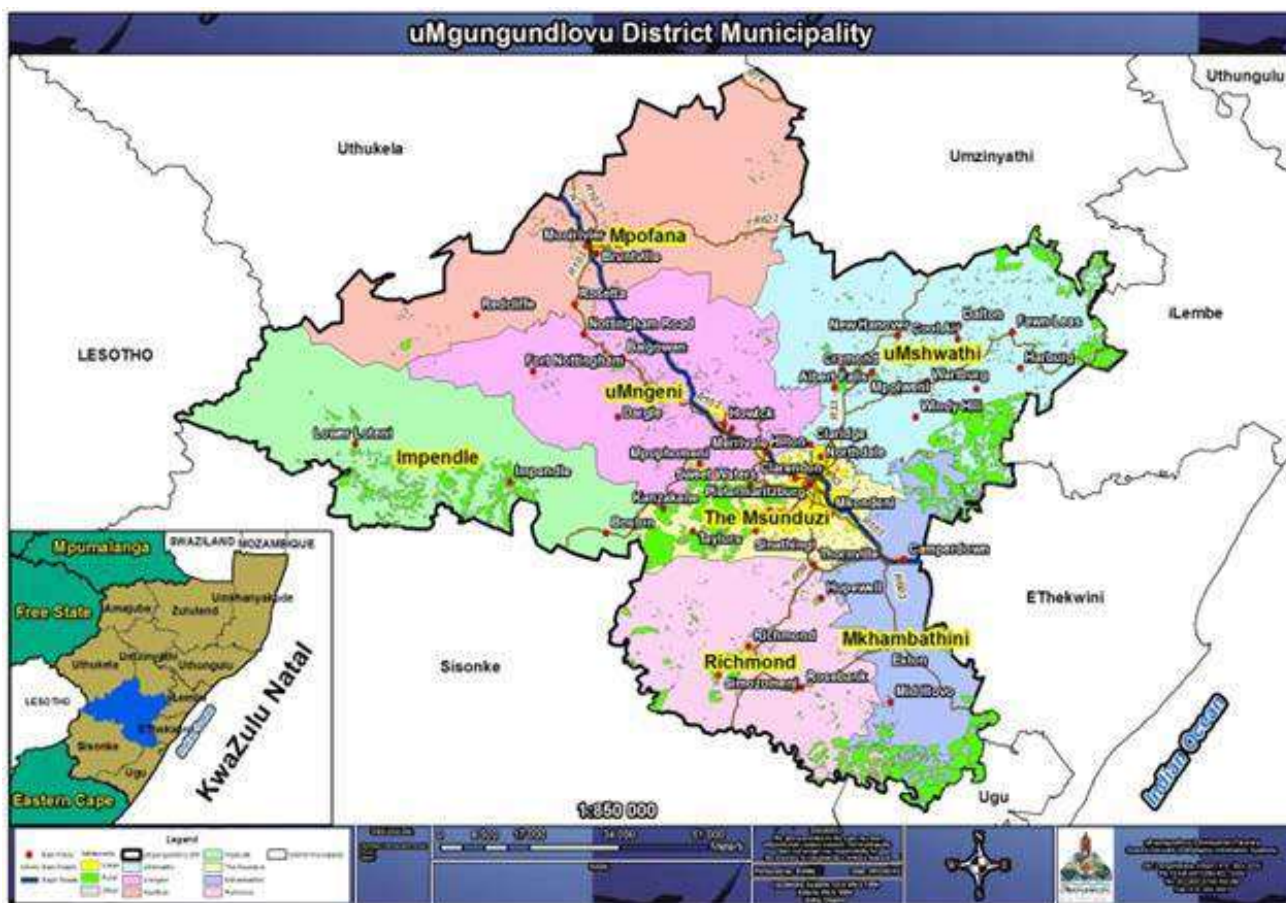
It is approximately 1232 square kilometres in extent with an estimated population of 62 754 people accommodated within 13 580 households according to Statistics South Africa Census 2022 data. It is the fourth smallest Municipality within the uMgungundlovu District Municipality family of Municipalities.

The map below provides a geographic illustration of the location of the Richmond Municipality in relation to provincial, district and municipal levels:

RICHMOND MUNICIPALITY LOCALITY MAP



DISTRICT LOCALITY MAP



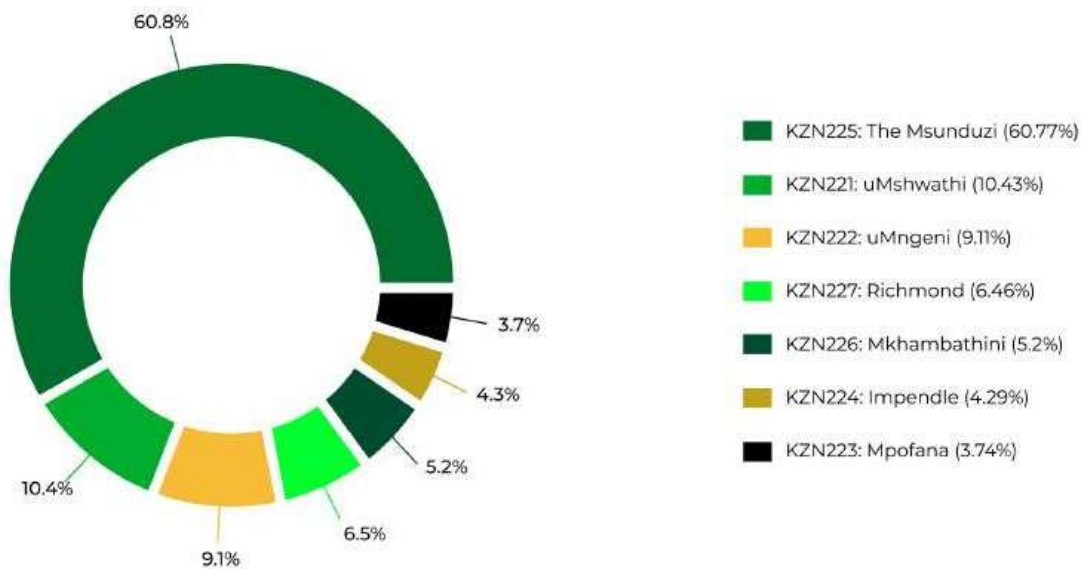
The majority of the population resides in areas which are predominantly rural in nature and characterized by low levels of basic services and facilities with a high unemployment rate. The Town of Richmond in Ward 1 is the only urban centre which is recognized as the primary economic node as presented by the service provision and its mixed land uses i.e. commercial services, legal services, primary health care, pension pay point, education and welfare office and similar government services.

Land uses within the primary node are typically urban mixed uses with high levels of limited infrastructural and services development and adequate provision of social facilities and services to support the resident populations.

The Richmond Municipality has a total of 7 wards under its jurisdiction and three Traditional Councils namely: Esiphahleni Traditional Authority; Vumakwenza Traditional Authority and Vumindaba Traditional Authority.

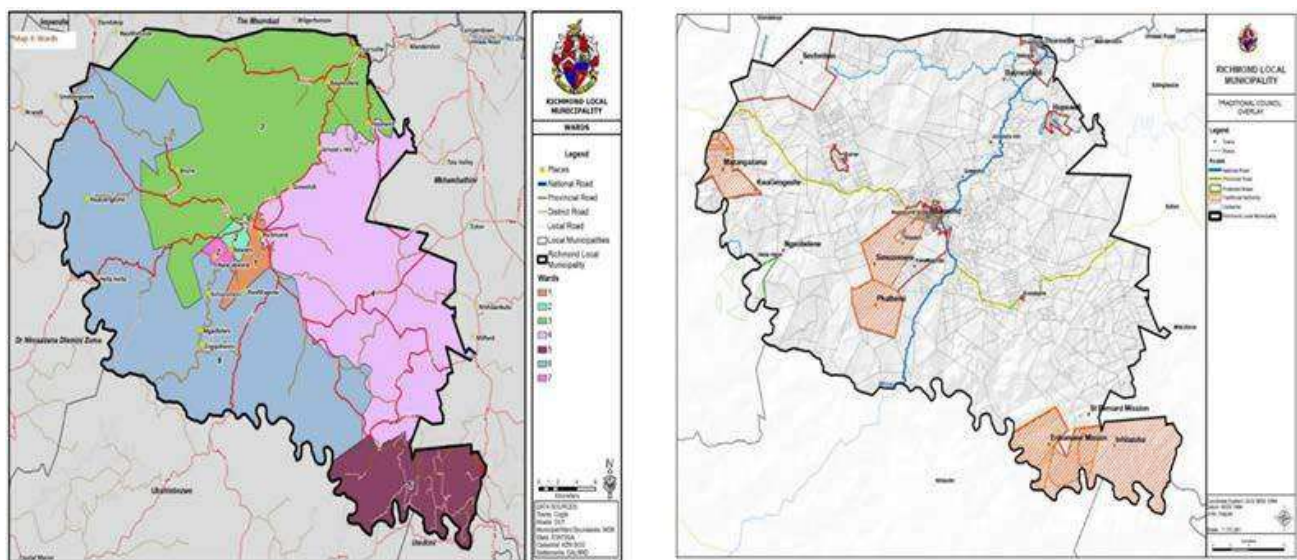


SOURCE: (CENSUS 2022)



The figure above indicates that Msunduzi is the most populated local Municipality within the District.

RICHMOND MUNICIPALITY BY WARD



SOURCE: UMGUNGUNDLOVU GIS

A large portion of the municipal area is used for agricultural activities, which is the largest employment sector for the municipality. Agriculture is the backbone of the Municipality's economy.

This suggests that preservation of high-quality agricultural land is very important and development should therefore be responsive to the need for preservation.



Richmond Municipality has seen a decrease in economic investments, which has directly resulted in an increase in unemployment, dependency and poverty. Added to this is the unmistakable absence of municipal resources needed to meet the demand of the ever-increasing need for service delivery.

To achieve success from its locational advantages and to counteract its current status quo, The Richmond Municipality must focus on strengthening its working relations with its business sectors and adopt measures of attracting foreign investment through creating welcoming environment for businesses. The Municipality must also continually strive towards a positive change of the larger society's mind-set and gear towards marketing the constructive attributes of the municipality in terms of spatial assets, which include and are not limited to:

- **Identified industrial nodes,**
- **Location in terms of identified corridors (proximity to N3 and R56),**

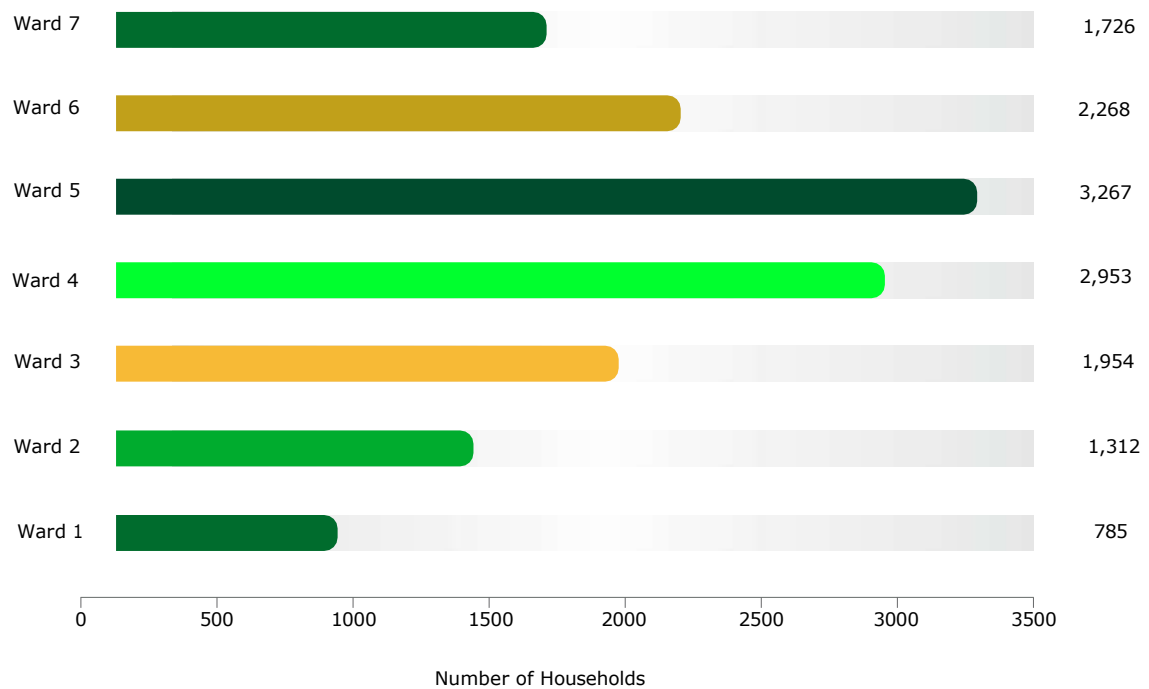
- **Availability of vacant land for development needs,**
- **Agriculture and Agro-processing, and**
- **Nature based tourism.**

The Council of Richmond Municipality adopted a long-term vision to align itself to National goals and policies. The municipal's long-term vision is translated into the municipal's Spatial Development Framework, which breaks it down into 5year manageable visions to assist in the attainment of the long-term vision.

The adopted vision inspires and focuses municipalities' attention in mobilising all residents, communities, stakeholders, politicians and officials in creating the desired future based on the implementation of projects and programmes in a sustainable manner in order to create a viable municipality focused on attaining its developmental mandate. This is to meet the needs of all citizens in response to the requirements of legislation in that local government needs to be developmental in its approach.

The adopted IDP long-term vision of Richmond Municipality reads as follows:





Richmond Municipality Household Distribution by Ward
Total Households: 14,265

Ethnic Group	No. of Households	Percentage
Black Households Totals	12952	91%
Coloureds Households Total	293	2%
Asian Households Total	264	2%
White Households Total	756	5%
Total Households	14265	100%

SOURCE: QUANTEC EASY DATA 2010

SOURCE: QUANTEC EASY DATA 2010

Population Groups	Household Size/Population Group
Black Household Size	4.4
Coloured Household Size	3.1
Asian Household Size	6.2
White Household Size	2.1

EDUCATION LEVELS

Levels of Education	Percentage
No Schooling	22%
Some Primary Education	32%
Complete Primary Education	8%
Some Secondary Education	27%
Grade 12	7%
Higher Education	4%
Total	100%

With regard to the level of education by gender groups, the following table shows that there is a balance between males and females in the Richmond Municipality as their levels of education are almost similar.

SOURCE: COMMUNITY SURVEY 2007

LEVEL OF EDUCATION BY GENDER

Levels of Education	Male	Female
No Schooling	29%	33%
Some Primary Education	22%	25%
Complete Primary Education	16%	15%
Some Secondary Education	13%	11%
Grade 12	11%	9%
Higher Education	9%	7%
Total	100%	100%

SOURCE: COMMUNITY SURVEY 2007



The following table shows that illiteracy is more common amongst Indians and coloured compared to other population groups.

LEVEL OF EDUCATION BY POPULATION GROUPS

Levels of Education	Blacks	Coloureds	Asians	Whites
No Schooling	34%	30%	4%	5%
Some Primary Education	22%	21%	9%	8%
Complete Primary Education	17%	19%	33%	15%
Some Secondary Education	14%	13%	21%	22%
Grade 12	11%	10%	22%	31%
Higher Education	2%	7%	11%	19%
Total	100%	100%	100%	100%

SOURCE: COMMUNITY SURVEY 2007

POPULATION

Data from Statistics South Africa previously indicated that the population of Richmond Municipality experienced a steady growth rate from 1996 to 2011 (a 1.2% growth rate was recorded between the years 1996 and 2001, a 3.6% growth rate was recorded between the years 2001 and 2011), however the recently published Census 2022 data reveals the opposite, where a negative growth rate of - 4.2% (which amounts to 2 786 less people) was recorded between the years 2011 to 2022. This is alarming as such data indicates that the decline of -4.2% over the 10years period (between 2011 to 2022) was almost the same as the growth rate of 4.8% experienced over the 15years period (from 1996 to 2011).

Although the latest StatsSA Data has not been fully released for us to investigate further the causes of decline, we can speculate that it may be a direct result of migration for educational purposes and better economic opportunities.

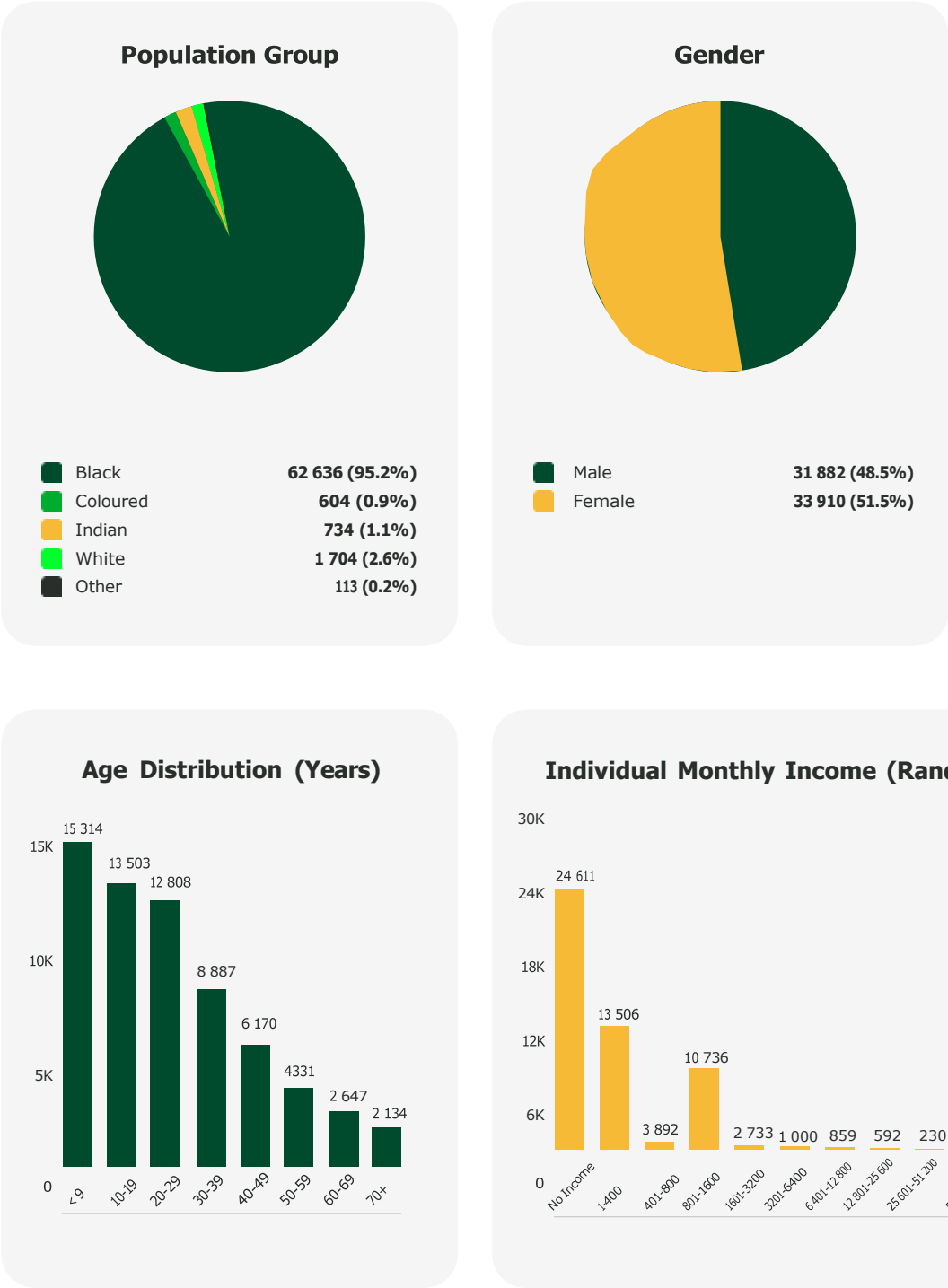
The population structure of the Richmond Municipality is comprised of a youthful population, where a larger proportion of the population is younger than 35 years.



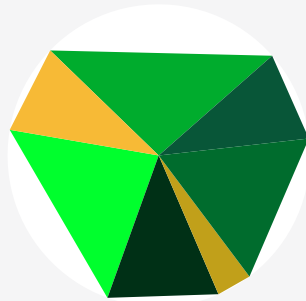
Richmond Municipality Demographics

Total Population: 62 754

TABLE 10. POPULATION DISTRIBUTION BY AGE AND GENDER



Highest Education



No Schooling	6 321 (10%)
Some Primary Ed	19 173 (29%)
Primary Ed Completed	3 509 (5%)
Some Secondary Ed	17 093 (26%)
Grade 12 Complete	8 516 (13%)
Higher Education	1 540 (2%)
Education NA	9 599 (15%)
Education Unspecified	41 (0%)

Employment Status



Employed	13 337 (20%)
Unemployed	4 754 (7%)
Discouraged	4 014 (6%)
Not Active	18 504 (28%)
Employment NA	25 185 (38%)

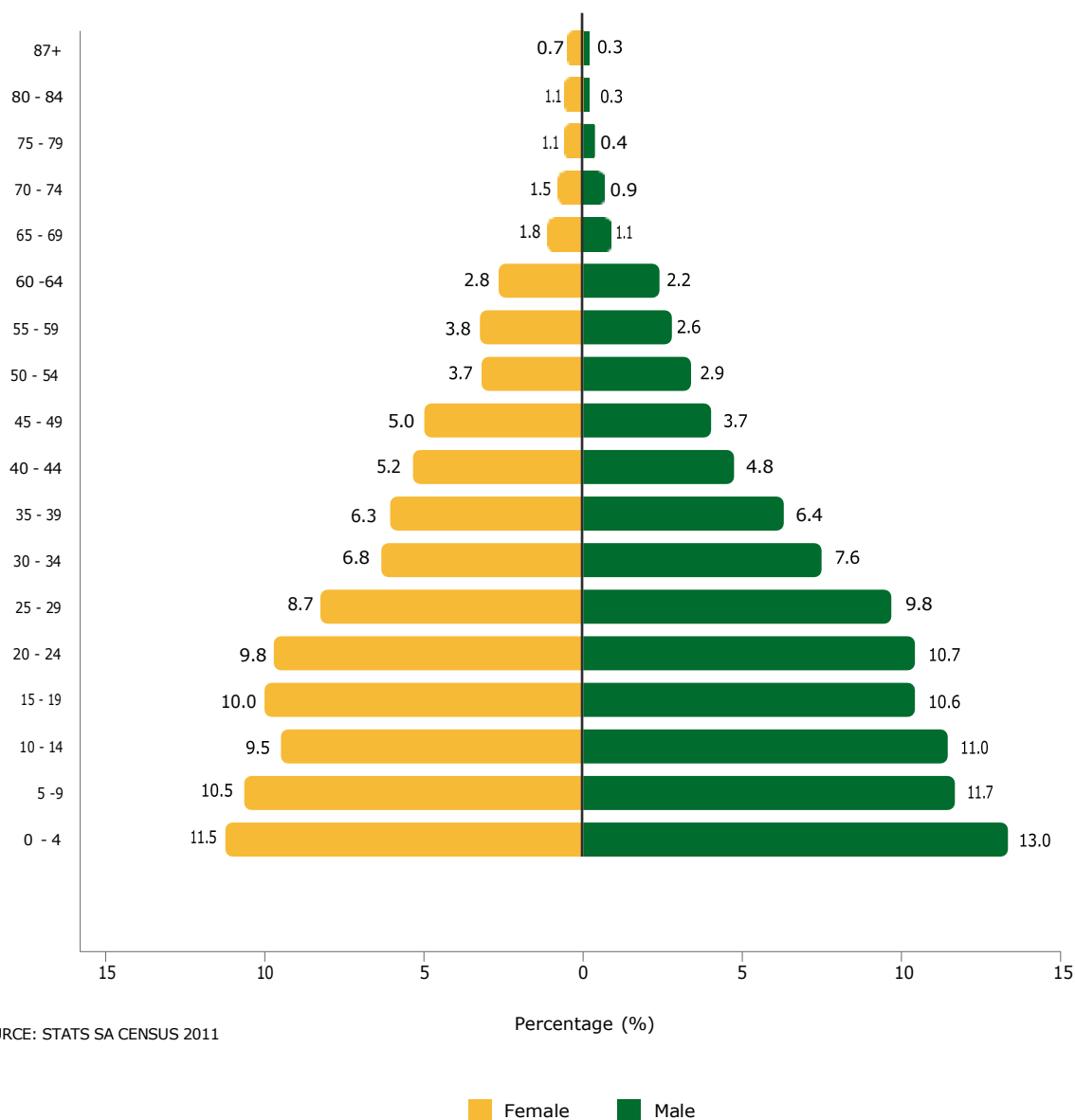
TABLE 11. AGE STRUCTURE

Age Group	Male	Female	Total
00 – 04	4 138	3 888	8 026
05 – 09	3 718	3 570	7 288
10 – 14	3 515	3 233	6 748
15 – 19	3 369	3 387	6 756
20 – 24	3 421	3 340	6 760
25 – 29	3 112	2 936	6 047
30 – 34	2 424	2 306	4 730
35 – 39	2 033	2 124	4 157
40 – 44	1 541	1 759	3 300
45 – 49	1 170	1 699	2 869
50 – 54	938	1 268	2 206
55 – 59	832	1 293	2 125
60 – 64	694	964	1 658
65 – 69	366	622	989
70 – 74	285	519	804
75 – 79	134	383	517
80 – 84	91	373	464
85+	101	248	349
Total	31 883	33 910	65 793

SOURCE: STATS SA: CENSUS 2011

Percentage distribution of the population in five-year age group by sex

Richmond Municipality, Census 2011



The figure above shows that the gender distribution in Richmond, with females making up the majority of the population. Gender distribution is also a determinant factor in assisting the various tiers of government to focus investment especially to vulnerable groups like women.

The population of Richmond is dominated by the

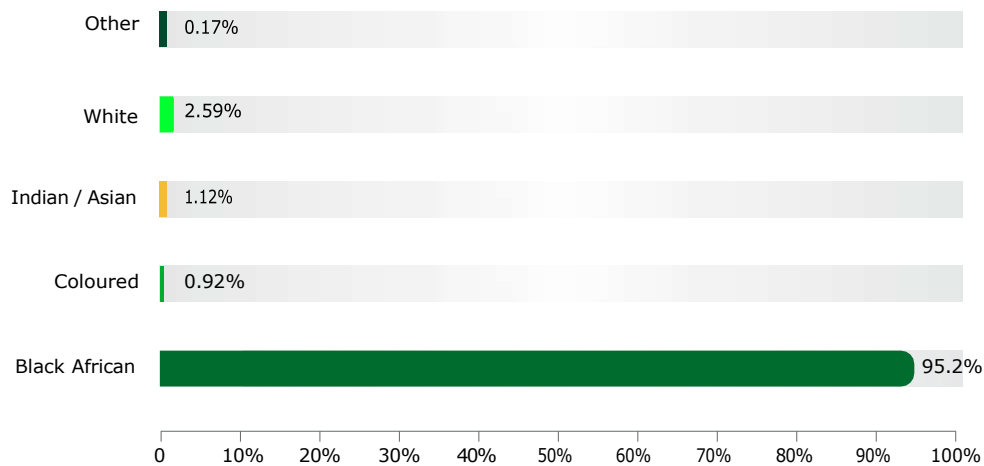
youth (15 to 35 years of age) which accounts for 21%. This therefore has serious implications in terms of development planning and requires the development and implementation of programs addressing the needs of a youthful population which may include educational facilities, creation of job opportunities and improving access to social facilities.

TABLE 12. POPULATION GROUP BY RACE

Population Group	KZN227: Richmond (Population)	Percentage
Black African	62 635	95.20%
Coloured	605	0.92%
Indian / Asian	735	1.12%
White	1 705	2.59%
Other	113	0.17%
Total	65 793	100.00%

SOURCE: STATS S A: CENSUS 2011

Racial Population Distribution



SOURCE: STATS SA: CENSUS 2011

FIGURE 3. POPULATION BY RACE

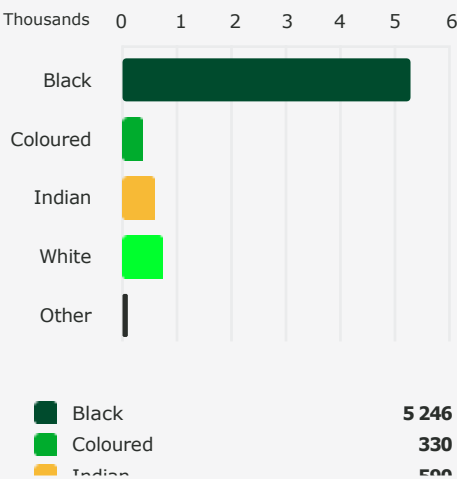
It is indicated in the figure above that the Blacks dominates the population group in Richmond.

WARD INFORMATION

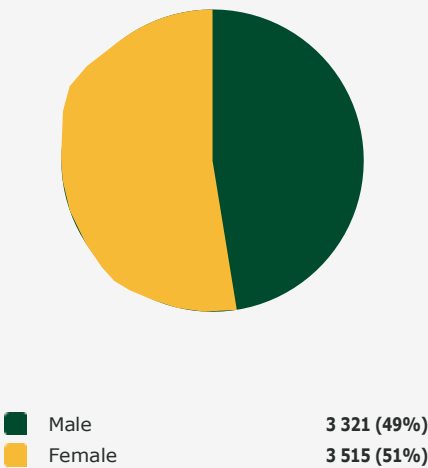
WARD 1

POPULATION: 6 836

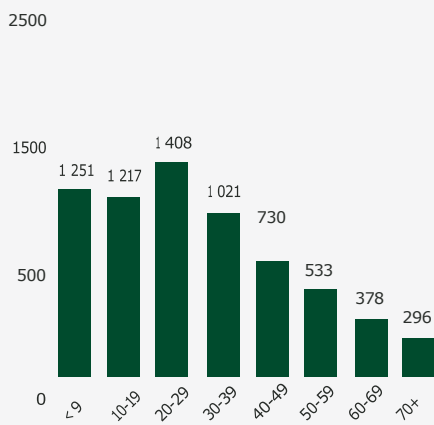
Population Group



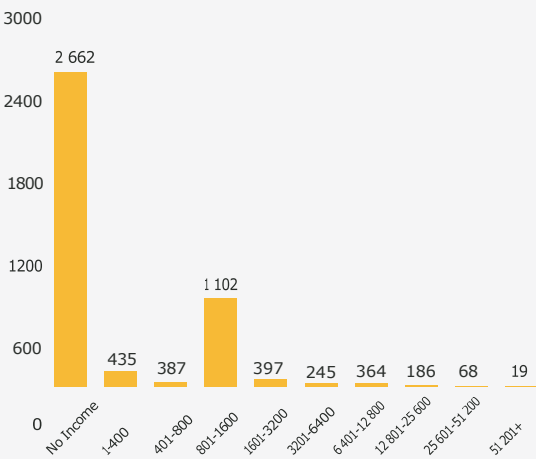
Gender

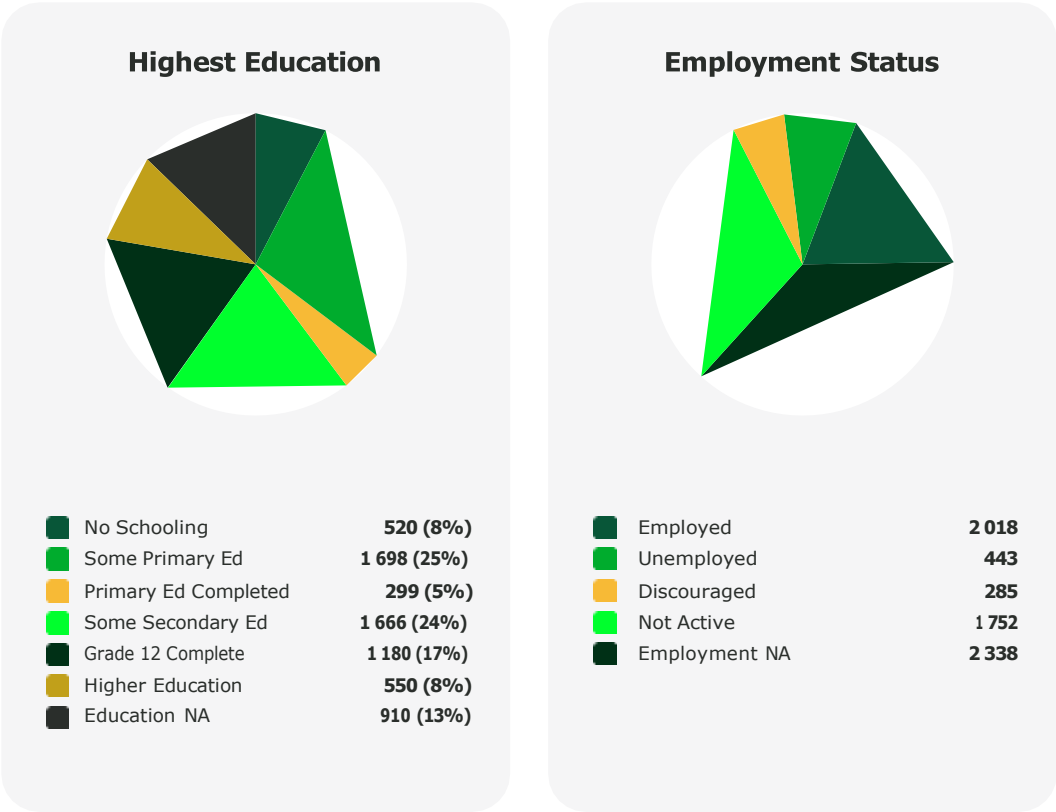


Age Distribution (Years)



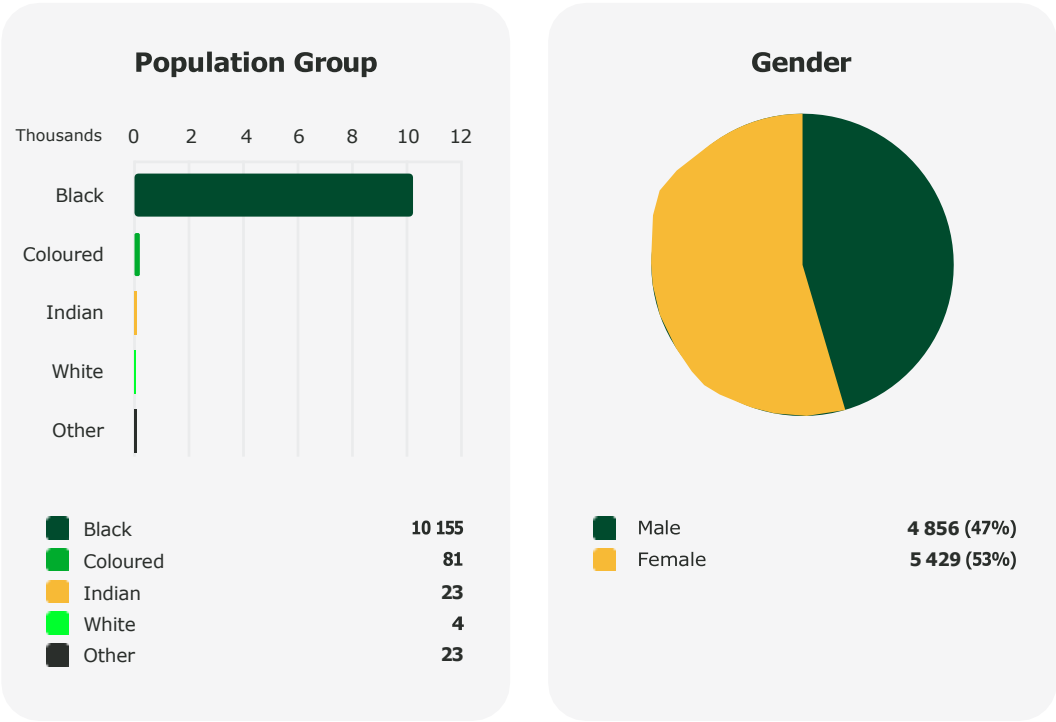
Individual Monthly Income (Rand)



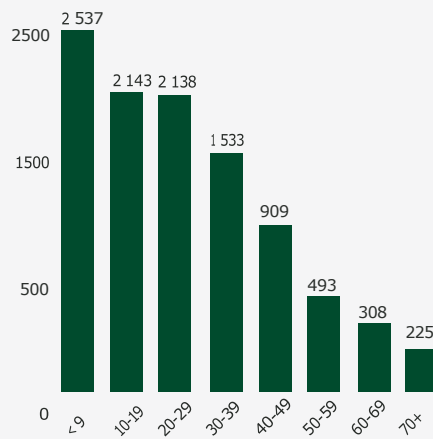


The above information provides a synopsis of each ward e.g. population, age, education level, gender, employment rate etc.

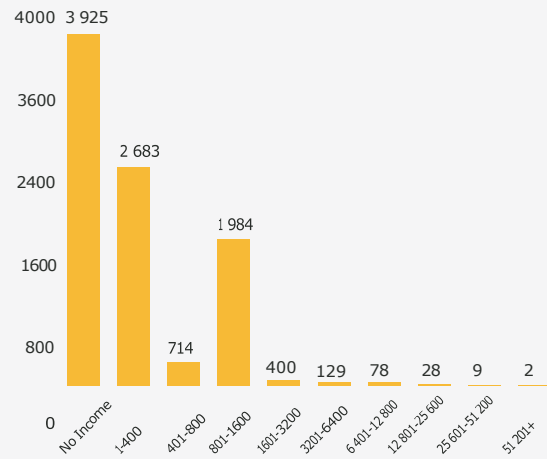
WARD 2
POPULATION: 10 285



Age Distribution (Years)



Individual Monthly Income (Rand)



Highest Education



No Schooling	860 (8%)
Some Primary Ed	2 911 (28%)
Primary Ed Completed	554 (6%)
Some Secondary Ed	2 995 (29%)
Grade 12 Complete	1 478 (15%)
Higher Education	100 (1%)
Education NA	1 372 (13%)

Employment Status

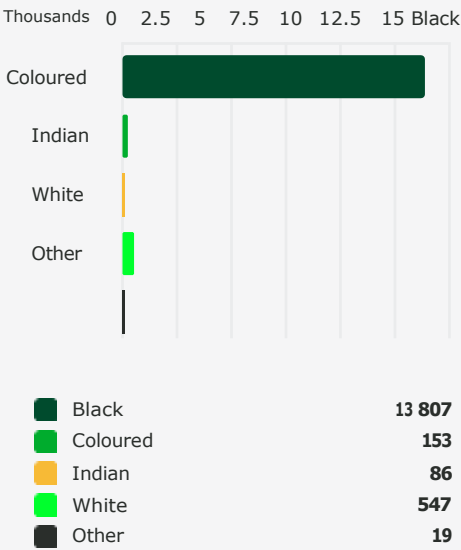


Employed	2 141
Unemployed	807
Discouraged	595
Not Active	2 840
Employment NA	3 903

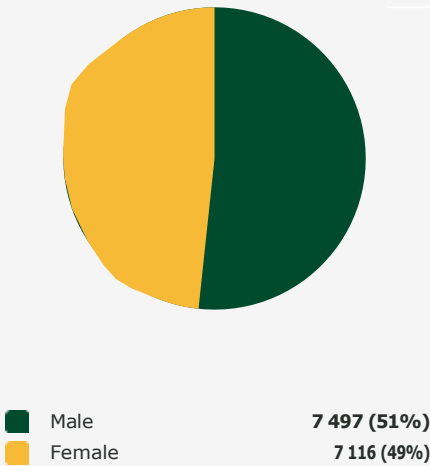


WARD 3
POPULATION: 14 612

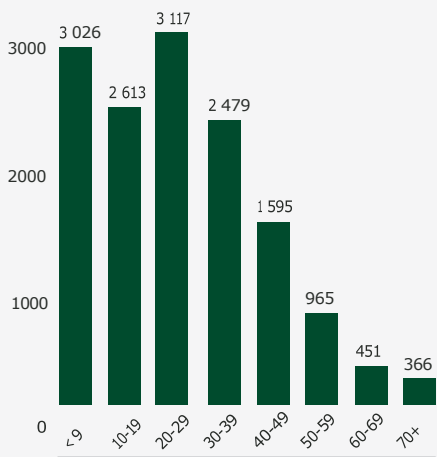
Population Group



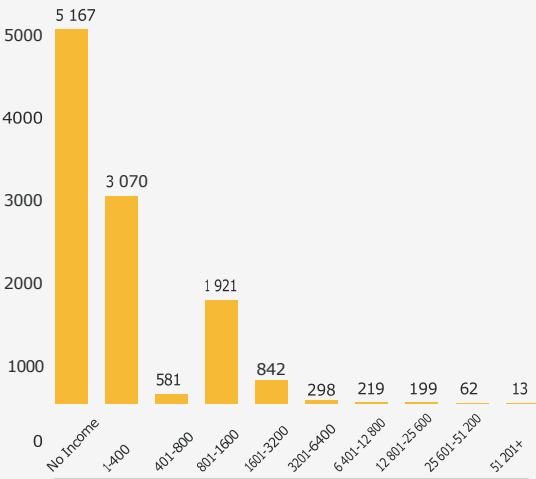
Gender



Age Distribution (Years)



Individual Monthly Income (Rand)





Highest Education



No Schooling	966 (7%)
Some Primary Ed	3 968 (27%)
Primary Ed Completed	754 (5%)
Some Secondary Ed	4 033 (28%)
Grade 12 Complete	1 823 (12%)
Higher Education	378 (3%)
Education NA	2 683 (18%)

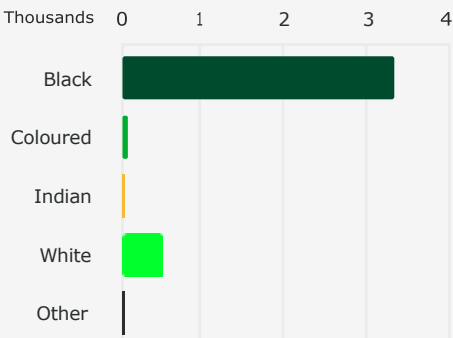
Employment Status



Employed	3 529
Unemployed	899
Discouraged	867
Not Active	4 462
Employment NA	4 856

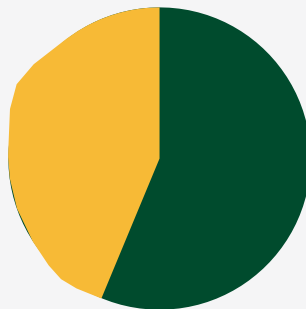
WARD 4
POPULATION: 3 823

Population Group



Black	3 341
Coloured	7
Indian	9
White	457
Other	9

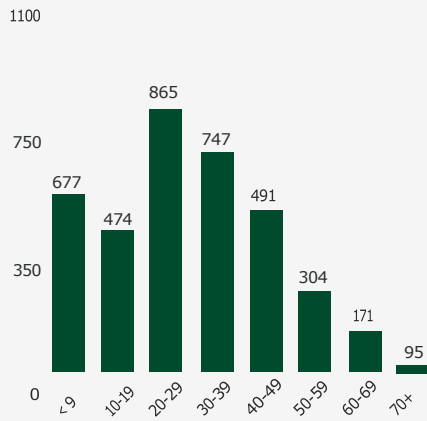
Gender



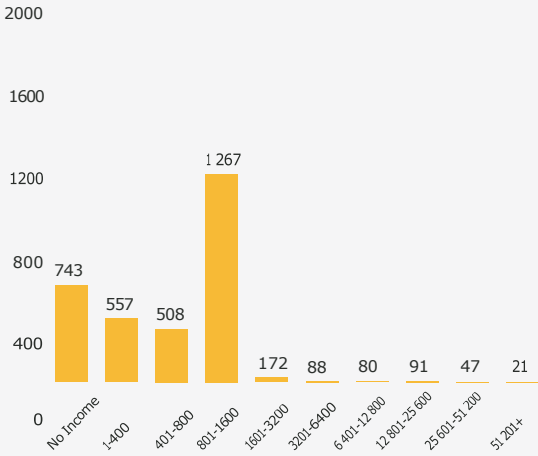
Male	2 091 (55%)
Female	1 732 (45%)



Age Distribution (Years)



Individual Monthly Income (Rand)



Highest Education



No Schooling	585 (15%)
Some Primary Ed	1 241 (32%)
Primary Ed Completed	264 (7%)
Some Secondary Ed	802 (21%)
Grade 12 Complete	333 (9%)
Higher Education	225 (6%)
Education NA	368 (10%)

Employment Status

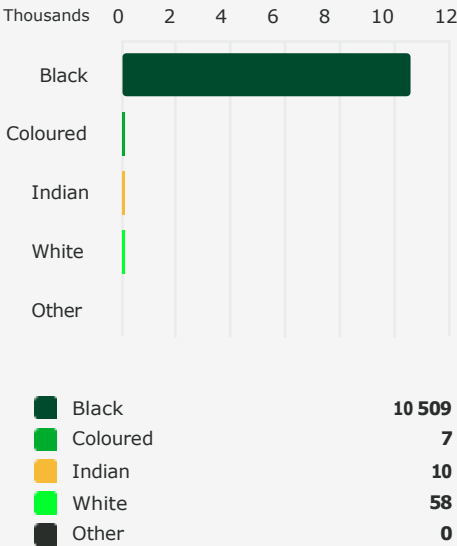


Employed	2 130
Unemployed	79
Discouraged	61
Not Active	483
Employment NA	1 069

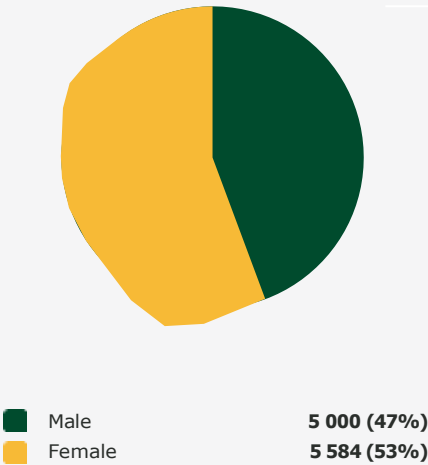


WARD 5
POPULATION: 10 585

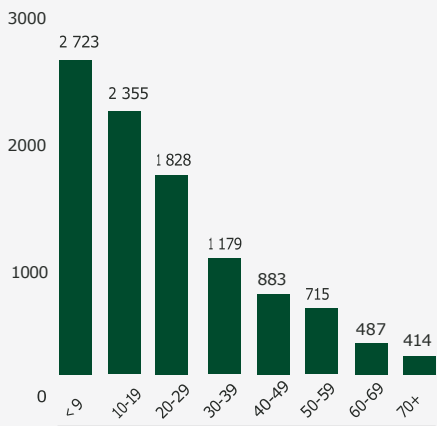
Population Group



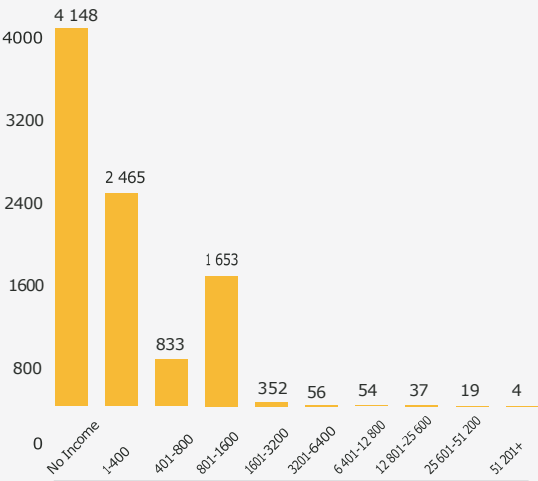
Gender



Age Distribution (Years)



Individual Monthly Income (Rand)





Highest Education



No Schooling	1 258 (12%)
Some Primary Ed	3 554 (34%)
Primary Ed Completed	592 (6%)
Some Secondary Ed	2 646 (25%)
Grade 12 Complete	979 (9%)
Higher Education	128 (1%)
Education NA	1 429 (13%)

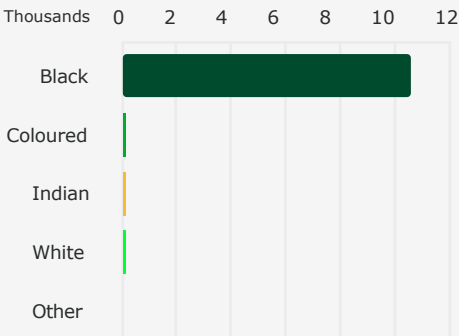
Employment Status



Employed	1 559
Unemployed	852
Discouraged	712
Not Active	2 929
Employment NA	4 533

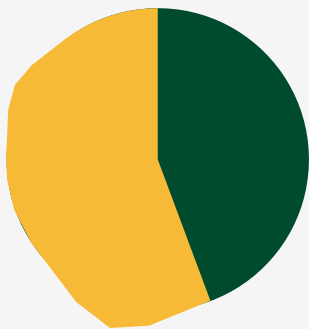
WARD 6
POPULATION: 10 585

Population Group



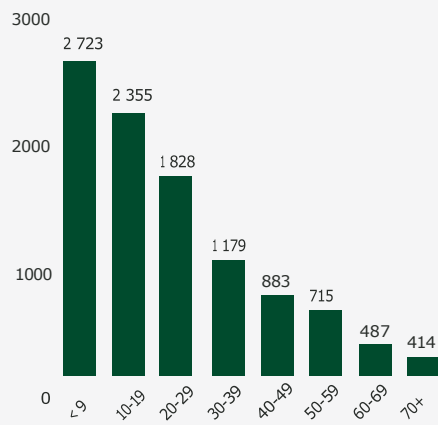
Black	10 509
Coloured	7
Indian	10
White	58
Other	0

Gender

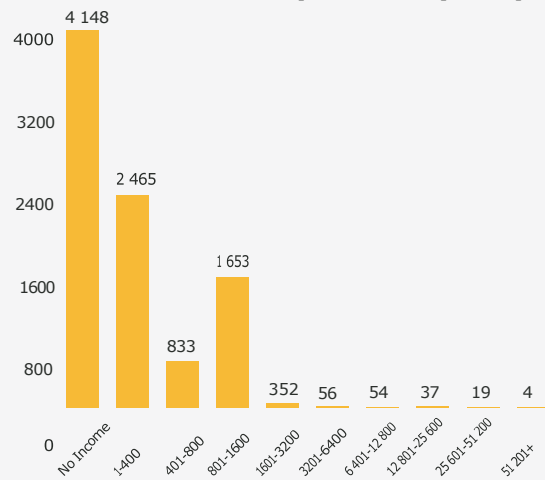


Male	5 000 (47%)
Female	5 584 (53%)

Age Distribution (Years)



Individual Monthly Income (Rand)



Highest Education



No Schooling	1 258 (12%)
Some Primary Ed	3 554 (34%)
Primary Ed Completed	592 (6%)
Some Secondary Ed	2 646 (25%)
Grade 12 Complete	979 (9%)
Higher Education	128 (1%)
Education NA	1 429 (13%)

Employment Status

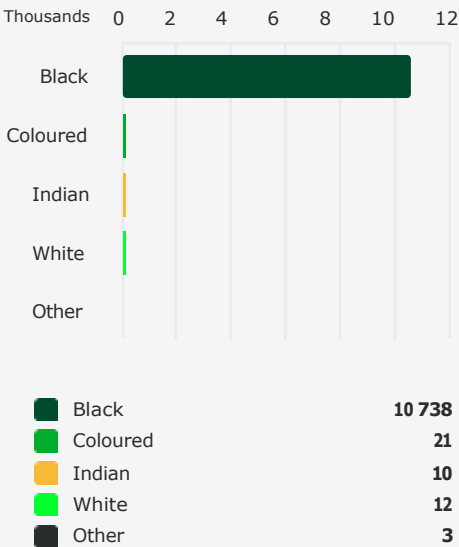


Employed	1 559
Unemployed	852
Discouraged	712
Not Active	2 929
Employment NA	4 533

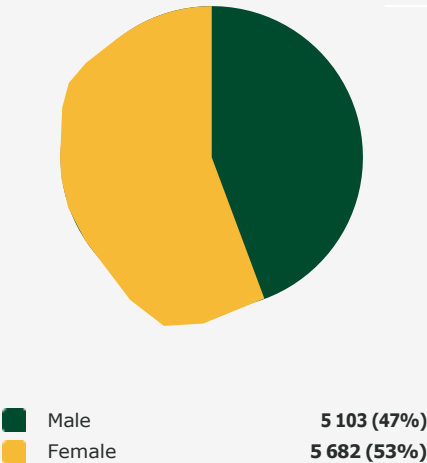
WARD 7

POPULATION: 10 785

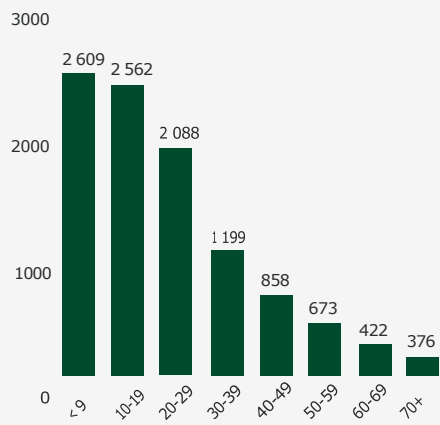
Population Group



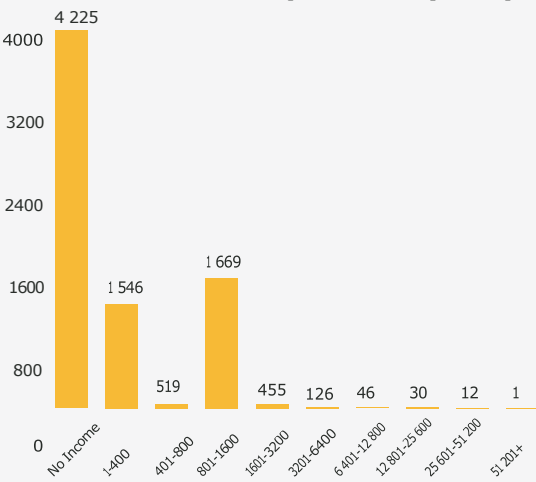
Gender



Age Distribution (Years)



Individual Monthly Income (Rand)



Highest Education



No Schooling	950 (9%)
Some Primary Ed	2 900 (27%)
Primary Ed Completed	593 (5%)
Some Secondary Ed	3 018 (28%)
Grade 12 Complete	1 699 (16%)
Higher Education	107 (1%)
Education NA	1 518 (14%)

Employment Status



Employed	1 387
Unemployed	1 438
Discouraged	823
Not Active	2 721
Employment NA	4 416

SOURCE: STATS SA CENSUS 2011





CHAPTER 2:

GOVERNANCE

COMPONENT A: GOVERNANCE STRUCTURE

■ 2.1 POLITICAL GOVERNANCE STRUCTURE

Introduction

In terms of Section 40 of the Constitution, Government in South Africa is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated. All spheres of government must observe and adhere to the principles of the Constitution and must conduct their activities within the parameters that the Constitution provides. Richmond Municipality represents the local sphere of government.

The Richmond Municipal Council

Municipalities in South Africa are governed by Municipal Councils. Richmond Municipal Council is therefore the governing body of the Richmond Local Municipality (RLM) and the custodian of its powers, duties and functions, both legislative and administrative.

Essentially, Council performs a legislative and executive role. The Constitution of the Republic of South Africa, 1996, Chapter 7, Section 160 (1) defines the role of the Council as being:

- a** (making) decisions concerning the exercise of all the powers and the performance of all the functions of the Municipality
- b** (electing) its chairperson
- c** (electing) an executive committee and other committees, subject to national legislation
- d** (employing) personnel that are necessary for the effective performance of its functions

Richmond Municipal Council is constituted by 14 elected Councillors; 7 Councillors are ward representatives and 7 represent their political parties on a proportional basis (PR). The parties in Council are illustrated in Table below:

Political Party	No. of Seats	No. of Wards	PR Seats
African National Congress	8	5	3
Independent	1	1	0
Democratic Alliance	1	0	1
Economic Freedom Fighter	2	0	2
Inkatha Freedom Party	1	0	1
Mkhonto Wesizwe Party	1	1	0
Totals	14	7	7

The party-political and demographic representation of Councillors is reflected in the table below:

Political Party	Allocation of Seats	Gender Distribution	
		Male	Female
African National Congress (ANC)	8	5	3
Democratic Alliance (DA)	1	1	0
Independent	1	1	0
Economic Freedom Fighters (EFF)	2	1	1
Inkatha Freedom Party	1	1	0
Mkhonto Wesizwe Party	1	1	0

There are 3 portfolio committees appointed by the Council. These committees are aligned to the functions of various departments of the Municipality.

PORTFOLIO COMMITTEE	RESPONSIBLE OFFICIAL	STATUS OF PORTFOLIO
Finance Portfolio	Chief Financial Officer	Functional
Community/ Social and Corporate Services Portfolio	Director: Community Services and Director Corporate Services	Functional
Economic Development, Planning and Infrastructure Portfolio	Director: Technical Services Manager and Municipal Manager	Functional

There are other subcommittees that are operational in the Municipality, and they are as follows:

- Local Labor Forum;
- Asset Disposal Committee

System of Governance

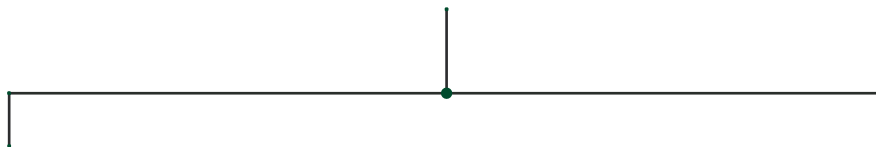
Richmond Municipality uses a collective executive system. In this system, the municipal Council elects an Executive Committee and then delegates executive responsibilities to the Executive Committee. The Executive Committee takes decisions on matters that fall within its delegated powers. The establishment of a separate executive structure enables a small group of Councilors (those who sit on the Executive Committee) to deal with the day-to-day business of running the Municipality. In a collective executive system, the municipal Council must elect one member of the Executive Committee as the Chairperson of that committee. The chairperson of the Executive Committee is the Mayor.

The Executive Committee of Richmond Municipality comprises of three (3) members:



His Worship the Mayor

Cllr. M K Ngcongo
(ANC)



The Honourable Deputy Mayor

Cllr. BT Mbanjwa
(ANC)



The Honourable Member of EXCO

Cllr. BSL Kunene
(EFF)

Council Members 2021-2026



Chairperson/Speaker of Council

Richmond Municipality has a Speaker of Council who is the Chairperson elected in terms of section 36 of the Municipal Structures Act, Act No. 117 of 1998 as envisaged in section 160 of the Constitution of the Republic of South Africa.

The Speaker's role in a Municipality is key to ensuring oversight, accountability, integrity, discipline of office, and the efficient running of Council meetings. As such, impartiality in the exercise of his or her function is essential for the Speaker. The Speaker must distinguish between her activities as a politician and her functions as a Speaker. It also means that the function of the Speaker and the non-partisan exercise of that function must be respected by members, parties

The key principles underlying the role of the Speaker are:

- a) Chair of Council meetings;
- b) Implementation of the Code of Conduct; and
- c) Exercise of delegated functions including:
 - i. facilitating public participation in legislative matters;
 - ii. establishment and functioning of ward committees; and
 - iii. support to Councillors.



The Honourable Speaker
Cllr. KE Mkize
(ANC)

The Speaker is the guardian of the integrity of the Council and the guardian of members' privileges and interests as Council members. The privileges and interests of Councillors include freedom of speech and immunity in the Council as well as the use of Council facilities, receipt of allowances, training and support, etc. Importantly, this role, combined with the Speaker's role in terms of the Code of Conduct (Schedule 1 to the Systems Act), requires the Speaker to guard against the abuse of Councillors' privileges and interests.

2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The administration is headed by the Municipal Manager as the Accounting Officer. The Municipal Manager is also responsible and accountable for the formation and development of an economical, effective, efficient and accountable administration as well as management of the provision of services in a sustainable and equitable manner within the Municipality.

The administration is made up of the following directorates headed by executive management teams: Office of the Municipal Manager, Budget and Treasury Office, Corporate Services, Community Services and Technical Services.

NAME	DESIGNATION	FUNCTIONS
 Bhekani Errol Mswane	Municipal Manager	The Municipal Manager is the Accounting Officer of the Municipality. The office of the Municipal Manager has the following functions: • Risk Management; • Internal Audit; • Performance Management (PMS); • Planning and Development; • Communication; • Housing Development; • Public Participation; & • Local Economic Development
 Msizi Gerald Ngcobo	Chief Financial Officer	The Chief Financial Officer is responsible for managing the financial affairs of the Municipality. The Budget and Treasury Office has the following functions: • Asset Management • Supply Chain Management • Expenditure Management • Debtors and Credit Control • Budget and Financial Reporting • Information Communications Technology
JK Khumalo	Director: Community Services	Director: Community Services is responsible for the management and delivery of social and community services to the public. It has the following functions: • Library Services • Protection Services • Disaster Management • Traffic Services • Learners Centre • Motor Licensing • Youth Services

NAME	DESIGNATION	FUNCTIONS
 Muziwandile Ntanzu	Director: Technical Services	Director: Technical Services is responsible for ensuring that basic services and infrastructure development is delivered timeously to the community. The Technical Services Department has the following functions: • Project Management • Solid Waste • Urban and Rural Roads Maintenance • Cemetery and Parks • Landfill Services • Street Cleaning • Taxi Rank
 Gugu Maphumulo	Director: Corporate Services	Director: Corporate Services is responsible for providing support to other departments within the Municipality in terms of administration and resources. Corporate Services has the following functions: • Human Resources • Administration and Secretariat • Council Support Services

COMPONENT B: INTER- GOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

The Inter-Governmental Relations Framework Act, (Act No 13 of 2005), requires all spheres of government to coordinate, communicate, align and integrate service delivery effectively, to ensure access to services.

In this regard the Municipality complies with the provisions of the Act.

Richmond Municipality strives to uphold its legislative authority and co-operative governance as

required by the Constitution and other relevant legislation. In doing so, the Municipality maintains good co-operative and intergovernmental relations with its district and neighboring municipalities, provincial authority, national government and intergovernmental agencies.

District Intergovernmental Structures

uMgungundlovu District IGR Structures are in existence and functional. The IGR structures are as follows:

Intergovernmental Relations Forum		
Forum	Frequency	Directorate
Premier's Coordinating Forum	Quarterly	Municipal Manager, Finance
MUNIMEC	Quarterly	Municipal Manager
District MMs Forum	Quarterly	Municipal Manager
District Development Model- Technical Hub and Political Hub	Quarterly	Municipal Manager
DDM-Social Cluster	Quarterly	Engineering
Eskom Alignment meetings	Quarterly	Engineering
Coastal Working Group	Quarterly	Planning & Development
DDM – Economic and Infrastructure Cluster	Quarterly	Planning & Development
DDM –Justice, Crime and Social Security Services Cluster	Quarterly	Community Services

COMPONENT C:

PUBLIC ACCOUNTABILITY & PARTICIPATION

■ 2.4 PUBLIC MEETINGS

We consider public meetings as the core in obtaining service infrastructure delivery inputs from the community. Despite the legislative requirement of the Constitution and the Municipal Systems Act, local government would not exist without undertaking community meetings because the Municipality exists for the people who reside in that particular municipal area.

The Council interacts with its stakeholders by means of ward committees, budget and IDP meetings. Public and stakeholder engagements are an ongoing process throughout the year. The Municipality ensures that these meetings are well attended by informing the public and stakeholders on time and in their local languages. This also ensures meaningful and constructive participation.

All documents that are required to be made public in terms of the Municipal Systems Act (MSA) are placed on the municipal website. Public meeting schedules are also placed on the website and are also advertised through local newspapers, posters and loud hailing. Public meetings include Council meetings, ward committee meetings and budget and IDP meetings.

The Municipal Systems Act (as amended) has prompted changes in the way in which the Council plans for the future of the Municipality. It also provides greater scope for communities to make their own choices about what the Council does and how. This legislation requires the Richmond Municipal Council to undertake an exercise, at least once every year, to identify community development priorities. These development priorities are determined with active participation by affected communities. These priorities form the basis for the long-term integrated development plan.

Richmond Municipality Council continues to consult with members of the community, local business community and community organizations to determine the priorities of the people of Richmond. Along with the development priorities of the Council, these priorities were formulated based on the information gathered on social dynamics, service provision and people's perception of the Municipality's strengths, weaknesses, opportunities, and threats.

The IDP Public Participation meetings were successfully conducted in all seven wards.

■ IDP PARTICIPATION & ALIGNMENT

TABLE: IDP IZIMBIZO – TO BE UPDATED

Ward	Date	Venue	Time
1	30/10/2025	KwaMagoda Hall	12h00
2	06/11/2025	Slahla Hall	13h00
3	06/11/2025	Mzinolovu Hall	10h00
4	04/11/2025	Argosy Hall	13h00
5	11/11/2025	Thusong Centre	11h00
6	04/11/2025	Mgxobeleni Hall	10h00
7	30/10/2025	Ndabikhona PS	14h00
Rate Payers	12/11/2025	Sports Complex	13h00

■ 2.5 WARD COMMITTEES

Richmond Municipality uses the Ward Committee system comprehensively to develop the flow of information between the Municipality and community and vice versa. This is to allow public participation in matters of the Municipality such as the IDP and budget and implementation thereof as well as focusing on ward-based needs analyses, project identification and prioritisation. All 70 Ward Committee members were elected.

According to the CoGTA assessment 70% of Ward Committees were functional and the contributing wards being ward 1 and 7 where meetings were held but evidence present showed that some meetings were without date.

To address the challenges the following corrective measures were implemented, establishing standardized documentation guidelines, drafting a tracking system to ensure proper recording of meeting details, and conducting regular audits to verify accuracy.

Training Ward Committee members on the importance of accurate record-keeping and implementing a feedback mechanism to promptly address discrepancies can further improve documentation practices.

COMPONENT D: CORPORATE GOVERNANCE

■ 2.6 RISK MANAGEMENT

Richmond Municipality with regards to Risk Management, has an important function that contributes to the achievement of the Municipality's objective and provides assurance that key risks are being identified and assessed with effective controls that are put in place to mitigate risks. To date, Richmond Municipality has Risk Management Policy, Framework, Fraud Prevention Policy and Plan and Whistle Blowing Policy as tools to assist the Municipality to proactively identify any un- certainties that could prevent it from achieving its objectives or that could impact negatively on the desired level of service delivery.

In the 2025/2026 financial year the Richmond Municipality reviewed the Risk Management Strategy

which was adopted by Council, the document sets the stance of the Municipality with regards to Risk Management. The Municipality has a dedicated person to deal with issues of risk management in compliance with the provisions of the MFMA and the incumbent ensures that the top 10 risks are identified and monitored by the accounting officer on a quarterly basis, in the form of risk management meetings.

The Municipality has functional Risk Management Committee. The Chairperson appointed to chair this committee is an independent member who is not employed by the Municipality.

■ 2.7 INTERNAL AUDIT

The Municipality has a fully-fledged in-house internal audit unit. The unit provides independent and objective internal audit services that are designed to add value and improve the Municipality's operations.

The internal audit unit operates in terms of the internal audit charter that has been approved by the Municipality's Performance and Audit Committee as well as a risk-based plan that is also approved by the Performance and Audit Committee.

In the 2025/2026 financial year the internal audit strengthened the internal controls through its recommendations to management in the following areas:

- UIFW Investigation;
- Annual Financial Statements Review;
- Annual Performance Report Review;
- Performance Management Quarterly Reviews;
- Records Management;
- Security Management;
- Internal Control Quarterly Reviews;
- Annual Report Review;
- Traffic Fines Processing;
- ICT General Controls; and
- Compliance.

■ 2.8 ANTI – CORRUPTION & FRAUD

The Municipality is committed to a corruption and fraud free environment. The municipality has developed the Fraud Prevention Plan and Policy to guide the municipality on matters pertaining to fraud, the development of these two documents is an illustration that the municipality does not tolerate fraudulent or corrupt activities whether internal or external to the municipality. The Internal Audit Activity assisted in communicating the policy and workshops were conducted.

The Municipality is committed to fighting any form of fraud and corruption and should any information suggesting that there is fraud and corruption; such matter must be brought to the attention of the Municipality.

Alternatively, people with such information can call using **national Fraud hotline 0800701701**.



■ 2.9 SUPPLY CHAIN MANAGEMENT

The Municipality has a Supply Chain Management Unit, that falls within the Budget and Treasury Office. The unit is responsible for the procurement of goods and services in terms of the Municipal Finance Management Act, (No 56 of 2003) which includes the Supply Chain Management Policy and Regulations that ensures goods and services are procured in a manner which is transparent, competitive, equitable, cost effective and fair, the SCM Policy which is reviewed on a regular basis.

Regular meetings of all Bid Committees are managed by this unit. The maintenance of supplier's database and compliance with all relevant legislation forms an integral part of this unit.

Staff members serve on the various bid committees in terms of proper delegations and are

appointed in terms of legislation. The bid committees function well. All members of the Bid Specification, Bid Evaluation and Bid Adjudication Committees are delegated in writing by the Municipal Manager to serve on these respective committees. These delegations are accepted in writing and record thereof is available.

The municipality is striving to empower local businesses and cooperatives to improve our Local Economic Development. The suppliers are rotated in terms of the National Treasury regulations to ensure that everyone is getting equal chance however there are challenges since most of our local businesses are not well established and therefore cannot supply or provide certain goods or services.

■ 2.10 BY – LAWS

The by-laws of Richmond Municipality provide a step-by-step process for the formulation of new by-laws or amendment of existing by-laws. Draft or reviewed by-laws are considered by the relevant decision-making structures once these have met the requirements.

A draft version of the by-law is submitted to the Portfolio Committees for discussion and referred for public participation. These are presented to the public via the Ward Committees, which provide a forum for written, oral and/or electronic feedback.

Once this is complete, they return to the portfolio committee for further refinement and are then sent on to Council's Executive Committee (EXCO) for debate and possible amendment.

After they have been considered by EXCO, it is necessary to ascertain whether they comply with the constitutional requirement for the publication of by-laws for public comment. Once this is established, they are recommended to Council for approval. These By-Laws are then gazetted and published in the newspaper and municipal website.

Copies of Municipal by-laws are available to the members of the public and other stakeholders on request.

RICHMOND MUNICIPALITY BY-LAWS PUBLISHED IN AN EXTRA-ORDINARY PROVINCIAL GAZETTE OF KWA-ZULU NATAL ON 1 NOVEMBER 2010 GAZETTE NO. 516

No.	MUNICIPAL NOTICES	Pg.
108	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Pollution Control By-laws	3
109	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Parking Grounds By-laws	18
110	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to the Keeping of Dogs	30
111	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Street Trading By-laws	34
112	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to the Removal of Refuse	43
113	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Cemetery By-laws	51
114	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Public Road and Miscellaneous By-laws	66
115	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Encroachment on Property By-laws	77
116	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Waste Management By-laws	85
117	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Advertising Signage By-laws	119
118	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Funeral Undertakers By-laws	135
119	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Pound By-laws	146
120	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws for the Hire and Use of Community, Arts and Cultural Facilities	150
121	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Credit Management and Debt Collection By-laws	164
122	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Credit Management By-laws	196
123	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Public Health By-laws	209
124	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to Public Meetings and Gatherings, Processions and the Like	270
125	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Library and Information Services By-laws	274
126	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Public Spaces By-laws	290
127	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to Nuisances	310

2.11 WEBSITES

Richmond Municipality has a website with a web address www.richmond.gov.za. It is a requirement of the Municipality Finance Management Act that each Municipality establishes its own website where crucial information will be publicized to be accessed by different stakeholders for their different needs. Information published on the website includes but is not limited to the following: Annual Reports, Budgets, Service Delivery and Budget Implementation Plans (SDBIP), Municipal Services, MFMA Reports, Policies, Advertised Tenders, Employment Opportunities, Integrated Development Plans and any other information as prescribed by different local government legislations. Richmond Municipality remains committed to technological advancements and to introducing a number of online facilities to enable citizens to transact with it electronically.

Information Technology services are rendered to all departments to ensure efficiency in communication internally and externally. The systems and equipment are reviewed regularly to ensure that the Municipality utilizes the latest technology within financial means.

The municipal website contains information about the Municipality, the IDP, budgets, financial statements, audit reports, capital projects and other matters thereby providing the community with access to this information. The web site is updated regularly.

Documents published on the Municipality's Website	Yes/No
Current Annual and Adjustment Budgets and all budget related documents	Yes
All current budget related policies	Yes
The previous Annual Report	Yes
The current Annual Report	Yes
All current performance agreements required in terms of section 57 (1)(b) of the Municipal Systems Act and resulting score cards	Yes
All service delivery agreements	Yes
All long-term borrowing contracts	N/A
All supply chain management contracts above a prescribed value	Yes
All information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4)	Yes
Contracts agreed in current year which sub section (1) of section 33 apply, subject to subsection (3) of that section	N/A
Public-private partnerships agreements referred to in section 120 made in current year	N/A
All quarterly reports tabled in the Council in terms of section 52 (d) during the year	Yes

■ 2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The aim of the Richmond Municipality Public Satisfaction Survey was to assess the current living conditions of the respondents of Richmond and thus to interpret the holistic view of these conditions. Another aim of the survey was to evaluate the service quality of the municipality and gain an understanding of the perceptions of the respondents in light of the municipal services being provided by the municipality. Since Richmond was grouped naturally by 7 wards, these 7 wards served as strata.

The community of Richmond continues to experience a lot of changes when it comes to Municipal service delivery and Izimbizo for the community.

All of the developments that took place in Richmond were in line with the inputs and contributions from the community. The communication department always make sure that the community is aware and participate in the affairs of the Municipality in line with the provisions of the Constitution of South Africa. The Municipality has put up suggestions' boxes in all wards where members of the public can voice their satisfaction regarding the service of the Municipality. The suggestion boxes are cleared up on a regular basis and complains referred to the relevant departments. It is the policy of the Municipality to respond to issues within reasonable time.



The municipality conducted on the satisfaction of community with regards to municipal services. The results were as follows:

Satisfaction Surveys Undertaken during June 2025				
Subject matter of survey	Survey method	Survey date	No of people included in survey	Survey results indicating average, excellent or poor (%) *
Overall satisfaction with:				
(a) Municipality	written form	07-June 2026	50	Good 55%
(b) Municipal Service Delivery	written form	07-June 2026	50	Poor 40%
(c) Mayor	written form	07-June 2026	50	Good 57%
(d) Deputy Mayor	written form	07-June 2026	50	Good 55%
Satisfaction with:				
(a) Refuse Collection	written form	07-June 2026	50	Average 50%
(b) Road Maintenance	written form	07-June 2026	50	Poor 46%
(c) Electricity Supply	written form	07-June 2026	50	Poor 40%
(d) Water Supply	written form	07-June 2026	50	Poor 35%
(e) Sanitation	written form	07-June 2026	50	Good 59%
(f) Information supplied by municipality to the public	written form	07-June 2026	50	Good 58%
(g) Opportunities for consultation on municipal affairs	written form	07-June 2026	50	Poor 44%

■ 2.13 ALL MUNICIPAL OVERSIGHT COMMITTEES

Richmond Municipality has two other committees which support the effective functioning of the Council. The table below shows the two different committees and their chairpersons:

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)	
Cllr V Maphumulo (ANC)	MPAC Chairperson
Cllr FZ Zondi (ANC)	MPAC Member
Cllr ST Mkhize (ANC)	MPAC Member
Cllr L Ngubo (ANC)	MPAC Member
Cllr SL Latha (Independent)	MPAC Member

PERFORMANCE AND AUDIT COMMITTEE (PAC)	
PL Buthelezi	PAC Chairperson
N Ticka - Ragunanan	MPAC Member
NT Msane	PAC Member
MJ Litile	PAC Member



CHAPTER 3:

**SERVICE DELIVERY
PERFORMANCE
(PERFORMANCE REPORT
PART I)**

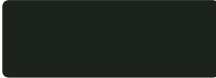
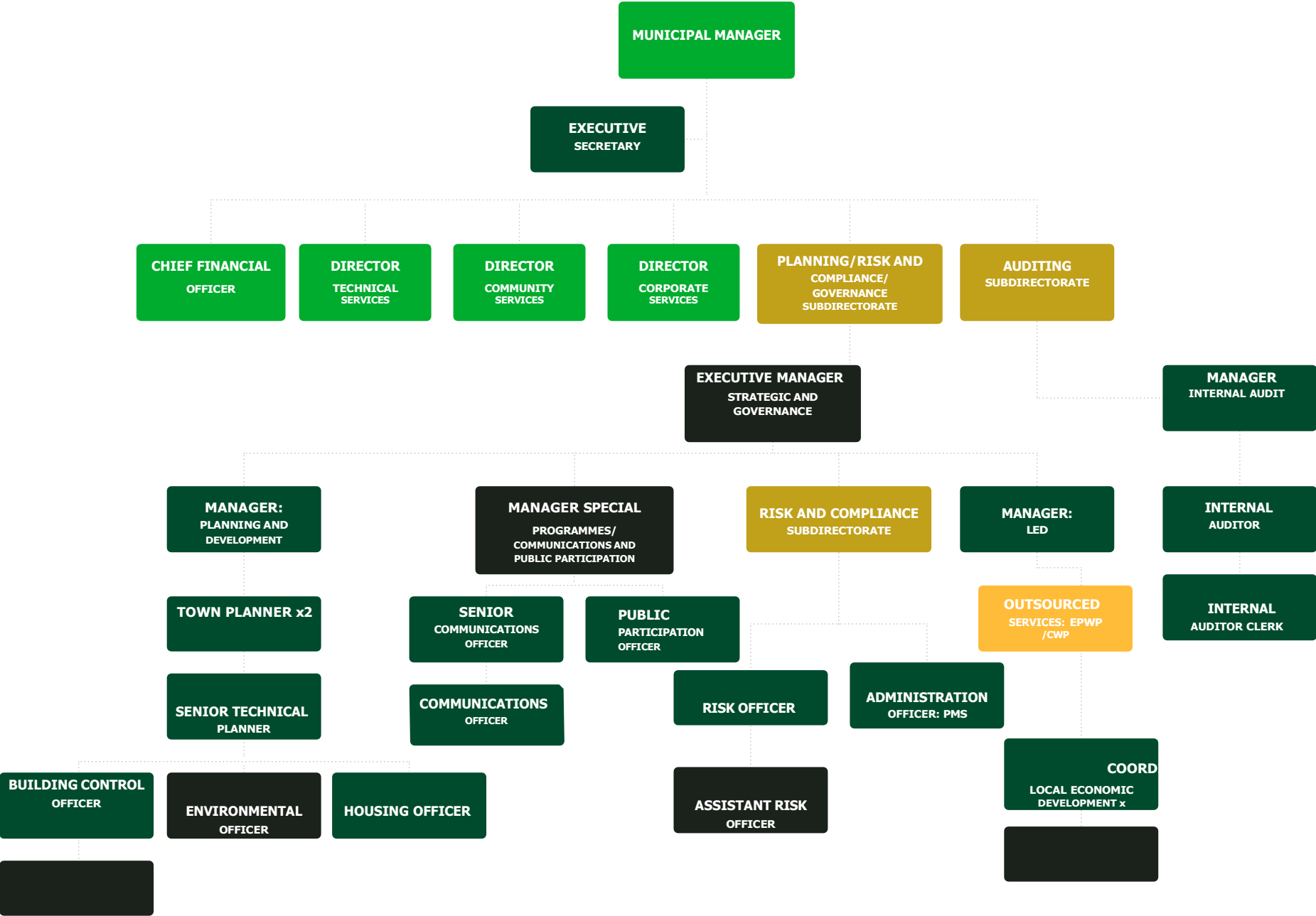
FOCUS ON SERVICE DELIVERY

■ 3.1 MUNICIPAL MANAGER'S DEPARTMENT

The Municipal Manager's department consists of governance structures like internal audit, risk management, performance management, communication as well as public participation. Service delivery units within the Municipal Manager's department are mainly the Local Economic Development (LED) unit as well as Planning and Development.

Development planning is discussed in detail in 3.2 of this document and governance structure are discussed in detail in Chapter 2 of this document.





The focus will then be on the Local Economic Development unit. For the 2025/2026 financial year, the LED unit achieved the following targets:

Local Economic Development

Local economic development can be defined as a participatory process where the local role-players interact to develop, grow, and strengthen the local economy. It is about creating a conducive environment for all businesses based in that local area.

The main economic sectors in Richmond are Agriculture and agricultural land potential, Tourism, Manufacturing and Informal Economy. Below are all LED departmental activities for the year under review.

1

Agriculture

Agri-Forum

The LED unit now has a functional Agri-forum, which meets on a quarterly basis to address all agricultural-related issues. The forum is well represented as it is attended by commercial farmers, small-scale farmers, and sector departments (Department of Agriculture and Rural Development).

Farmers Information Day

As part of supporting small businesses in the agricultural sector and other economic sectors, LED hosted an informative session to assist small, medium and micro enterprises (SMMES) that gave them knowledge and support for their businesses. The programme was hosted successfully and was attended by local farmers and SMMES in all sectors. The event also attracted local artists who came to market their talent.

2

SMME Incubation Centre

The overall aim of the project is to provide an enabling and conducive environment for rejuvenation of the economy of Richmond Municipality through the development of the Small Business Incubation Centre in order to give support to small businesses.

- Provision of Business Linkages as well as an interactive information centre
- Provision of administrative services to all local businesses
- Market of local crafters (display craft work).

- Leasing out of office space to SMMEs
- Provision of comprehensive support to SMME's and co-operatives to ensure that the enterprises are fully supported and receive the required training and mentorship (BB-BEE Certificates, CIDB, SEDA, CSD, etc.)

The incubation centre continues to assist businesses with formulation of business plans, training requirements, linking small scale farmers with market opportunities etc.

3

Accredited Capacity Building Training

Richmond Municipality-LED Unit is offering training on an annual basis that is accredited. The purpose of these trainings is to help SMMES as part of capacity building. The trainings offered were based on a training needs analysis that is filled out by walk-in clients daily. Once participants completed training, where possible, the LED Unit linked them with institutions that would assist with practical work.

The purpose of the accredited training is for all entrepreneurs to acquire the knowledge and skills needed in their businesses.

Trainings are also done in partnership with other government institutes. Training provided by the LED unit and SANRAL has been done to develop businesses that are in the construction industry to upskill.

Richmond municipality, all wards had to submit company documents to participate in the training programme. Training applications are ongoing.

4

LED & Tourism Strategy

The LED and Tourism Strategy has been developed and adopted by the council. The strategy has a strong focus on the development of R56 as an economic route and is in line with the municipal 2042 vision. The strategy emphasises the need to develop land pockets along R56 to have a truck stop with a petrol station, development of a shopping centre, establishment of a livestock auction facility and installation of solar streetlights along entrances of Richmond, within the CBD and Indaleni for economic development. There are other projects which are in the pipeline and require a prolonged effort between the local municipality, provincial government, national government and private sector to commit to assisting the municipality reach its 2042 goal.

1.1 Initiate Recycling project- the aim is to have cooperatives which will be involved in recycling, and the municipality should source funding for their starting operations and later source for recycling machines which will be placed at the landfill site.

1.2 Develop an agri-processing programme- create a value chain of activities to sustain the local economy and interact with local formal businesses such as Boxer, Spar, Shoprite and Evergreen market, regarding developing some form of a working synergy with the local farmers/cooperatives.

1.3 Development of manufacturing firm- currently in Richmond, we have a group of young people who are involved in dress making and shoe making. These young people can formalise and establish a local firm. Local schools are a potential market for the proposed initiative or sector. It will be vital to get an agreement with the local schools regarding making or sewing uniforms, tracksuits and T-shirts for pupils.

1.4 Furniture-making projects- a similar principle can be used, as many pupils have been provided training through the LED Unit, and negotiations could be carried out with local shops to buy their products and eventually be able to sustain and have their own businesses.

1.5 Informal sector facilities- Facilities to host business support services, information/training centres which are linked to the SMME Support and Development centre and an integral part of it and creation of more trading space-trading stalls, especially in CBD, Ward 5 (Nhlazuka Thusong Centre) and Ward 4, Hopewell.



5

Tourism

The municipality has re-established the Community Tourism Organisation (CTO). The tourism sector is privately driven, and the municipality plays a facilitation role to ensure that tourism needs are catered for and well taken care of. The CTO is still at a growing stage; however, it has managed to make inputs to the LED and Tourism Strategy and has managed to represent Richmond LM at district structures such as MCTOF and has been registered with the Department of Economic Development, Tourism, and Environmental Affairs.

LED hosted a craft show where all crafters showcased their work as part of an awareness and exhibition.

The CTO has identified three tourism routes in Richmond with tourism products, namely, R56, UMKHO route and Sakabula circuit. The Sakabula circuit tour was conducted in August 2022, the aim was to discover Tourism establishments along the route.



SAKABULA CIRCUIT TOUR



6

Community Ward Engagements Sessions

The LED unit partnered with municipal departments together with extended stakeholders such as the department of EDTEA, NYDA, UMDM Fire, Ward councillors and held awareness sessions with communities of ward 1, 2, 3, 4, 5, 6 and 7.

The purpose of the awareness sessions was to inform the community of the activities conducted by various departments within the municipality and other stakeholders especially youth in businesses to gain information on how and where funding can be sourced.



7

LED Forum

The LED Forum has remained functional and held its meetings as scheduled, convening four times during the review period. This regular engagement has been crucial for fostering collaboration on local economic development within Richmond. A functional forum is particularly important as it serves as a vital platform for various stakeholders, including municipal leaders and business representatives, to address challenges, share resources, and align on strategies for economic growth.

For the municipality, the forum facilitates better-informed decision-making, while for the business community, it provides opportunities for networking, investment, and creating a more favourable business environment. The forum's continued activity strengthens the municipality's economic development efforts and supports a thriving business ecosystem in Richmond.

8

Business Inspections Conducted

In pioneering initiatives to bolster public safety, the LED Unit has forged a dynamic partnership with the municipal security and disaster unit, uMgungundlovu District Municipality inspectors, and Health Officials. Together, they conduct comprehensive inspections of both informal and formal businesses, ensuring strict adherence to municipal bylaws and Department of Health regulations. This collaborative effort aims to create safer environments for businesses and the community at large by addressing various aspects of safety and regulations.

This initiative not only illuminates areas for improvement but also sets a precedent for comprehensive and community-focused governance.

The joint inspections cover a broad spectrum of parameters, including lighting compliance, overall business conduct, and adherence to health regulations. By addressing these aspects collectively, the initiative seeks to enhance overall safety, promote responsible business practices, and ensure the well-being of the community.





9

Handover of Equipment to SMMES

In a significant move towards empowering Small, Medium, and Micro Enterprises (SMMES), the Municipality orchestrated a momentous equipment handover ceremony. Chaired by Mayor Councillor MK Ngongo, the event was attended by esteemed ward councillors and key figures from municipal management. This collaborative initiative represents a dedicated effort to bolster local businesses and stimulate economic growth.

The primary objective of this collaboration is to provide essential equipment to local SMMES, ensuring they have the tools necessary to thrive in their respective industries. This initiative aligns with the municipality's commitment to fostering economic development and supporting local entrepreneurship. Mayor Councillor MK Ngongo delivered an inspiring address, emphasising the municipality's dedication to supporting local businesses and the role of SMMES in driving economic progress.

The handover ceremony featured a showcase of the equipment provided, ranging from machinery to tools, tailored to meet the diverse needs of local SMMES and as per requests received from SMMES.

The equipment handover is expected to have a transformative impact on local SMMES, empowering them to enhance productivity, expand operations, and contribute to the overall economic vibrancy of the town.

This initiative is a testament to the belief that investing in local businesses is a strategic investment in community prosperity.

The ceremony concluded with a commitment from the Municipality to explore further collaborations and initiatives aimed at supporting SMMES. This seeks to create an environment conducive to sustained growth and success for local entrepreneurs.





INTRODUCTION TO DEVELOPMENT & PLANNING

■ 3.2 DEVELOPMENT PLANNING

Development and Planning function at the Municipality includes Land Use Management, Spatial Development Planning, GIS, IDP, Building Control and the Housing unit. The Municipality is experiencing a lack of human resources to perform its legislative requirements for GIS. Some of these functions (GIS) are performed on a basic level, and the municipality is supported by the uMgungundlovu District Municipality.

This unit is under the Office of the Municipal Manager and is involved with the developmental duties of municipalities, as outlined in section 153 of the Constitution, including to 'give priority to the basic needs of the community, and to promote the social and economic development of the community' and 'participate in national and provincial development programmes'. The unit's strategic and operational service delivery objectives include the following:

STRATEGIC

- Dynamically lead in shaping the Municipality's short- and long-term growth and development to ensure improved quality of life;
- Mainstream the Municipality's Economic Development Strategy, and ensure alignment with both internal and external plans and partners;
- Develop a 'green economy' policy and framework to ensure that the Municipality optimises economic growth and job creation;
- Ensure that the Municipality's unique economic and social asset – its natural environment – is protected, integrated and optimised within the urban landscape.

OPERATIONAL

Deliver efficient and effective service to the developers and property owners of Richmond, reducing approval turnaround time for land use management applications and building development.

Improve the Municipality's building development and land use regulation functions, and drive coordinated and integrated environmental enforcement;

Lead law reform planning processes by implementing and continuously reviewing the new Richmond Zoning Scheme and drafting the planning bylaw;

Improve environmental compliance with relevant environmental legislation, using best practice environmental technologies and processes; and

Formulate the Municipality's Integrated Development Plan (IDP)

The Integrated Development Plan (IDP) is regarded as the principal strategic planning instrument which guides and informs all planning and development, and all decisions about planning, management and development, in the Municipality. The approach to strategic planning that involves the entire municipality and its citizens is to find the best solution to achieve good long-term development. It aims to coordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area, and should consider the existing conditions and resources available for development.

The Richmond Municipality is responsible for drafting the IDP Process Plan, which is aligned with the UMDM Framework Plan. The framework with the IDP/Budget process plan was approved by the Council. Quarterly public interaction was experienced at IDP engagements, e.g. izimbizo and representative forums.

SMART MUNICIPALITY

Working together with the Department of Economic Development and Environmental Affairs, the municipality has taken a resolution to become a smart municipality and has established a Smart Municipality Committee, which is composed of stakeholders from: Planning & Development, Technical Services, Human Settlements, ICT, Safety and GIS.

The Smart City/ Municipality concept can be defined as the use of Smart Computing technologies to make the critical infrastructure components and services of a city, which include: city administration; education; healthcare; public safety; real estate; transportation; and utilities, to be more intelligent, interconnected, and efficient.

LAND INVASION

Land invasions continue to be problematic for the municipality. This is more especially in areas outside of Richmond town, such as the Greater Indaleni area. However, the municipal staff together with municipal councillors, ward committees and the community, are working together to mitigate the issue more especially through public awareness campaigns.

Detail	SPLUMA Applications	Building Plan Applications
	2025/2026	2025/2026
Planning application received	6	18
Determination made in the year of receipt	1	5
Determination made in the following year	1	13
Applications withdrawn	0	0
Applications outstanding at year-end	4	13

CEMETORIES & CREMATORIIUMS

Richmond Municipality manages, administers and develops Cemeteries. Plans and implements the development of new cemeteries. Prepares burial sites for burial. Manage the pauper burials within the municipal district. Maintains the cemeteries by cutting grass. Enforces the cemeteries' bylaws. There are two formal municipal cemeteries in Ward One and other communal cemeteries in all wards, which are not controlled by the Municipality.

■ 3.3 TECHNICAL & INFRASTRUCTURE SERVICES

WATER SERVICES

Water is provided by uMgungundlovu District Municipality as a water service authority (WSA) in the Richmond area of jurisdiction.

Almost 70% - 80% of areas within Richmond Municipality have access to clean water.

WATER SERVICES (SANITATION)

UMGUNGUNDLOVU District Municipality has a contingency plan of water trucks to deliver portable water to the community. A bulk pipeline from PMB to Richmond has been constructed in order to close the gap of possible shortage of water in Richmond.

The above report touches all the wards of Richmond Municipality. There are few sections within these wards which have not benefited from the toilet projects however these areas are currently on the IDP of uMgungundlovu District since sanitation is a project of the district in terms of the Municipal Structures Act and will be rolled out as soon as funding has been sourced.



ELECTRICITY

The Department of Mineral Resources and Renewable Energy (DMRE) had under the INEP program transferred a total amount of R 17 350 000.00 to Richmond Local Municipality for the Electrification Project for the 2025/2026 financial year.

The Department of Mineral Resources and Renewable Energy approved the application for an amount of R17 350 000.00 to implement the following projects under Electrification programme

TO BE UPDATED.

PROJECT NAME	NUMBER OF PLANNED CONNECTION	PROJECT COST	STATUS
TOTAL ALLOCATION			

According to information from Statistics South Africa from 2011 census data, Richmond is 80% electrified. The municipality depends on grants to electrify the areas which currently do not have access to electricity.

WASTE MANAGEMENT, REFUSE COLLECTION, WASTE DISPOSAL & STREET CLEANING SERVICES

ACCESS TO VARIOUS TYPES OF REFUSE REMOVAL

Description of Refuse Removals	No of Households	Percentage %
Unspecified / other	259	1.80%
Removed by local authority at least once a week	1582	11.10%
Removed by local authority less often	129	0.90%
Communal refuse dump	425	3.00%
Own refuse dump	11051	77.50%
No rubbish disposal	817	5.70%
Total	14263	100%

SOURCE: QUANTEC EASY DATA 2010

The following table presents the types of refuse removal by population groups in the Richmond Municipality.

ACCESS TO REFUSE REMOVAL BY POPULATION GROUPS

Description of Refuse Removals	Blacks	Coloureds	Asians	Whites
Unspecified / other	1.90%	0.20%	0.10%	1.50%
Removed by local authority at least once a week	7.70%	72.80%	84.40%	20.10%
Removed by local authority less often	0.60%	0.00%	1.00%	7.20%
Communal refuse dump	2.70%	6.40%	6.60%	5.80%
Own refuse dump	81.10%	20.60%	7.40%	59.70%
No rubbish disposal	6.00%	0.00%	0.50%	5.70%
Total	100.00%	100.00%	100.00%	100.00%

SOURCE: QUANTEC EASY DATA 2010

Refuse removal takes place in formalised areas like Byrne Village, Siyathuthuka Low-cost Houses, Richmond CBD and the Residential area within the village. Street cleaning takes place in the CBD only. The Municipality currently has a refuse truck which services the residential areas and businesses. The Skipper truck is used to service the rural areas with a total of twenty (21) Skipper bins. The Municipality intends to expand the service to all the rural areas and add more Skipper bins in the following financial years.

HOUSING PROJECTS

Provision of housing in Richmond is a function and responsibility of the KwaZulu-Natal Department of Human Settlements. The Department and the Municipality currently have one MOA in place with the Department of Human Settlements to facilitate the provision of housing within the Municipality's area of jurisdiction. The MOA was for the Argosy Rehabilitation housing projects.

The following project was approved for the 2025/2026 financial year:

PROJECT	NO. OF BENEFICIARIES	LOCATION	PROJECT DESCRIPTION	STATUS
Argosy Rehabilitation	396	Argosy Farm Ward 4	In-situ upgrade	Construction stage

PROJECTS IN PLANNING STAGE

PROJECTS IN PLANNING	WARD	YIELD	PREVIOUS PROGRESS	PROGRESS TO DATE
KwaMagoda	01	1000	HDA (Housing Development Agency) compiled a report of a pre-feasibility study, which concluded that some land parcels are not suitable for a housing project due to environmental constraints such as wetlands and very steep slopes. HDA to do land audits, land verification, land claims and disputes.	Richmond to request a letter from landowners stating they are willing to sell their land parcels so that housing developments can take place

PROJECTS IN PLANNING	WARD	YIELD	PREVIOUS PROGRESS	PROGRESS TO DATE
Hopewell	03	1000	HDA (Housing Development Agency) compiled a report of a pre-feasibility study, which concluded that some land parcels are not suitable for a housing project due to environmental constraints such as wetlands and very steep slopes HDA to do land audits, land verification, land claims and disputes	A beneficiary list of locals residing in Hopewell was created after HDA had advised that we have one for feasibility study purposes. Landowners have written a letter to Richmond Municipality stating they are willing to sell the land occupied by locals so housing developments can be established. The municipality has sent an application to the Department of Human Settlements for assistance to purchase the land for a proposed housing project.
Bhongoza Slump & Umkhuzana	01	200	Bageso consultants and Gudluza have completed their study of informal upgrading plans for both settlements. The municipality sent a letter to the Department to request that interim basic services be implemented in the new site rather than where they are currently residing, and transit camps be erected. The Department is currently working on the submission made by the Municipality, looking into existing services; thereafter, it will be taken to the board for approval.	The relocation to the commonage 5319 site appointed by the Municipality was approved by the Department. A community agreement was signed by locals in July regarding the relocation. All locals are willing to move to a proper structure, and they understand that no developments are implemented on private land The project is approved for stage 1 (Planning), the Department requested a Council resolution and MM's signing authority to draw up a tripartite agreement for the appointment of an implementing agent to execute planning work. Seed Consulting is appointed to execute detailed planning.

PROJECTS IN PLANNING	WARD	YIELD	PREVIOUS PROGRESS	PROGRESS TO DATE
St Bernard & Amundus Projects	05	400	The Land Affairs Director requested two letters from the church before assigning surveyors. A letter for resubdivision and a letter of intention to donate. Unfortunately, the church hasn't been able to provide these letters due to internal issues.	The Church submitted the required letters to the Land Affairs. Awaiting feedback from Land Affairs
Gengeshe	06	500	The Department requested letters from the CPA (community property association). The letter has been sent, waiting for feedback from the planning board	The project is approved for stage 1(Planning) by the Department of Human Settlements. They have requested a Council resolution and MM's signing authority to draw up a tripartite agreement. Iqhina Consulting is appointed to execute detailed planning.
uMzinolovu	01	500	The Department requested letters from the CPA (community property association) the letter has been sent, waiting for feedback from the planning board	The project is recommended by the Department, they are still waiting for SCM processes to be finalized.



FREE BASIC SERVICES AND INDIGENT SUPPORT – ADDING VALUE THROUGH FREE BASIC SERVICES

Richmond Municipality continues to provide free basic services, such as refuse removal, Electricity, and rate assistance, to its citizens. The allocation of these free basic services is determined using either the municipal value of the property or on application by those with limited income whose property values exceed the set valuation levels.

The valuation method is preferred, as it helps to prevent the creation of a bloated and costly administration to deal with a large number of applications that would likely be received if a purely application-based process were followed. Instead, the valuation system allows the Municipality to aid those residents assumed to be in need. While it is likely that some households that receive the benefit may fall outside the qualifying criteria, this approach is still the most practical for the Municipality. A further benefit of the valuation-based approach is that it provides certainty in terms of budgets and reduces the risk of fraud and the costs involved in preventing it.

The benefits vary based on the valuation of the properties at R50,000 or below, and the recipients are all households who stay in the low-cost houses and those that stay in Ingonyama Trust land.

Residents whose property values are too high for them to automatically qualify for the free services are also entitled to apply for these services, provided their gross monthly household income is R1,300 or less. The application process involves registering as indigent. Once approved, these households receive the same benefits as if their property values were below R50,000. To date, 456 residents have registered via this process. This relatively low number demonstrates that the valuation-driven measures are effective in reaching the less-fortunate residents at whom they are targeted.

ROADS & OTHER INFRASTRUCTURE

The Department of Cooperative Governance and Traditional Affairs (Cogta) had allocated the municipality an amount of R20 398 052.66 on the Municipal Infrastructure Grant (MIG) to be received by the Richmond Local Municipality to implement infrastructure projects. Furthermore, the Department of Mineral Resources and Renewable Energy (DMRE) had, under the INEP program, transferred a total amount of R 3 105 024.00 to Richmond Local Municipality for Electrification Projects for the 2025/2026 financial year.

As per the Division of Revenue Act (DRA), the Treasury gazetted R20 398 052.66 for the Richmond Local Municipality under MIG Grant funding for the implementation of infrastructure projects within the municipality.

During the 2025/2026 financial year, the Technical Services department submitted an implementation plan for the following projects to be implemented:

TO BE UPDATED.

No.	PROJECT	DESCRIPTION	BUDGET	STATUS
1.	MIG PROJECTS: Upgrading of Stormwater and roads in ward 7 Khetho to Mjintini	Construction of stormwater and tar road	R 16 871 796	Practically Completed
2.	MIG PROJECTS: Upgrading of Greater Indaleni Passages: Upgrading of Slahla Access Road to Blacktop Surface in Ward 2	Upgrading of Upgrading of Slahla Access Road to Blacktop	R 3 526 256,66	Practically Completed
3.	MIG PROJECTS: Rehabilitation of Nelson Street Stall	Construction of Street Stalls	R 2 800 000,00	Completed

ROADS

The National, Provincial and District collector roads fall under the Department of Transport, known as N roads, P roads and D roads, and Richmond Municipality is responsible for urban roads and rural access roads within the Municipal area. The Municipality is responsible for the planning, construction and rehabilitation of urban road networks and the gravel road network.

The Technical Services Department is responsible for the planning, construction and routine maintenance (rehabilitation) of all tarred and gravelled roads in the municipal area. The main strategic objective is to provide road infrastructure services to the community of Richmond.





GRAVEL ROADS INFRASTRUCTURE

Gravel access roads are continuously maintained with the Grader programme. The Municipality assists the communities by grading gravel roads which are damaged due to inclement weather conditions. During the year under review, the Province of KwaZulu-Natal was hit hard by heavy rainfall, resulting in flooding that left parts of the province with severe damage, and Richmond Municipality was part of those local areas that were hit hard by the floods, causing huge damage to the road infrastructure.

■ 3.4 PUBLIC SAFETY & EMERGENCY

TRAFFIC POLICE

Richmond Municipality has several programs aimed at promoting compliance with the Road Safety Act. Hereunder are some of the programs:

- **Road Safety Awareness Campaign targeting schools.**
- **Road blocks, especially during the festive season and Easter holidays.**

These programs are aimed at dealing with drunk driving, overload, vehicle fitness and so on.







Community Policing Forum

Richmond Municipality has a functional community forum. The forum meets once a month. The forum aims to address crime issues in the area of the Municipality. Stakeholders who are part of the forum are:

- **South African Police Services (SAPS)**
- **Municipal Traffic Police**
- **Councillors**
- **Non-Governmental Organisations**
- **Ward Committee Members**

DISASTER MANAGEMENT & ANIMAL CONTROL

Disaster Management falls under the Disaster Management Act 57 of 2002. The Act requires an integrated and effective response to disasters. Disaster Management aims to reduce the risk of disasters, mitigate the severity of disasters, plan and prepare for emerging crises, events or disasters, respond rapidly and effectively to disasters and implement post-disaster recovery and rehabilitation by monitoring, integrating, and coordinating the disaster risk management activities of all role-players. The overall implementation of Disaster Risk management initiatives is a shared responsibility of all employees, departments, relevant external role-players and the participation of the community. Richmond Municipality has a fully fledged disaster management unit which is now covering Richmond and its surroundings.

During the 2025/2026 financial year, the Municipality recorded a total of 52 incidents. The majority of incidents were caused by Structural Fire (29), heavy rainfall (18), strong winds (04) and hailstorm (1). The incidents affected 96 households and a population of approximately 640 people. A total of 01 fatality and 04 injuries were also reported, resulting from these incidents. The following emergency relief material was issued to affected households: 461 blankets, 96 food parcels, 115 rolls of plastic sheeting and 219 mattresses/sponges.

SUMMATIVE INCIDENT STATISTICS – TO BE UPDATED	
Incidents	52
Households Affected	96
Partially Damaged Houses	78
Damaged Houses	33
People Affected	640
Homeless	06
Fatalities	01
Injuries	04





■ 3.5 COMMUNITY & SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The community and social services that the Richmond Municipality provides, is managed by the directorate of Community Services and the department is responsible for the following functions:

- Community Facilities
- Library Services
- Protection Services
- Disaster Management
- Traffic Services
- Learners Centre
- Motor Licensing
- Youth Services
- Gender and Disability

COMMUNITY FACILITIES

Community facilities consist of municipal halls and sports fields. There are eleven (15) halls owned and controlled by the Municipality in all seven (7) wards.

There are four (4) halls in ward one (1), which are:

- **The Memorial Hall;**
- **The Agricultural Hall;**
- **Magoda Hall and;**
- **Richmond Sports Complex**

There are two (2) halls in ward two, which are:

- **Slahla Hall; and**
- **Siyathuthuka hall**

There are two (2) halls in ward three, which are:

- **Ntsongeni**
- **Mzinolovu**

There are four (4) halls in ward five (1), which are:

- **Nkumane Hall;**
- **Thusong Centre;**
- **Malizayo Hall; and**
- **Mpofana**

There are three (3) halls in Ward Six, which are:

- **Smozomeni hall;**
- **Phatheni Hall; and**
- **Mgxobeleni hall**

Ward seven (7) has no community hall, and there are sports fields located in wards one, two, three, five and six.

YOUTH DEVELOPMENT

To facilitate and coordinate the strengthening of youth issues within Richmond to have empowered young people who can realise their full potential to make a meaningful contribution to the development of South Africa. The Municipality embarked on the following programmes:

- Awareness (Events)
- Job readiness
- Career expos

DEPARTMENT OF HEALTH

The Department of Health provides health services in Richmond. The following health facilities are found in the Municipal area:

- **Richmond Hospital**
- **Provincial clinics in Richmond, Ndaleni, Phatheni and Mbuthisweni**
- **Private Clinic in Nkumane**
- **Six mobile clinic ports**

SPORTS, ARTS & CULTURE

The geographic spread of sports facilities within the Richmond Municipality indicates that the majority of areas have access to sports facilities. Sports fields are found at Hopewell, Argosy Farm, Ndaleni, KwaGengeshe, Mzinolovu, Phatheni, Richmond Village and Nhlazuka.

On top of the above, Richmond Municipality has been involved in several cultural and sporting activities. The most critical event that the Municipality has participated in since then is the SALGA Games. These games aspire to promote sound inter-Municipalities relationships and social cohesion between the Municipalities by using sport as a vehicle to forge sustainable partnerships and further strengthen existing relations.

Richmond Municipality works hand in hand with the Sports Federations and local SAFA to promote/ develop the following sports codes:

- **Male/Female soccer**
- **Male/Female Netball**
- **Indigenous Games**
- **Chess**
- **Athletics**

Mayoral Cup Competition – TO BE UPDATED

During the month of August 2025, the Municipality hosted ward selections and Mayoral Cup, involving participation from all wards within the municipal area. The programme formed part of the Municipality's ongoing commitment to promoting sports development, social cohesion, youth empowerment, and healthy lifestyles across communities.

The ward selections served as a platform to identify local sporting talent, while the Mayoral Cup provided competitive opportunities for teams to showcase skills at municipal level and selection of the municipal squads to participate in the district Mayoral Cup games. The sporting codes that participated included soccer, netball, athletics, chess, and indigenous games (IGs). Participation was inclusive, with both male and female teams and individuals competing across the various sporting disciplines.

The event was well coordinated and received positive support from communities, ward structures, and sporting stakeholders. Through this initiative, the Municipality strengthened community participation in sport and recreation, encouraged inter-ward interaction, and contributed to the development of sport at grassroots level. The successful hosting of the Ward Selections and Mayoral Cup further demonstrates the Municipality's commitment to advancing inclusive community development, youth development, and social well-being through sport and recreation programmes.





HEALTH, HIV/AIDS & OTHER SOCIAL PROGRAMMES

Guided by the District as well as the Richmond Municipality's HIV/AIDS Strategy, the municipality implemented the following activities in the financial year under review:

Operation Sukumasakhe

The Operation Sukuma Sakhe programme is a governmental integrated approach to fast tracking service delivery. This programme brings together local and provincial government as well as civil society organizations to bring together their efforts to address social ills such as poverty, crime, HIV/AIDS, food insecurity, drugs and any other emerging social challenges.

The Richmond municipality has a Local Task Team which meets monthly or quarterly to:

- **Monitor and track delivered integrated services to individuals, households, and communities.**
- **Monitor and ensure profiling of households at the ward level and build a database of the different services required by communities.**
- **Ensure that the required interventions are delivered to communities.**

All wards have Community Care Givers (CCGS), and 6 and 7 have Community Development Workers (CDW) who, among other things, have the responsibility of ensuring that households are profiled and that required interventions are reported to the War Rooms for coordination. All war rooms were fully functional during the period under review. Other government departments such as DSD, DHA, DOH, Agriculture, DHS and SASSA also attended to households needing their interventions.

Gender and Disability

To mainstream gender and disabilities and include persons with disabilities in developmental programmes. The Developmental Plan integrates disability components into the budget, programmes, policies and strategies:

- Awareness (Events);
- Skills development;
- Disability audits; and
- Disability awareness and skills development.

Richmond Municipality is currently in the process of resuscitating the Municipal Gender Forum. This will assist with implementation of ward-based gender programs.

■ 3.6 ORGANISATIONAL SCORECARD

The IDP is supported by the Municipal Scorecard which sets out the Key Performance Areas, Key Performance Indicators and targets showing responsibilities on all activities to be undertaken by the Municipality during the particular period for 12 months in line with the municipal financial year from July to June and this is developed on an annual basis.

The Scorecard also facilitates performance monitoring, thereby enabling the municipality to be able to easily



TO BE INCLUDED IN THE FINAL REPORT



99

100

102



**ORGANISATIONAL
DEVELOPMENT
PERFORMANCE
(PERFORMANCE
REPORT PART II)**

COMPONENT A: INTRODUCTION TO MUNICIPAL WORKFORCE

■ 4.1 EMPLOYEE TOTALS, TURNOVER & VACANCIES

The table below shows the employee totals and vacancies in the 2025/2026 financial year. The Municipality has a high staff turnover rate.

Department	2025/2026 – TO BE UPDATED			
	No. of Approved Posts	No. of employees	No. of Vacancies	Vacancies %
Council	14	13	1	7%
Budget and Treasury office	32	28	4	13%
Office of the Municipal Manager	26	18	8	31%
Community Services	107	58	49	46%
Corporate Services	29	19	10	34%
Technical Services	69	50	19	28%
Total Permanent Staff	277	186	91	33%

Position/Category	No. of Staff	Permanent/ Contract	Gender		Race		
			M	F	A	W	C
Municipal Manager	1	Contract	1	0	1	0	0
S56/57 Managers	4	Contract	3	1	4	0	0
Managers	12	Permanent	6	6	9	0	3
Other	169	Permanent	86	77	156	0	7
Total	186						

■ 4.2 POLICIES

The Municipality reviewed and adopted the following human resources, risk and information technology policies for the 2025/2026:

No.	Name of the Policy	Date adopted by Council
1.	Acting Allowance Policy	TO BE UPDATED
2.	Gender Equality Policy	TO BE UPDATED
3.	Health And Safety Policy	TO BE UPDATED
4.	HIV/AIDS Policy	TO BE UPDATED
5.	Training and Development Policy	TO BE UPDATED
6.	Leave Policy	TO BE UPDATED
7.	Recruitment Policy	TO BE UPDATED

No.	Name of the Policy	Date adopted by Council
8.	Staff Bursary Scheme Policy	TO BE UPDATED
9.	Usage Of Telephone Policy	TO BE UPDATED
10.	Overtime Policy	TO BE UPDATED
12.	Membership Of Medical Schemes and Registration Policy	TO BE UPDATED
13.	Standby Allowance Policy	TO BE UPDATED
14.	Task Job Evaluation Policy	TO BE UPDATED
15.	Uniform Protective Clothing Policy	TO BE UPDATED
16.	Communication Device Policy	TO BE UPDATED
17.	Computer Equipment Policy	TO BE UPDATED
18.	Employee Wellness Policy	TO BE UPDATED
19.	Job Creation Policy	TO BE UPDATED
20.	Labour Relations Policy	TO BE UPDATED
21.	Sexual Harassment Policy	TO BE UPDATED
22.	Travel Allowance Policy	TO BE UPDATED
23.	Smoking In the Workplace Policy	TO BE UPDATED
24.	PMS Framework/Policy	TO BE UPDATED
25.	Risk Management Framework and Policy	TO BE UPDATED
26.	ICT Strategy Policy	TO BE UPDATED

No.	Name of the Policy	Date adopted by Council
27.	Information Systems and Security Policy	TO BE UPDATED
28.	ICT Governance Policy	TO BE UPDATED
29.	ICT Backup Policy	TO BE UPDATED
30.	ICT Change Management Policy	TO BE UPDATED
31.	Firewall and Antivirus Policy	TO BE UPDATED
32.	Patch Management Policy	TO BE UPDATED
33.	IT Disaster Recovery Policy	TO BE UPDATED
34.	IT Business Continuity Policy	TO BE UPDATED

■ 4.3 INJURIES, SICKNESS & SUSPENSIONS

The Municipality did not record any injury for the 2025/2026 financial year. In terms of sickness the Municipality did not record any serious illness of its employees. The Municipality did not have any suspensions in the year.

■ 4.4 PERFORMANCE REWARDS

A Performance Management Policy has been adopted by Council and incorporates an Organizational Score Card and is being implemented across all levels of human capital for the Municipality. Performance Contracts and Agreements for Section 57 employees, Work Plans for all other employees as well as a Performance Plan/ Scorecard in terms of a Service Delivery and Budget Implementation Plan (SDBIP) are signed.

The Organisational Scorecard is in place, and the following accomplishments can be recorded:

- **A developed SDBIP catering for the inclusion of activities and deliverables with associated milestones and as close as possible realistic targets.**

- **A developed SDBIP catering for the inclusion of activities and deliverables with associated milestones and as close as possible realistic targets.**
- **The formulation, extension and review of Municipal Policies and Procedures**
- **Municipal Bylaws have been reviewed, translated, and promulgated in the Provincial Government Gazette.**

The Municipality has a performance management policy which is linked to performance incentives for senior management. In the year under review there were no performance rewards paid as the municipality did not budget for performance bonuses due to limited budget.

COMPONENT C: CAPACITATING MUNICIPAL WORKFORCE

The Municipality identifies skill shortages and training needs through the written submissions submitted by the employees. This information feeds the workplace skills plan in which then trainings are scheduled.

■ 4.5 SKILLS DEVELOPMENT & TRAINING

The Municipality developed a Workplace Skills Plan for the financial year under review. The budget that was allocated for this purpose during the financial year of 2025/2026 was utilized to conduct the following trainings for employees and Councillors.

- **Municipal Finance Management Programme for eleven (11) employees**

The Municipality also provides internal bursaries to employees for skills development and in the 2025/2026 Financial year seven (14) bursaries were awarded to employees to further their studies.

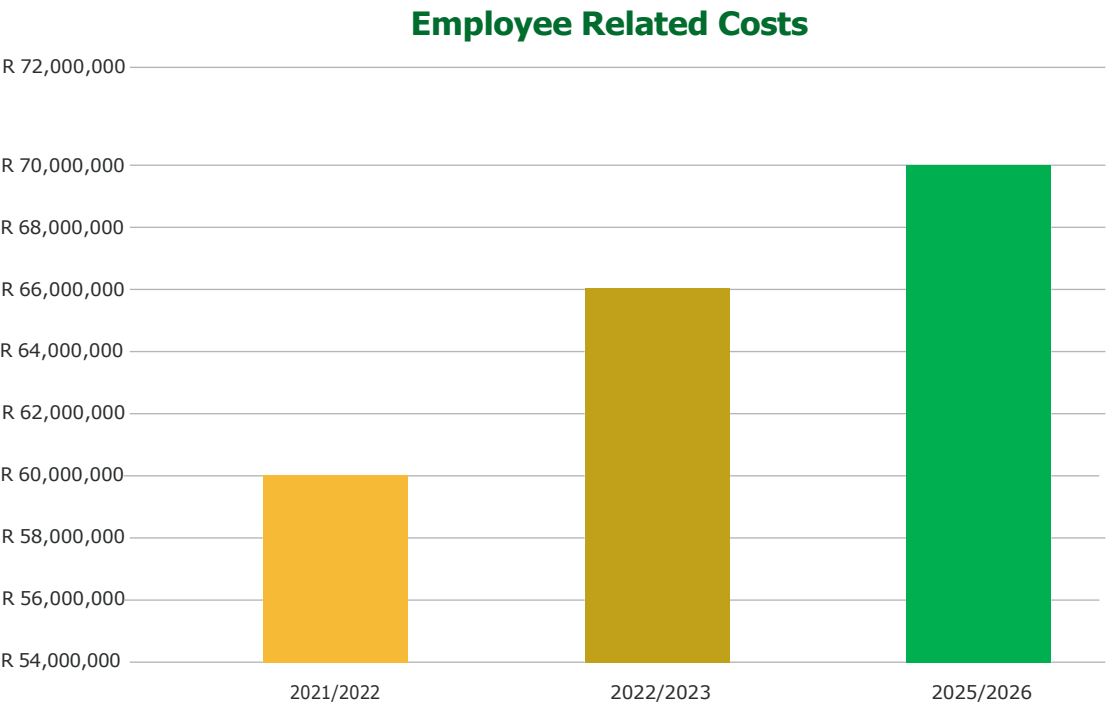


COMPONENT D: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

■ 4.6 EMPLOYEE EXPENDITURE – TO BE UPDATED

Employee expenditure for the past three (3) financial years is broken down as follows:

Financial Years	Employee Costs
2021/2022	R60 805 140
2022/2023	R65 110 840
2025/2026	R69 694 476





CHAPTER 5:

FINANCIAL PERFORMANCE

COMPONENT D:

MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

The Municipality identifies skill shortages and training needs through the written submissions submitted by the employees. This information feeds the workplace skills plan in which then trainings are scheduled.

■ 5.1 STATEMENTS ON FINANCIAL PERFORMANCE – All Information to be Updated

Richmond Municipality generated a surplus of R 5.3 million compared with the budgeted surplus of R 9.5 million for the year under review, as depicted in the table below.

Description	2022/23	Current Year 2023/24		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Audited
<u>Financial Performance</u>				
Property rates	27 115	28 446	28 446	28 871
Service charges	966	1 145	1 145	1 023
Investment revenue	2 779	2 740	3 693	2 939
Transfers recognised – operational	93 616	100 757	102 991	99 341
Other own revenue	17 125	10 982	17 582	15 178
Total Revenue (excluding capital transfers and contributions)	127 713	144 070	153 857	133 914

Description	2022/23	Current Year 2023/24		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Audited
Employee costs	65 111	68 613	68 613	69 694
Remuneration of Councillors	6 051	6 881	6 881	6 549
Depreciation & asset impairment	16 682	22 241	19 500	18 443
Finance charges	360	402	402	851
Inventory consumed and bulk purchases	3 089	8 664	5 164	4 694
Transfers and subsidies	556	0	600	523
Bad debt written off	12 801	5 000	7 000	5 547
Other expenditure	61 020	54 334	68 861	63 847
Total Expenditure	165 670	166 135	177 021	170 148
Surplus/(Deficit)	(37 957)	(22 065)	(23 164)	(36 234)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	25 303	20 189	22 196	22 740
Actuarial (gains)/ losses	(1 828)	10 432	10 432	83
Landfill site provision (gains) or losses	(1 568)	0	0	(407)
Loss on non-current assets held for sale or disposal groups	196	0	0	124
Surplus/(Deficit) after capital transfers & contributions	130 549	22 485	9 974	5 329
Share of surplus/ (deficit) of associate	0	0	0	0
Surplus/(Deficit) for the year	130 549	8 556	9 465	5 329

■ 5.2 GRANTS

The Municipality received all budgeted grants in the 2023/24 financial year. There were no grants that were withheld.

Description	2022/23	Current Year 2023/24			
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Audited	Variance %
<u>Operating Transfers and Grants</u>					
National Government:	89 653	95 994	95 994	95 994	100%
Local Government Equitable Share	86 416	92 919	92 919	92 919	100%
Expanded Public Works Programme Integrated Grant	1 287	1 125	1 125	1 125	100%
Local Government Financial Management Grant	1 950	1 950	1 950	1 950	100%
Provincial Government:	6 454	3 700	3 700	3 700	100%
Library Grant	3 454	3 200	3 200	3 200	100%
High Over Grants	3 000	0	0	0	0%
Rehabilitation of Nelson Street SMME	0	500	500	500	100%
Total Operating Transfers and Grants	96 107	99 694	99 694	99 694	100%
<u>Capital Transfers and Grants</u>					
National Government:	23 211	30 331	30 331	30 331	100%
Municipal Infrastructure Grant	20 511	22 331	22 331	22 331	100%
Integrated National Electrification Programme Grant	2 700	8 000	8 000	8 000	100%

Description	2022/23	Current Year 2023/24			
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Audited	Variance %
<u>Provincial Government:</u>	5 200	0	0	0	0%
CoGTA Grant – Small Town	5 200	0	0	0	0%
Total Capital Transfers and Grants	28 411	30 331	30 331	30 331	100%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	124 518	130 025	130 025	130 025	100%

■ 5.3 ASSET MANAGEMENT

Richmond Municipality only spent R 11 million of the repairs and maintenance operating budgeted expenditure during the 2023/24 financial year. The 11 million spent represents 6% of the total actual operating expenditure of R 170 million.

Vote Description	2022/23	Current Year 2023/24		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Actual
Repairs and Maintenance Expenditure	9 494	8 307	10 620	10 970
Total Operating Expenditure	128 949	166 135	177 021	170 148
Repairs and Maintenance as a % of Total Operating Expenditure	5%	5%	6%	6%

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

To perform a holistic financial analysis of a Municipality, all financial aspects of the institution should be considered. This is best achieved by considering financial ratios which are computed considering the current and historic Financial Position and Financial Performance of the Municipality.

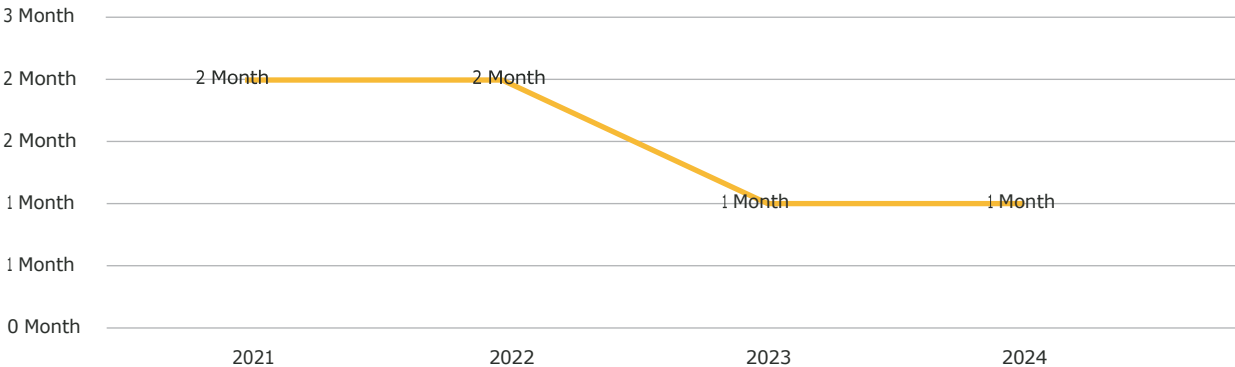
Liquidity Management

Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)

The cost coverage ratio represents the number of months' fixed expenditure that can be covered by the cash and liquid assets available for the Municipality. The cost coverage ratio shows a constant trend from the 2020/2021 financial year to 2021/2022 of 2 months. It then declined to one month from 2022/2023 and remained at one month during 2025/26.

Year	Ratio
2020	1 Month
2021	2 Months
2022	2 Months
2023	1 Month
2024	1 month

Cash / Cost Coverage Ratio

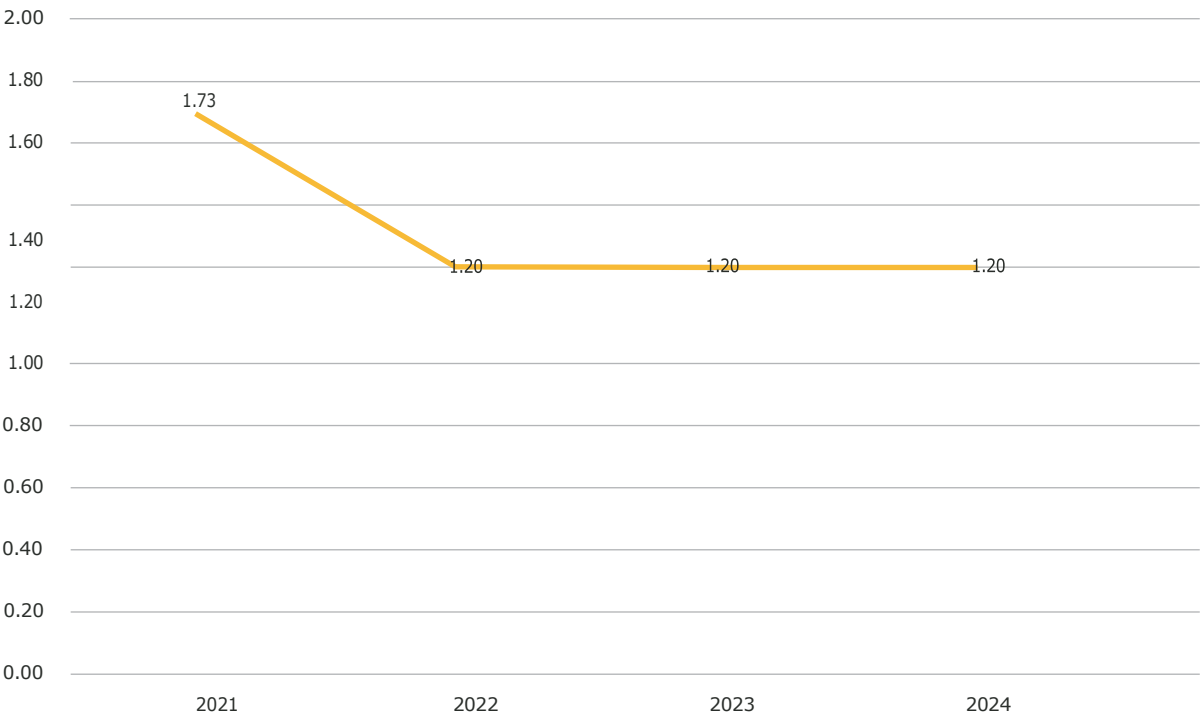


Current Ratio

The current ratio represents the ability of the Municipality’s current assets to service its current liabilities. The ratio declined from 1.28 in 2020/21 to 1.2 in 2021/2022 financial year. The ratio has remained constant from the 2021/2022 financial year until the current year.

Year	Ratio
2020	1 Month
2021	2 Months
2022	2 Months
2023	1 Month
2024	1 month

Current Ratio



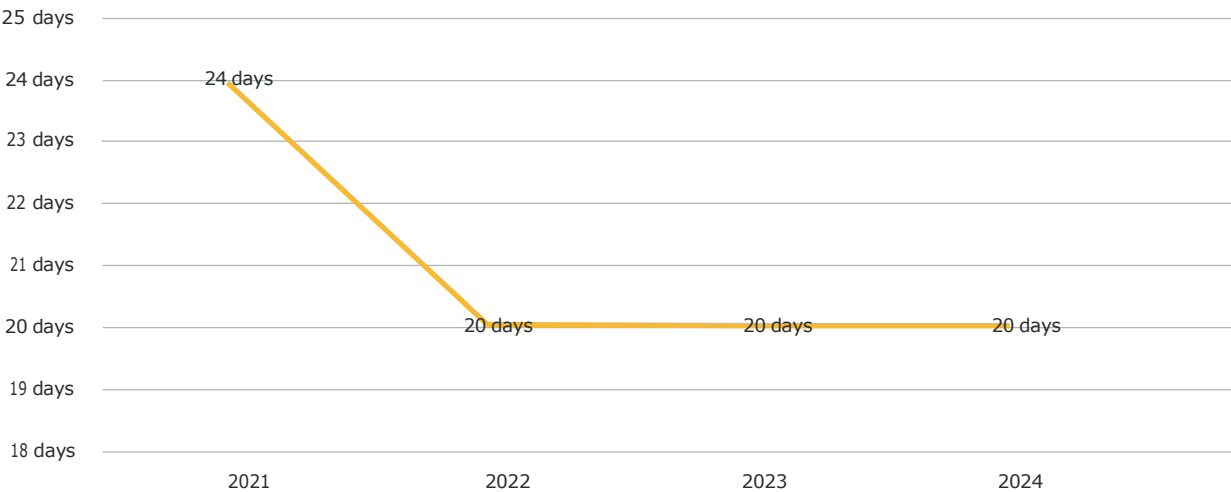
Expenditure Management

Creditors Payment Period (Trade Creditors)

This ratio measures the number of days it takes to pay creditors who delivered services to the Municipality on credit. The ratio improved from 2020/21, from paying creditors within 24 days to paying creditors within 20 days from 2021/22. During the current year, the municipality is paying within 20 days, which is within the norm of 30 days required by the Municipal Finance Management Act. This improvement is mainly due to the municipality having two monthly payment runs.

Year	Ratio
2021	24 days
2022	20 days
2023	20 days
2024	20 days

Creditors Payment Period



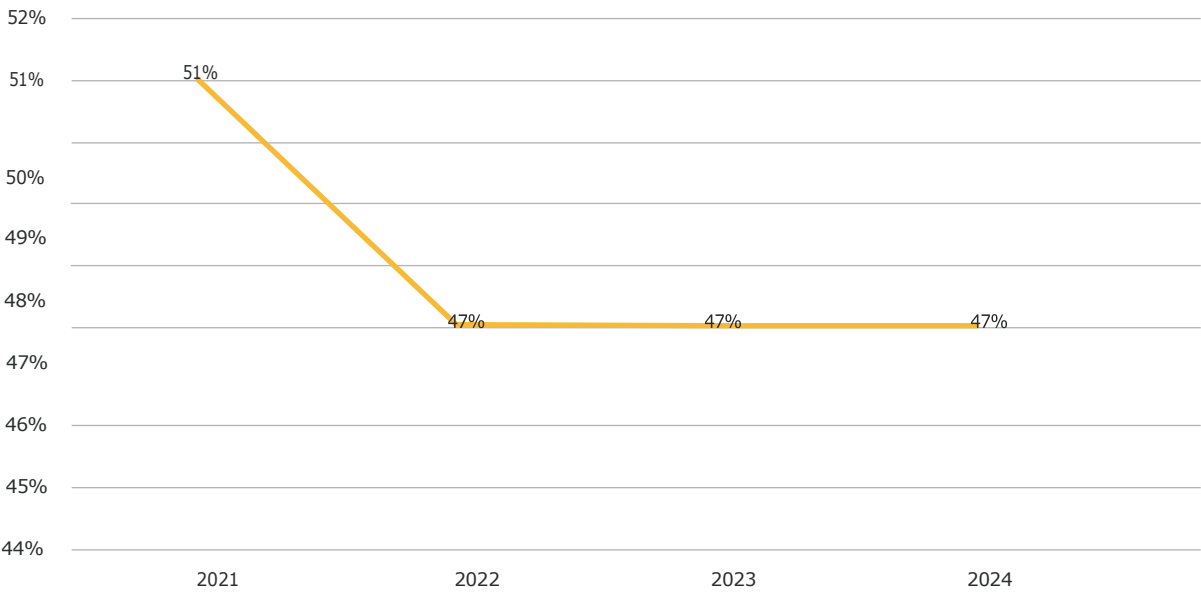


Remuneration (Employee Related Costs and Councillors’ Remuneration) as % of Total Operating Expenditure

Employee-related costs as a percentage of operating expenditure amounted to 47% for the 2025/2026 financial year. The acceptable norm from the National Treasury is that it should be between 25% and 40% of the operating budget expenses. The Municipality is not within the acceptable norm over the last five financial years.

Year	Ratio
2021	49%
2022	47%
2023	47%
2024	47%

Remuneration as % of Total Operating Expenditure





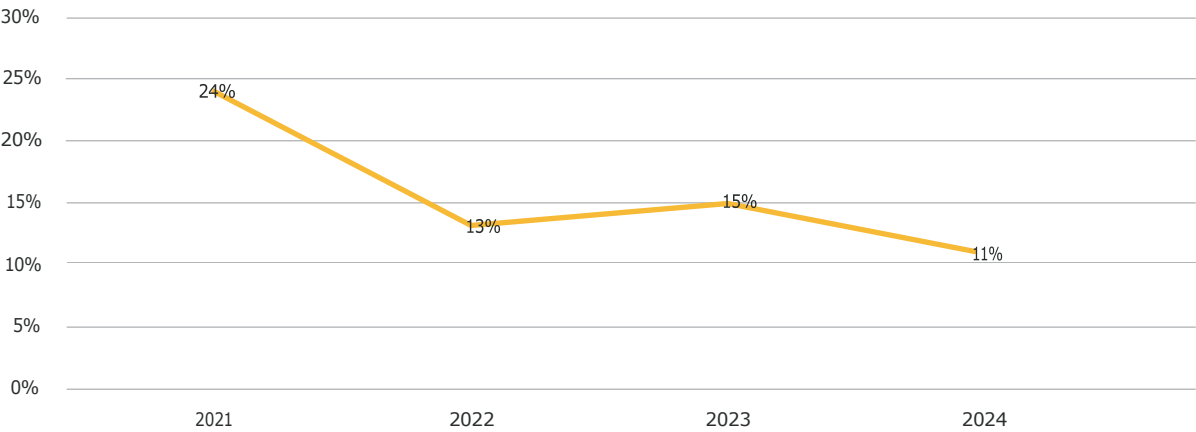
Asset Management/Utilisation

Capital Expenditure to Total Expenditure

This ratio indicates how much capital expenditure is as a percentage of total expenditure (capital and operating expenditure). For the 2025/2026 financial year, the percentage is 11.0% whilst the norm is 10%-20%. This is within the norm as the municipality is utilising more capital grant funds for capital expenditure purposes and less on internal reserves.

Year	Ratio
2021	24%
2022	13%
2023	15%
2024	11%

Capital Expenditure to Total Expenditure



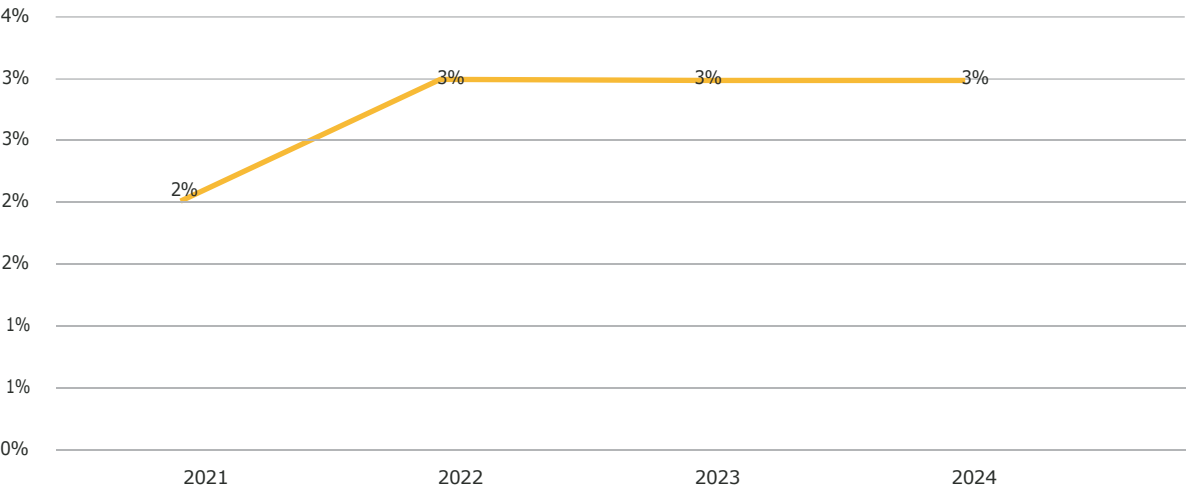


Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)

Repairs and maintenance as a percentage of the carrying value of property, plant and equipment have averaged 3% over the period from 2020/21 to 2025/2026. This is well below the unreachable norm of 8% set by the National Treasury. It must be noted that the Municipality has vast parcels of land, which distort the true meaning and intention of this ratio. Furthermore, the Municipality undertakes the bulk of the repairs and maintenance through internal staff and the cost of the repairs and maintenance performed internally is not considered in this ratio. This further complicates adequate measurement of this ratio.

Year	Ratio
2021	2%
2022	3%
2023	3%
2024	3%

Repairs and Maintenance as a % of PPPE an PI Carrying Value



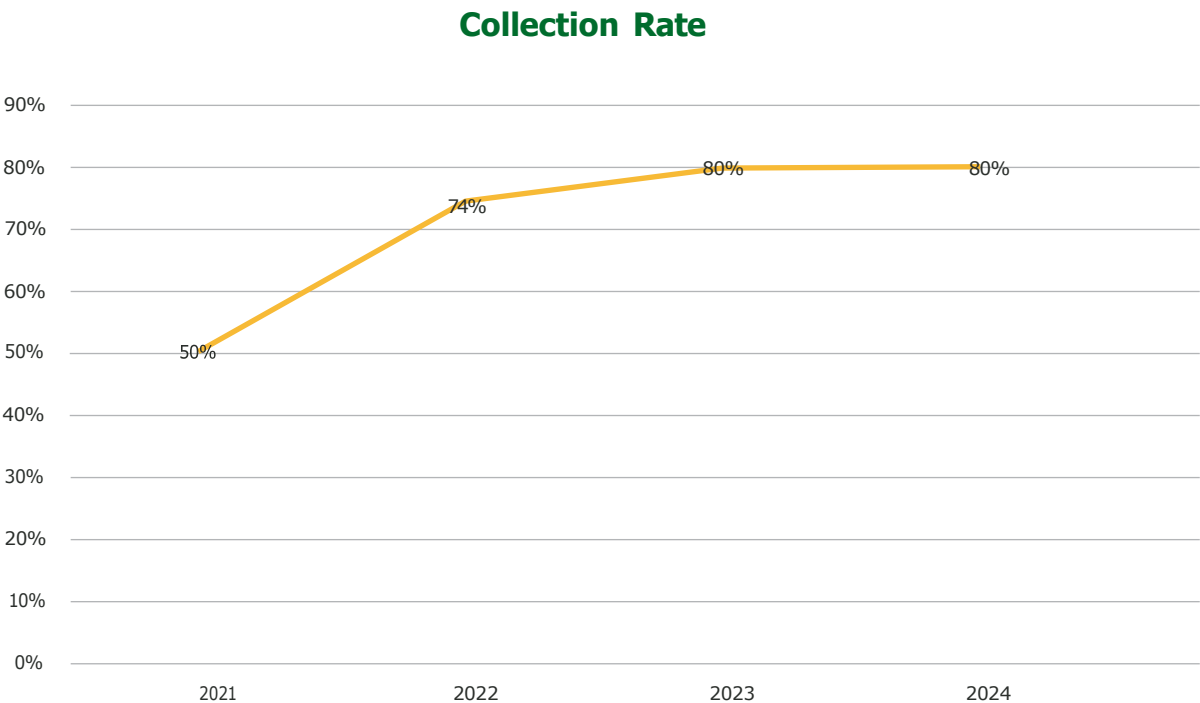
Debtors Management

Collection Rate

The debtors’ collection period ratio measures the period it takes for debtors to pay their bills. The longer the period, the greater the problem financial status of the organisation.

The collection rate is well below the norm of 95% over the past 5 years, however, the municipality achieved an 80% collection rate in the 2025/26 financial year, attributable to the debt repayment incentives within the Credit Control Policy of the municipality.

Year	Ratio
2021	50%
2022	74%
2023	80%
2024	80%



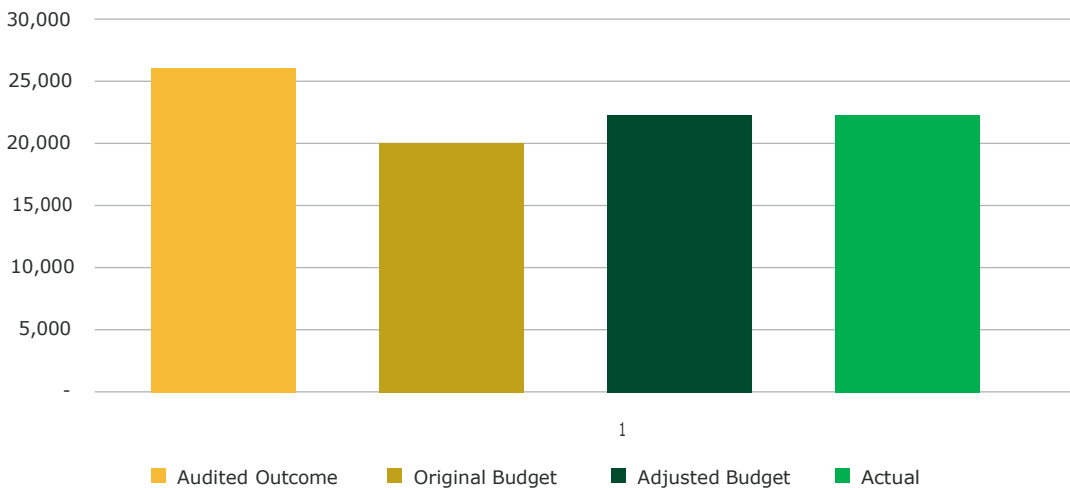
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

■ 5.5 CAPITAL EXPENDITURE

As shown in the table and depicted in the graph below, the capital expenditure of the original capital budget of R 22,5 million was increased to R 27,7 million in the final adjusted budget. The actual capital expenditure was only R 25,3 million.

Vote Description	2022/23	Current Year 2023/24		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Actual
Total Capital Expenditure - Vote	26 265	20 189	22 196	22 470

Total Capital Expenditure - Vote



■ 5.6 SOURCES OF FINANCE

The following table shows the Municipality's capital funding budget for 2025/26. The municipality further decreased the budget for capital expenditure using internal funds.

Vote Description	2022/23	Current Year 2023/24		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Actual
Funded by:				
National Government	19 679	19 781	21 788	21 214
Provincial Government	3 050	408	408	408
Transfers recognised - capital				
Borrowing	-	-	-	-
Internally generated funds	2 767			848
Total Capital Funding	25 302	20 189	22 196	22 470

■ 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

The Municipality's spending on the 5 largest projects is as follows:

No.	PROJECT NAME	CONTRACT AMOUNT	PROJECT STATUS
1	Upgrading of Stormwater and Roads in Ward 7, Khetho to Mjintini	R 24,463,418.46	Ongoing
2	Rehabilitation of Siythuthuka/Magoda Main Road Phase 2 - 1.5 km	R 12,473,224.58	Completed

3	Construction of Ward 7 Fibre Sports field	R 9,347,954.62	Practically Complete
4	The Construction of Sheti Box Culvert Ward 1	R 7,654,591.57	Completed
5	Implementation of Highover Wildlife Sanctuary	R 2,999,575.59	Practically Complete

■ 5.8 BASIC SERVICES & INFRASTRUCTURE BACKLOGS

This information is given in the demographics of the Municipality above, just below the Mayor's foreword.

COMPONENT C: CASH FLOW MANAGEMENT & INVESTMENTS

■ 5.9 CASHFLOW

Cash flow management is critical to the Municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the Council's commitments. Cash flow is rigorously managed and monitored regularly.

The net cash inflows from operating activities generated a positive cash inflow of R 17,7 million. The net cash outflows of investing activities resulted in a cash outflow of R 25,7 million. The net cash from financing activities generated a cash outflow of R 227,489. Overall, the Municipality had a cash outflow of R 5.9 million and ended the financial year with cash and cash equivalents of the amount of R 18.7 million.

Description	2022/23	Current Year 2023/24		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	28 039	27 024	27 024	27 849
Service charges	3 153	781	781	3 153
Other revenue	6 471	21 096	27 622	0.00
Transfers and Subsidies - Operational	122 670	129 560	116 623	124 480
Interest	1 263	2 740	3 693	2 939
Dividends	–	0	0	0
Payments				
Suppliers and employees	(129 040)	(138 722)	(149 560)	(148 770)
Finance charges	(288)	(402)	(402)	(0)
Transfers and Grants	–			(8 443)
NET CASH FROM/ (USED) OPERATING ACTIVITIES	26 764	50 563	37 183	17 735
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds from the disposal of PPE	619	0	0	360
Decrease (increase) in non-current receivables	0	0	0	0
Decrease (increase) in non-current investments	0	0	0	0
Payments				
Capital assets	21 358	24 324	27 441	21 871
NET CASH FROM/ (USED) INVESTING ACTIVITIES				

CASH FLOW FROM FINANCING ACTIVITIES				
Receipts				
Short-term loans	0	0	0	0
Borrowing long term/ refinancing	0	0	0	0
Increase (decrease) in consumer deposits	0	0	0	0
Payments				
Finance lease payments	0	0	0	280
NET CASH FROM/ (USED) FINANCING ACTIVITIES				
NET INCREASE/ (DECREASE) IN CASH HELD	5 852	23 034	3 665	(8 160)
Cash/cash equivalents at the year:	21 050	19 467	26 902	26 902
Cash/cash equivalents at the year-end:	26 902	43 747	27 404	11 871

■ 5.10 BORROWINGS & INVESTMENTS

External Borrowings

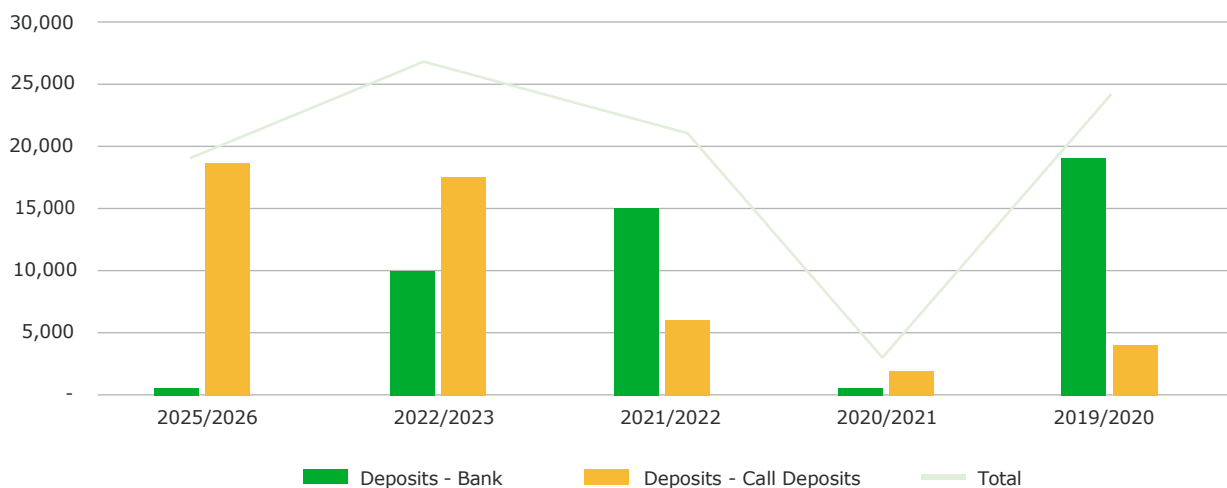
The Municipality had no external borrowings over the past four years.

Investments

The Municipality maintained an average cash balance of R 22 million over the past five years.

Municipal Investments					
Investment Type	2025/2026	2022/2023	2021/2022	2020/2021	2019/2021
	Actual Results (R'000)	Actual Results (R'000)	Actual Results (R'000)	Actual Results (R'000)	Actual Results (R'000)
<u>Bank</u>	489	9 701	15 082	539	19 653
Deposits - Call Deposits	18 252	17 201	5 968	18 511	4 236
Total	18 741	26 902	21 050	19 050	23 890

Municipal Investments



■ 5.11 PUBLIC-PRIVATE PARTNERSHIP

Richmond Local Municipality did not have any public-private partnerships in the year under review.

■ 5.12 COST CONTAINMENT MEASURES

In line with the guidelines provided by the Provincial Treasury and in compliance with the Municipal Cost Containment Regulations, the Municipality recorded the following cost savings for the year ending 2025/2026 financial year.

Cost Containment In-Year Report Measures						
Measures	Budget	Q1	Q2	Q3	Q4	Savings
	R	R	R	R	R	R
Use of consultants	3,002,198.00	1,045,615.42	435,768.79	96,842.43	1,423,971.36	0
Vehicles used by political office bearers	1,233,998.00	0	700,000.00	507,232.65	26,766.00	0
Travel and subsistence	326,125.00	70,720.00	119,023.00	23,002.00	9,457.36	103,992.00
Domestic accommodation	1,166,389.00	167,093.00	300,045.00	203,755.65	270,105.35	225,390.00
Sponsorships, events and catering	1,270,392.00	243,258.90	237,799.69	55,024.00	586,508.41	147,801.00
Communication	1,453,672.00	581,824.31	308,210.20	156,040.00	996,766.00	0
Other related expenditure	13,888,760.00	2,340,958.40	3,300,310.00	3,406,663.00	1,842,947.60	2,997,881
Total	22,341,534.00	4,449,470.03	5,401,156.68	4,448,559.73	5,156,521.48	3,475,064

COMPONENT D: OTHER FINANCIAL MATTERS

■ 5.13 SUPPLY CHAIN MANAGEMENT

The SCM Policy was reviewed during the 2025/2026 financial year. Certain amendments to the SCM Policy were tabled before the Council to improve operational efficiency. The Municipality is required to forward its SCM Policy to the KZN Provincial Treasury on an annual basis for scrutiny and compliance verifications against the Model SCM Policy that was issued by the National Treasury. The purpose of this exercise is to determine whether the Municipal SCM Policy deviates from the stipulations of the SCM regulations. Richmond Municipality's SCM Policy complies with the regulatory framework.

The SCM function cuts across all departments. Although governance is at its core, supply chain management plays a vital role in contributing towards service delivery in a manner that is fair, equitable, transparent, competitive, and cost-effective.

The Municipality applies the bid committee system for procurement above R 300,000 and for the procurement of long-term contracts. The bid committees, namely the Bid Specification Committee, the Bid Evaluation Committee, and the Bid Adjudication Committee, are all functioning effectively. The bid committee members are appointed by the Municipal Manager in line with the relevant legislation.

■ 5.14 GRAP COMPLIANCE

The Municipality has fully implemented the Standards of GRAP (Generally Recognised Accounting Practice) by the MFMA and Directive 5 issued by the Accounting Standards Board (ASB) and did not deviate from the standards. The adoption of the standards and interpretation thereof did not have a significant impact on the financial position, financial performance, or cash flows of the Municipality in the 2025/2026 Annual Financial Statements.

Intergovernmental grants

The Municipality is dependent on financial aid from other government spheres to finance its annual capital programme. Operating grants are utilised to finance indigent assistance and the provision of free basic services.

Events after the report date

No events after the reporting date were identified which affect the Audited Financial Statements for the 2025/2026 financial year.

■ 5.15 ACCOUNTING OFFICER'S ASSESSMENT OF THE MUNICIPALITY'S DEBTORS & RATES TAXES

Debtors

The RLM collected 73% of the outstanding debtors as at 30 June 2024. Debt Collection remains a challenge as the Municipality does not have services to disconnect, which would have assisted in collecting outstanding debt. Nevertheless, the Municipality has prioritised debt collection this financial year as a Revenue and Debt Steering Committee has been resuscitated to assist with Revenue enhancement and debt collection Strategies. The Municipality engaged in a data cleansing project.

Property Rates

The Municipality has applied a 0% tariff increase in the property rates for the 2025/26 budget year by Section 32 (1) of the Municipal Property Rates Act No. 6 of 2004.

Property rates contribute towards covering the costs of the provision of general services. National Treasury's MFMA Circular No. 51 deals, inter alia, with the implementation of the MPRA, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process, and the Property Rates Policy of the Municipality has been amended accordingly.

The rate on the categories on non-residential properties may not exceed the ratio to the rate on residential properties; therefore, the tariffs have not been increased for certain categories and increased by 4.6 per cent in other categories.

The following stipulations in the Property Rates Policy are highlighted:

- The first R 15,000 of the market value of a residential property is excluded from the rateable value (Section 17h of the MPRA). In addition to this rebate, a further
- R 35,000 reduction on the market value of a residential property will be granted in terms of the Municipality's property rates policy;
- Rebates will be granted to registered indigents in terms of the Indigent Policy;
- For the aged, a maximum rebate of 90 per cent will be granted to the owners of residential rateable property. In this regard, the following stipulations are relevant:

- The rateable property concerned must be occupied only by the applicant and his/her spouse, if any. (Other stipulations are contained in the policy.)
- The Municipality may grant a 100 per cent grant-in-aid on the assessment rates of rateable properties of certain classes, such as registered welfare organisations, provided they are registered and comply with the requirements as referred to in the Property Rates Policy.
- The Municipality has resolved to further reduce the value upon which rates will be levied by an amount not exceeding R100,000 in respect of all agricultural properties which are bona fide farmers.

Refuse Removal

Currently, waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered sustainably over the medium to long term. The Municipality has therefore reviewed the tariffs in respect of commercial users and attempted to apply an increase that would address this issue. Further to the above, the tariff charge will be raised per unit and not per property. The Municipality has also introduced a tariff for the hire of Skipper bins.

Therefore, a 4.8 per cent increase in the waste removal tariff for domestic and commercial users is proposed from 1 July 2025. Currently, indigent residential consumers are subsidised in full for refuse removal.





CHAPTER 6:

AUDITOR—GENERAL AUDIT FINDINGS

6.1 AUDITOR GENERAL REPORT (PREVIOUS YEAR)

Richmond Municipality obtained a Clean Audit Opinion in the 2023/2024 financial year. The table below shows the improvement in the audit opinions over the past five (5) years.

FINANCIAL YEAR	TYPE OF AUDIT OPINION
2020/2021	Unqualified with other matters
2021/2022	Unqualified with other matters
2022/2023	Unqualified with other matters
2023/2024	Clean Audit Opinion
2025/2026	Clean Audit Opinion

STATUTORY ANNUAL REPORT PROCESS

PRESCRIBED DATES	ACTIONS	MFMA/ (MSA)	RESPONSIBILITY OF
31 August	Submit the Municipality's AFS to the Auditor-General	S126(1)(a)	Municipal Manager
31 October and quarterly thereafter	Auditor-General submits to Parliament and the provincial legislature the names of municipalities that have failed or continue to fail to submit AFS.	S133(2)	Auditor-General
Within three months of receiving AFS (30 November or 31 December)	Audit report returned to Municipal Manager	S126(3)	Auditor-General

On receipt of the audit report	The municipality must address any issues raised by the Auditor-General and prepare action plans to address these issues and include these in the annual report. Provide a copy of the report to the Audit Committee.	S131(1)	Municipal Manager. The mayor must ensure compliance by the Municipality.
31 January	Annual Reports of Municipality and entities tabled in Council.	S127(2)	Mayor
Immediately after the annual report is tabled	The annual report was made public, and the local community was invited to submit representations.	S127(5)(a) (MSA) S21A and B	Municipal Manager
Immediately after the annual report is tabled	Annual report submitted to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.	S127(5)(b)	Municipal Manager
When meetings are held to discuss the annual report.	Attend meetings to respond to questions concerning the report	S129(2)(a)	Accounting Officer of the Municipality and the entity
Following meetings to discuss the annual report	Submit copies of minutes of the meetings to the Auditor-General, provincial treasury and provincial department responsible for local government.	S129(2)(b)	Accounting Officer of the Municipality and the entity
Within two months of the report being tabled (31 March)	The Council is to have considered the annual report and adopted an oversight report.	S129(1)	Council
Within seven days of the adoption of the oversight Report.	Make public the oversight report.	S129(3)S21A-MSA	Accounting Officer
Within seven days of the adoption of the oversight report	Submit to the provincial legislature the annual report of the Municipality and entities, and the oversight reports on those annual reports.	S132(1) & (2)	Accounting Officer

Notes:

- **MFMA section 133 provides for consequences of non-compliance with provisions relating to the submission of AFS and the tabling of annual reports.**
- **All dates shown are the latest permissible in terms of the applicable legislation; earlier compliance is preferable.**



6.2 REMEDIAL ACTION TAKEN (PREVIOUS YEAR)

Not Applicable as the municipality received a clean audit opinion from the AG

■ 6.3 AUDITOR GENERAL'S REPORT (CURRENT YEAR)

TO BE INCLUDED IN THE FINAL REPORT





GLOSSARY

Annual Report	In relation to a Municipality means an annual report contemplated in section 121 of the Municipal Finance Management Act.
Balance Scorecard	It is a conceptual framework enabling an organisation to clarify its vision and strategy, thus effectively translating them into action. This performance management approach provides feedback around both the internal processes and external outcomes, essentially focusing on four indicators: Customer Perspective, Internal-Business Processes, Learning and Growth and Financials.
Current Year	Means the financial year which has already commenced, but not yet ended.
Section 57/ 56 Employee	Means a person employed by a Municipality as a Municipal Manager or as a manager directly accountable to a Municipal Manager and for whom there is a Performance Agreement.
Evaluation	Evaluation is a time-bound and periodic exercise that seeks to provide credible and useful information to answer specific questions to guide decision-making by staff/ managers, and policymakers. Evaluation may assess relevance, effectiveness, efficiency, impact and sustainability of the institution and officials.
Indicators	Indicators are pieces of objective evidence that tell us whether progress is or is not being made in achieving goals.
Input indicator	Means an indicator that measures the costs, resources and time used to produce an output.
Inputs	The resources, physical, financial or otherwise, that contribute to the delivery of outputs. In other words, "what we used to do the work."
Key Performance Area (KPA)	This is the area in which the Municipality plays a role towards delivering services. These may include Infrastructure and Engineering, Community Planning and Safety, Strategic and Corporate Services, Social and Economic Development, Institutional Transformation, Governance and Financial Management, amongst others.
Key Performance Indicators (KPI)	Key Performance Indicators will be determined with respect to each development priority and objective. These indicators are subject to public participation and will be used by each Department as well as each municipal entity, where applicable. These are quantifiable measures which show where performance currently is about the baseline and the target. This describes the measure in a clear, simple and precise manner.

Local Community or Community	In relation to a Municipality, it means that body or persons comprising the residents of the Municipality a) the ratepayers of the Municipality b) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the Municipality.
MEC for Local Government	Means the MEC responsible for Local Government in a province.
Monitoring	Monitoring involves collecting, analysing and reporting on inputs, activities, outputs and outcomes in a way that supports effective management. Monitoring aims to provide managers, decision-makers and other stakeholders with regular feedback on progress in implementation, results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected.
Municipality	When referred to as – a) an entity, means a Municipality as described in section 2; and b) a geographical area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act. 1998 (Act No. 27 of 1998).
Municipal Council or Council	Means a municipal Council referred to in section 157(1) of the Constitution.
Municipal Finance Management Act	Means the Local Government: Municipal Finance Management Act, 2003, and any regulations made under that Act.
Municipal Structures Act	Means the Local Government: Municipal Structures Act. 1998 (Act 117 of 1998).
Municipal Systems Act	Means the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000).
Objective	An objective is a projected goal that a person, system, or organisation plans or intends to achieve
Outcomes	Refer to the ultimate effects of government activities on society in the medium to long term. These are the results of specific outputs for strategic goals identified in the IDP.
Outcome indicator	Means an indicator that measures the quality and or impact of an output on achieving a particular objective.

Output indicator	Means an indicator that measures the results of activities, processes and strategies of a program of a Municipality.
Outputs	Goods and services produced by the Municipality, which are identified by the Performance measures. Outputs may be defined as “what we produce or deliver”.
Performance Audit Committee	An independent committee was appointed to assess the annual performance of the Municipality and report on the findings.
Performance Agreement	Means an agreement as contemplated in Section 57 of the Municipal Systems Act.
Performance Plan	Means a part of the performance agreement which details the Measurable objectives (Outputs), Performance Measures (KPI), targets and activities that are aligned to the Scorecards.
Political office bearer	Means the Speaker, Executive Mayor, Mayor, Deputy Mayor or Member of the Executive Committee as referred to in the Municipal Structures Act.
Quarters	Means any of the following periods in a financial year: 1 July to 30 September. 1 October to 31 December 1 January to 31 March 1 April to 30 June
Scorecard	Is an evaluation device, that specifies the criteria that stakeholders will use to rate performance in satisfying their requirements. Municipal Scorecard: Five (5) Year Scorecard. Organisational Scorecard: Annual (Year under review) Scorecard with Quarterly Targets. Departmental Scorecard: Annual (Year under review) Scorecard with Quarterly Targets for Municipal Manager and Managers reporting to the Municipal Managers’ Departments/Votes.

Service Delivery and Budget Implementation Plan	Means a detailed plan approved by the Mayor of a Municipality in terms of section 53(1) (c) (ii) of the Municipal Finance Management Act for implementing the Municipality's delivery of municipal services and its annual budget, which must indicate – a) projections for each month of – 1) revenue to be collected by source; and 2) operational and capital expenditure, by vote. b) service delivery targets and performance indicators for each quarter; and c) any other matters that may be prescribed, and includes any revisions of such plan by the Mayor in terms of section 54(1)(c) of the Municipal Finance Management Act.
Target	Target to be achieved for that indicator over the specified timeframe.







APPENDICES

APPENDIX A:

CONCILLORS' ATTENDANCE & COMMITTEE ATTENDANCE – TO BE UPDATED

NAME OF COUNCILLOR	PARTY	PORTFOLIO COMMITTEE		EXCO		COUNCIL	
		Number of Meetings	Meetings Attended	Number of Meetings	Meetings Attended	Number of Meetings	Meetings Attended
CLLR MK Ngcogo	ANC	20	10	08	01	15	13
CLLR BT Mbanjwa	ANC	20	14	08	08	15	15
CLLR KE Mkize	ANC	20	14	N/A	N/A	15	14
CLLR L Ngubo	ANC	20	6	N/A	N/A	15	15
CLLR STG Mkhize	ANC	20	6	N/A	N/A	15	14
CLLR V Maphumulo	ANC	20	14	N/A	N/A	15	7
CLLR S Latha	Independent	20	14	N/A	N/A	15	14
CLLR M MKHIZE	MKP						
CLLR Z Mkhize	ANC	20	1	N/A	N/A	15	7
CLLR FT Zondi	ANC	20	14	N/A	N/A	15	14
CLLR BSL Kunene	EFF	20	14	08	07	15	13
CLLR B Mahlangeni	DA	20	14	N/A	N/A	15	12
CLLR SS Ngubo	EFF	20	14	N/A	N/A	15	15

APPENDIX B:

COUNCIL COMMITTEES AND PURPOSES

Section 79 (1)(a) of the Municipal Structures Act states that "A municipal council may establish one or more committees necessary for the effective and efficient performance of any of its functions or exercise of any of its powers;

The following oversight committees report directly to Council:

1. Municipal Public Accounts Committee (MPAC)

Chairperson: Cllr V Maphumulo

Cllr S T G Mkhize

Cllr S Latha

Cllr Z Zondi

Cllr L Ngubo

2. Performance and Audit Committee (PAC)

Chairperson: P L Buthelezi

N T Msane (Zulu)

N Ticka – Ragunanan

M J Litile

Section 80 (1) of the Municipal Structures Act states that "If a municipal council has an executive committee or executive mayor, it may appoint in terms of the section 79, committees of councilors to assist the executive committee or executive mayor.

The following portfolio committees report to the executive committee:

1. Economic Development, Planning and Infrastructure Committee

Chairperson: Cllr M K Ngcongco (Member of the Executive Committee)

Cllr S T G Mkhize

Cllr T Vezi

Cllr Z Mkhize

2. Community/ Social and Corporate Services Committee

Chairperson: Cllr B T Mbanjwa (Member of the Executive Committee)

Cllr B Mahlangeni

Cllr S Ngubo

Cllr Z Zondi

3. Finance Committee

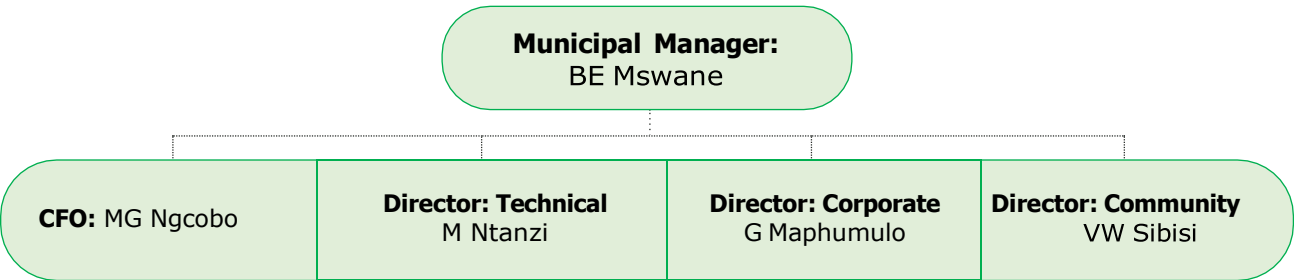
Chairperson: Cllr M K Ngcongco

Cllr B S L Kunene

Cllr B T Mbanjwa

APPENDIX C:

THIRD TIER ADMINISTRATIVE STRUCTURE



The director is a section 56 Manager reporting directly to the Municipal Manager, who is the Accounting Officer.

The table below indicates the administrative governance structure for the period under review.

NAME OF OFFICIAL	POSITION	PERFORMANCE AGREEMENT SIGNED YES/NO
BE Mswane	Municipal Manager	Yes
MG Ngcobo	Chief Financial Officer	Yes
M Ntanz	Director: Technical Services	Yes
G Maphumulo	Director: Corporate Services	Yes
JK KHUMALO	Director: Community Services	Yes

APPENDIX D:

MUNICIPAL POWERS AND FUNCTIONS

FUNCTIONS	AUTHORITY RESPONSIBLE
Air pollution	Environmental health, which monitors the impact of air pollution, is a District function.
Building Regulations	Richmond Municipality
Municipal Planning	Richmond Municipality
Pontoons and ferries	Not applicable
Storm water	Richmond Municipality
Trading Regulations	Richmond Municipality
Beaches and Amusement facilities	No beaches in the municipal area
Billboards and the display of advertisements in public places	Richmond Municipality
Cemeteries, funeral parlours and crematoria	Richmond Municipality
Cleansing	Richmond Municipality
Control of public nuisance	Richmond Municipality
Control of undertakings that sell liquor to the public	Richmond Municipality
Facilities for the accommodation, care and burial of animals	Richmond Municipality
Fencing and fences	Richmond Municipality
Licensing of dogs	The Municipality does not issue licenses.
Licensing and control of undertakings that sell food to the public	Assistance obtained from the uMgungundlovu District Municipality
Local amenities	Richmond Municipality
Local sports facilities	Richmond Municipality

FUNCTIONS	AUTHORITY RESPONSIBLE
Markets	Richmond Municipality
Municipal abattoirs	Richmond Municipality
Municipal Parks and Recreation	Richmond Municipality
Municipal Roads	Richmond Municipality
Noise Pollution	Richmond Municipality
Pounds	Richmond Municipality
Public Places	Richmond Municipality
Refuse removal, refuse dump and solid waste disposal	Richmond Municipality
Street Trading	Richmond Municipality
Street Lighting	Richmond Municipality
Traffic and Parking	Richmond Municipality
Community Services/ Library	Richmond Municipality
LED	Richmond Municipality
Motor Licensing	Richmond Municipality

APPENDIX E:

WARD COMMITTEE MEMBERSHIP

WARD NO.	SURNAME	NAME/S	GENDER	SECTOR REPRESENTED
Ward 01	Mchunu	Zinhle	Female	Transport
Ward 01	Mntungwa	Nonjabulo	Female	Health & Social Development
Ward 01	Dlamini	Zodwa	Female	Agriculture
Ward 01	Ndlovu	Blessing	Male	Local Economic Development
Ward 01	Zondi	Bhekinhlalo	Male	Safety & Security
Ward 01	Mnguni	Mbhek'seni	Male	Disability
Ward 01	Mndaweni	Nompumelelo	Female	Faith-based & Women
Ward 01	Mckenzie	Dino	Male	Sport & Youth
Ward 01	Mkhize	Sabelo	Male	Art & Culture
Ward 01	Mkhize	Jabu	Female	Ratepayers & Disaster
Ward 02	Nzimande	Nok'thula	Female	Women
Ward 02	Nzimande	Phakamani	Male	Transport
Ward 02	Mkhize	Hlengiwe	Female	Business
Ward 02	Mhlongo	Gugu	Female	Health
Ward 02	Sithole	Ntethelelo	Male	Youth & Sport
Ward 02	Mncwabe	S'thembiso	Male	Agriculture & Disaster
Ward 02	Mbhele	Cindy	Female	Disability

WARD NO.	SURNAME	NAME/S	GENDER	SECTOR REPRESENTED
Ward 02	Shange	Sizakele	Female	Education
Ward 02	Ntunzela	Thembinkosi	Male	Faith based
Ward 02	Zungu	Thokozani	Female	Safety & Security
Ward 03	Ngcobo	Nosisa	Female	Safety & security
Ward 03	Mkhize	Zasembo	Female	Education & Local Economic Development
Ward 03	Mncwabe	Dumsane	Male	Disability
Ward 03	Khanyile	Bonginkosi	Male	Senior citizen & disaster
Ward 03	Ndlovu	Zinhle	Female	Women & Gender
Ward 03	Ngcongo	Sphumelelo	Male	Transport
Ward 03	Mkhize	Thulisile	Female	Health & Social Development
Ward 03	Mtungwa	Sanelisiwe	Female	Art & Culture
Ward 03	Zuma	Thembelihle	Female	Youth & Sport
Ward 03	Mkhize	Ben	Male	Agriculture
Ward 04	Mkhize	Sindisiwe	Female	Sports, art & culture
Ward 04	Nzimande	S'lindile	Female	Health & disability
Ward 04	Ngcobo	Gugu	Female	Senior citizen
Ward 04	Mtolo	Sbusiso	Male	Youth & education
Ward 04	Khuboni	Phumlile	Female	Farm dwellers & disaster
Ward 04	Ndlovu	Sizeni	Female	Rural development

WARD NO.	SURNAME	NAME/S	GENDER	SECTOR REPRESENTED
Ward 04	Khweshuba	Mandla	Male	Transport
Ward 04	Wanda	Bambe	Male	Agriculture
Ward 04	Nzimande	Siyenkosi	Male	Business
Ward 05	Mhlongo	Neliswa Mhlongo	Female	Education & Elderly
Ward 05	Phungula	Phakamani Phungula	Male	Agriculture & Disaster
Ward 05	Sithole	Hlengiwe	Female	Disability
Ward 05	Gumede	Ntokozo	Female	Health & Gender
Ward 05	Ngubane	Tshengisile	Female	Women & Art
Ward 05	Ngcongo	Mkhombeni	Male	Safety & Security
Ward 05	Chonco	Qinisela	Male	Youth & Sport
Ward 05	Ngcobo	Sanele	Male	Local Economic Development
Ward 05	Shange	Bhekimpi	Male	Transport
Ward 05	Luthuli	Buyisiwe	Female	Faith based
Ward 06	S'thole	Sarah	Female	Farm dwellers
Ward 06	Phoswa	Busaphi	Female	Elderly
Ward 06	Nxele	Bonakwakhe	Male	Disability
Ward 06	Phoswa	Nomusa	Female	Social Development
Ward 06	Gasela	Thulani	Male	Business
Ward 06	Khuboni	Patric	Male	Safety & security

WARD NO.	SURNAME	NAME/S	GENDER	SECTOR REPRESENTED
Ward 06	Nzuza	Collen	Female	Health Gender based
Ward 06	Phoswa	Nondumiso	Female	Transport & Disaster
Ward 06	Dlamini	Nonhlanzeko	Female	Traditional & Culture & Sport
Ward 06	Jama	Bongiwe	Female	Agriculture
Ward 07	Jama	Zinhle	Female	Education
Ward 07	Nzimande	Sbonelo	Male	Safety & security
Ward 07	Mthembu	Thobani	Male	Youth
Ward 07	Funeka	Lindelani	Male	Transport
Ward 07	Shange	Malusi	Male	Art & culture
Ward 07	Mtolo	Sizani	Female	Disability
Ward 07	Mbanjwa	Phindile	Female	Women & Disaster
Ward 07	Jama	Bandleni	Male	Agriculture
Ward 07	Nxele	Bafana	Male	Sport
Ward 07	Nzimande	Thulasizwe	Male	Health

APPENDIX F:

RECOMMENDATION OF THE MUNICIPAL AUDIT COMMITTEE

TO BE UPDATED

Members

The following were appointed to serve as the members of the Performance and Audit Committee (PAC) for the year under review:

1. Mr. P L Buthelezi (Chairperson) – Appointed 1 March 2024
2. Ms. N Ticka – Ragunanan (Member) – Appointed 1 March 2024
3. Ms. N T Msane – Zulu (Member) – Appointed 1 March 2024
4. Mr. M J Litile (Member) – Appointed 1 March 2024

Overview of Activities

These are the activities undertaken by the PAC for the year under review in terms of Section 166 of the Municipal Finance Management Act and other related regulations:

a) Meeting

The Performance and Audit Committee held a meeting during the period covered by this report. These meetings were held on:

- 27 August 2024
- 24 October 2024
- 25 February 2025
- 27 May 2025

b) Performance and Audit Committee Charter

The PAC's work was guided and regulated by the Performance and Audit Committee Charter, which was reviewed by the committee and approved by the Richmond Council.

c) Internal Audit Activity

The mandate of the Internal Audit Activity was approved by the PAC when the Internal Audit Charter was adopted. The Internal Audit Activity also presented its Internal Audit Strategy for the next three (3) years as well as an annual plan which guided their work for the year under review for approval by the PAC.

The PAC received and reviewed quarterly Internal Audit reports covering the areas detailed from d) to i) below in compliance with the requirements of the MFMA.

d) Risk Management

A risk assessment was conducted by the risk management unit together with management and approved by the risk management committee. A risk assessment report was submitted to the PAC to ensure that risks identified were considered in the preparation of the risk-based audit plan.

The PAC received quarterly risk management reports to review and discuss with management their implementation of mitigating the risk to an acceptable level.

e) Internal Controls

Internal Audit did quarterly internal control reviews in the year under review, which the PAC used the reports to discuss with management areas that needed strengthening of controls.

f) Accounting Policies

Discussions with management during the year and through the approval of the annual financial statement preparation plan revealed that accounting policies are in place.

g) Financial Reporting

The PAC received and reviewed the following financial reports:

- **Section 71 reports;**
- **Section 72 reports;**
- **Quarterly Supply Chain Management report;**
- **Withdrawals from the municipal bank account reports;**
- **Insurance claims reports; and**
- **Cost containment reports.**

The financial reports indicated that the municipality is financially stable and operates as a going concern. We also commend the management for actions taken in ensuring that there is no unauthorized, Irregular, fruitless and Wasteful expenditure.

h) Annual Financial Statements for the year ended 30 June 2024

The PAC, together with the Internal Audit Unit, scrutinized and reviewed the annual financial statements for the year ended 30 June 2025 to ensure that they were prepared in accordance with all the relevant requirements and legislation.

As the committee, we are delighted and commend management for their hard work because there were no adjustments made to the annual financial statements presented to the office of the Auditor-General on the 31st of August 2025.

i) Performance Management

The PAC reviewed the quarterly performance management reports as well as internal audit reports on performance. As the committee, we also had discussions with management. We have noted a great

improvement in the reporting of performance management.

We also scrutinized the annual performance report for the year ended 30 June 2025 prior to it being presented to the office of the Auditor-General. We commend the management on acting and implementing the recommendations from the reviews, as this resulted in no adjustments being made to the report presented for audit.

j) Performance Assessments

The municipality has not done any performance assessments for senior management. Discussions have been held with management to address this.

Conclusion

As the committee, we are proud of the progress the municipality has made and the achievement of the clean audit for the 2025/2026 financial year. As excited as we are, we believe the greatest task is still ahead, as maintaining the clean audit and improving the lives of Richmond citizens is now the goal.

We urge the management and the Richmond leadership to stick to their best practices, and we will continue to play the role of oversight as entrusted to us by the Richmond Council.

We wish to thank the Richmond Council for the opportunity to be of service to the Municipality, the Municipal Manager, Senior Management, as well as Internal Audit, for their support.



APPENDIX G:

DECLARATION OF INTEREST

NAME OF COUNCILLOR	FULL TIME/ PART TIME	PORTFOLIO COMMITTEE	WARD CLLR/ PR	DISCLOSURE OF FINANCIAL INTEREST
CLLR MK Ngcogo	Fulltime	Economic Development / Planning and Infrastructure	W-5	Y
CLLR BT Mbanjwa	Fulltime	Community / Social and Corporate Services	PR	Y
CLLR KE Mkize	Fulltime	EXCO	W-4	Y
CLLR L Ngubo	Fulltime	Economic Development / Planning and Infrastructure	W-7	Y
CLLR STG Mkhize	Part time	Economic Development / Planning and Infrastructure	W-1	Y
CLLR V Maphumulo	Part time	MPAC	W-3	Y
CLLR S Latha	Part time	MPAC	W-6	Y
CLLR Z Mkhize	Part time	Economic Development / Planning and Infrastructure	PR	Y
CLLR FT Zondi	Part time	Community / Social and Corporate Services	PR	Y
CLLR BSL Kunene	Part time	EXCO	PR	Y
CLLR B Mahlangeni	Part time	Community / Social and Corporate Services	PR	Y
CLLR SS Ngubo	Part time	Community / Social and Corporate Services	PR	Y
CLLR TP Vezi	Part time	Economic Development / Planning and Infrastructure	PR	Y



2025/26

ANNUAL PERFORMANCE REPORT

www.richmond.gov.za.co.za



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR
ENDED 30 JUNE
2025

www.richmond.gov.za.co.za

