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## ACRONYM AND ABBREVIATIONS

ACRONYM	DEFINITION
UEDA	UThukela Economic Development Agency
KZN	KwaZulu- Natal
ACEO	Acting Chief Executive Officer
PMS	Performance Management System
COGTA	Cooperative Governance and Traditional Affairs
CIPC	Companies and Intellectual Property Commission
SARS	South African Revenue Services
UTDM	UThukela District Municipality
MFMA	Municipal Finance Management Act
SMME	Small, Medium and Micro Enterprises
PAYE	Pay As You Earn
CSD	Central Supplier Database
BBBEE	Broad-Based Black Economic Empowerment
ADA	Agribusiness Development Agency
LED	Local Economic Development
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
NPO	Non- Profit Organisation
EDTEA	Economic Development, Tourism and Environmental Affairs
SDBIP	Service Delivery and Budget Implementation Plan
AFS	Annual Financial Statements
GRAP	Generally Recognised Accounting Practice

UIFW	Unauthorised irregular, fruitless and wasteful expenditure
AGSA	Auditor General South Africa

## 1. INTRODUCTION AND OVERVIEW

### 1.1 Report Profile

UThukela Economic Development Agency Annual Report complies with the statutory disclosure requirements of the Municipal Finance Management Act (Act 56 of 2003) and the Companies Act 71 of 2008, as well as relevant regulations, practice notes, and circulars as would be issued by the National and Provincial Treasury from time to time and is aligned to the shareholder's requirements. In addition, this Annual Report seeks to provide a holistic account of the Entity's performance against set targets as agreed to with the sole shareholder, the UThukela District Municipality.

UThukela economic Development Agency is, in terms of the law, expected to prepare Annual Reports every year and publish such to its stakeholders as an indication of accountability. This report covers the twelve (12) month period from 1 July 2024 to 30 June 2025. The performance content of this Annual Report shows the Agency's progress with meeting predetermined objectives and performance indicators against the approved budget planning processes and the scorecard for the period 2024/2025. The financial content of the Annual Report further contains the financial statements for 2024/2025. The assurance of the annual report for both financial and performance information is provided by various phases and reporting systems which are tested by Internal Audit and reported on to the Independent Audit Committee.

Map 1: Source: UThukela District Municipality Website



## 1.2 Overview of UThukela Economic Development Agency

UThukela Economic Development Agency (UEDA) was established in 2017 informed by the Kwa-Zulu Natal (KZN) Cabinet Lekgotla, which was held on 11-13 September 2012 resolved to establish District Development Agencies. District Economic Development Agencies are key economic drivers identified in the KZN Provincial Growth and Development Strategy (PGDP).

### **Vision**

An economically vibrant and prosperous district that retains and attracts businesses anchored in unique opportunities and innovation for sustainable economic development.

### **Mission**

Create an enabling and business-friendly environment thus ensuring the retention and attraction of local and international investments and promoting new business ventures working with all social and business partners to

achieve a prosperous sustainable economic development for uThukela District.

### **Objectives**

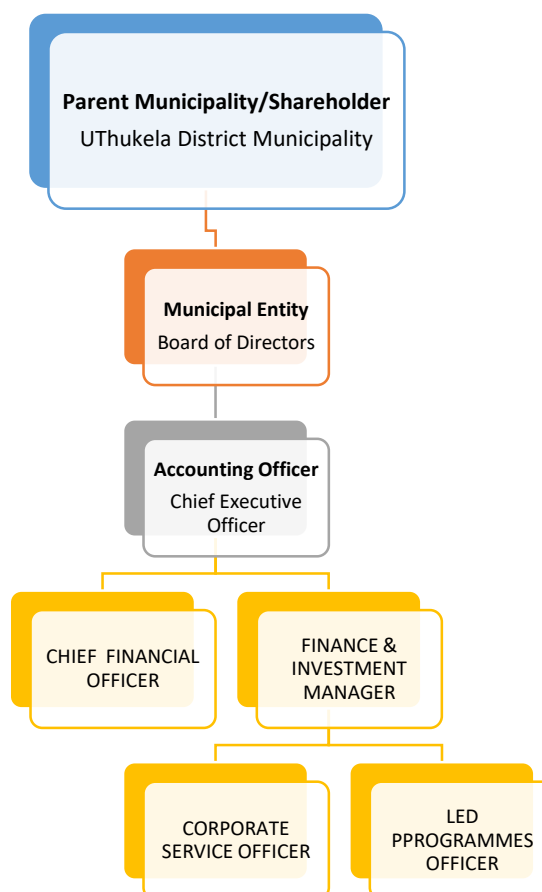
The main objectives:

- To create an enabling and conducive environment for both local and international businesses to thrive.
- To facilitate, coordinate and monitor all district economic development projects.
- To restore business confidence in stakeholder engagements and establishment of the economic development working group.
- To mobilise and promote the use of local resources and skills thus ensuring maximum local economic development.

### **Key services**

The typical mandates of UEDA include the following:

- Improve the economic context and opportunity of the territory.
- Fundraising and implementation on high-impact projects.
- Promote competition among healthy businesses.
- Provide tools for economic development that include the weakest and most vulnerable sectors.
- Develop relationships of collaboration and cooperation across sectors.
- To manage the spatial organization of the area in a socially efficient manner, particularly through the use of public land & targeted private projects.
- Stimulating economic development through development projects and investment support/promotion.
- The identification of catalytic projects.
- Focusing on sector competitiveness such as Industrialisation; Tourism; agriculture, job creation, and high-impact projects; Business Development Services and SME support, communication, property management, mediation between public and private sectors poverty alleviation, and small-town regeneration.



### 1.3 UThukela District Overview

UThukela District Municipality, which is the parent municipality of UEDA; is located on the western boundary of the KwaZulu-Natal Province. It is bordered by three other district municipalities:

- Amajuba,
- uMzinyathi and
- UMgungundlovu.

It consists of three local municipalities:

- Okhahlamba;
- Alfred Duma and;
- Inkosi Langalibalele

The district derives its name from one of the major rivers in KwaZulu-Natal, the uThukela River, which rises from the Drakensberg Mountains and supplies water to a large portion of KZN, as well as Gauteng. It is predominately rural and is characterized by poor socioeconomic indicators such as low revenue base, poor infrastructure, limited access to services, and low economic base.

### Cities/Towns:

- Bergville;
- Cathkin Park;
- Colenso;
- Estcourt;
- Ladysmith;
- Van Reenen;
- Weenen;
- Winterton

### Main Economic Sectors

- Manufacturing (21%);
- Wholesale and Retail Trade, Catering and Accommodation (17%);
- Finance, Insurance, Real Estate and Business Services (15%)



### 1.4 Statutory Annual Report Process

Activity	Legislation and Guidance	Process Owner/Role Player	Timeframe
Finalise 4 <sup>th</sup> quarter report of previous financial year	MFMA S52(d)	Managers	August
Submit Annual Performance Report and evidence to Internal Audit	Internal Audit verifies submitted evidence	CEO & PMS	August
Submit Annual Performance Report including annual financial statements to the Combined Audit/Performance Committee	Joint Committee assessing both financial and non-financial performance advances accountability and expedites corrective measures	CFO & PMS	August
Submit Annual Performance Report to the Auditor General including annual financial statements	Financial statements Submission of annual financial statements as per section 126(1) of the MFMA.	CFO & PMS	October
Collect Annual Report data from all the departments,	data PMS collects and verifies collected data	CEO & PMS	December

## UThukela Economic Development Agency: Annual Report 2024/25

assess and verify collected data			
Consolidate Annual Report information in preparation for the first draft. Circulate draft Annual Report to senior management for verification and comments.	PMS consolidates Annual Report	PMS	January
Submit the Draft Annual Report to Audit Committee for comments	Joint Committee assessing both financial and non-financial performance advances accountability and expedites corrective measures	MM/PMS/Audit and Performance Committee	January
CEO tables the Draft Annual Report to the Board	Section 127 (2) states that the mayor of a municipality must, within seven months after the end of the financial year, table in the municipal council the annual report of the municipality and of the	CEO	January

## UThukela Economic Development Agency: Annual Report 2024/25

	municipal entity under the municipality's sole or shared control		
The Accounting Officer must submit draft Annual Report including final annual financial statements and annual performance report to Auditor-General, Provincial Treasury and KZN COGTA	Section 127 (5) (2) (b)	CEO	February/March
The Entity to submit a draft annual report to the parent municipality not later than two months from the date on which the draft annual report was tabled in the board	Section 129 (1)	PMS	February/March
Accounting Officer must attend all meetings where the Annual Report is discussed and those minutes must be	Section 129 (2) (a) (b)	CEO	March

shared with AG, Provincial Treasury and KZN COGTA			
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## 1.5 Foreword from the Board Chairperson



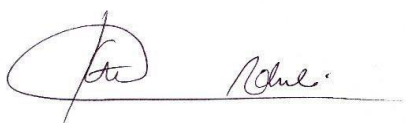
UThukela Economic Development Agency continues its commitment to driving growth. I commend our team for their dedication to supporting small businesses and implementing programmes in the midst of tough budgetary constraints. Throughout this term, I proudly affirm no adverse reporting, let alone any suspicion, mischief or finding attributable to me or my fellow Board members and/or members of staff; or brought about any organisational disrepute.

Key partnerships between all governments sector departments at all spheres as well as with private sector and the communities we work in, is critical for economic growth and sustainability. As the Board of the UThukela Economic Development Agency, we are mindful that as a government entity, we need to work together with the private and business sector in taking the district of UThukela District to the next level of economic growth; where the ease of doing business will attract new investments, where the regulatory environment allows for small businesses to thrive and where our entrepreneurs can succeed.

We continue to strive to build and strengthen relationships with all stakeholders as we believe that together we can build a sustainable economy in our district, ensuring a better live for all our people. However, in reviewing the performance of the Entity through the Service Delivery Budget Implementation plan, as a Board we are pleased with the overall performance. Board oversight and the

functioning of the committee structures has been satisfactory and we as the board and its committee structure return committed to ensuring that our duties are executed in line with applicable legislation.

I take this opportunity to express my sincere gratitude to the board members for the professional manner in which they discharge their fiduciary and other duties to the organisation, through their collective and individual experience and expertise. I would like to also share my deepest appreciation to the management of UThukela Economic Development Agency led by the ACEO Mr. SB Sibisi and the entire staff, for the manner in which they have dedicated themselves to working effectively and efficiently. Lastly on behalf of the Board of Directors of UThukela Economic Development Agency we would like to thank our shareholder, UThukela District Municipality for their support, leadership and guidance. We are looking forward to 2025/2026 as we strive even harder to ensure that all set goals are implemented.

A handwritten signature in black ink, appearing to be 'S. Sibisi', written over a horizontal line.

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**CHAIRPERSON**

## 1.6 Acting Chief Executive Officer's Review



A task to develop the economy of a particular closed locality requires those who have been given the task to analyse the competitive advantage of their area and use it to sell their area. In the process, various stakeholders are to be brought on board so that no opportunity is left unexplored.

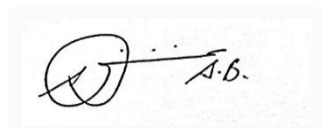
This has been the daunting task of the uThukela Economic Development Agency, which it had to carry out with cognisance and appreciation of the incomparable levels of development pertinent to the communities of UThukela district. Deep rural community areas are characterised by underdevelopment, poverty, unemployment, and high levels of illiteracy. If any sort of economic development is to happen in these areas, authorities have to first address the bread and butter issue, because no sensible economic development can occur if people are hungry and living in abject poverty.

The strategy of the Agency has, thus, been informed by this basic tenet. In the past year we focussed, with our limited budget, on the development of sugar bean production in rural areas, support of businesses owned and operated by disabled individuals and those in the secluded areas of our district, training of SMME's in basic financial and business management, and assistance of businesses with compliance with CIPC and SARS requirements.

In keeping with our mandate of business expansion and retention, and in an effort to ensure no jobs are lost in our district, we have engaged various companies in our district that are the biggest employers within the district to listen to their challenges and engage relevant authorities to address those identified challenges. The approach has ensured that many challenges relating to water, electricity, and road infrastructure are resolved immediately. However, there have been instances where we could not arrive in time to save the situation. Two big companies, one in Estcourt and another in Ladysmith, have shut down or relocated to other provinces because of the challenges they were facing within the district. The challenges range from high municipal tariffs, transport infrastructure, to labour unrest. This, then, underscores the importance of collaboration among all stakeholders if we are to successfully develop the economy of the district.

## **CONCLUSION**

My sincerest gratitude to the Chairman of the Board of Directors, DR Nduli, and his members of the board, and uThukela District Municipality for the support they have given to my administration in the execution of our task.

A handwritten signature in black ink, appearing to be 'S.B. Sibisi', is written over a light blue rectangular background.

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**Mr. SB Sibisi**

**CEO: UThukela Development Agency**



## 2. STATEMENTS OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

I confirm that to the best of my knowledge:

- All information and amounts in the annual report align with the audited financial statements by the Auditor-General.
- The report is complete, accurate, and free from omissions.
- It complies with the National Treasury's guidelines for annual reports.
- The annual financial statements (Part D) follow the applicable GRAP standards for Municipal Entities.
- The Accounting Officer is responsible for preparing the financial statements and judgments made.
- The Accounting Officer is also responsible for establishing internal controls that ensure the integrity and reliability of performance, human resources, and financial data.
- External auditors have been engaged to provide an independent opinion on the financial statements.
- The annual report accurately reflects the operations, performance, human resource information, and financial affairs of the entity for the year ending 30 June 2025

### 3. LEGISLATIVE AND OTHER MANDATES

UThukela Economic Development Agency operates under a comprehensive legal framework designed to ensure accountability, transparency, and effective governance.

These entities are primarily governed by the following legislative and other mandates:

- Municipal Systems Act, No. 32 Of 2000
- Municipal Finance Management Act (MFMA), No. 56 Of 2003
- National Development Plan
- Treasury Regulations
- Policies and Directives of the Department of Cooperative Governance and Traditional Affairs(COGTA)
- District, Provincial and National Priorities
- uThukela District
- KZN and National Economic Recovery Plans
- Provincial Growth and Development Plan
- Companies Act, No. 71 Of 2008
- Public Audit Act, No. 25 Of 2004
- King IV Report On Corporate Governance (2016)
- UThukela District Economic Recovery Plan and
- Memorandum of Understanding signed with various countries around the world

## 4. CORPORATE GOVERNANCE

The UThukela District Municipality is the sole Shareholder of UThukela Economic Development Agency. The Board of Directors contracts with the Shareholder, through an annually approved Shareholder Compact. The Chief Executive Officer, as the Accounting Officer, is accountable to the Board for the successful implementation of this compact and the overall performance of the Entity and is also required by law to account to various other stakeholders on behalf of the Entity. The Board Charter provides a firm foundation for a clear definition of roles at the helm of governance structures of the organisation. It sets out the roles and responsibilities of the Board of Directors, Chairperson of the Board and Sub Committees, and other key roles to ensure clarity and alignment. It is not meant to be a repetition of corporate governance rules, but instead, to specify how the Board would like to work together with and relate to Management and other key stakeholders. The Board is required to meet at least 4 times per annum (once every quarter), as approved by the Chairperson of the Board and for which notice must be given. In addition to that, the Board is required to attend the following:

- Quarterly Sub-Committee meetings for the Local Economic Development, Finance & Investment Committee as well as the Corporate service Committee
- Board Strategy Session,
- Any other additional meeting over and above those listed above, as deemed necessary to deal with corporate governance matters of the Agency.
- The schedule below indicates the attendance by the Board Members to Board and sub-committee meetings for the period 01 July 2024 to 30 June 2025.

Name	Board Meeting	LED Committee	Finance & Investment Committee	Corporate service Committee	Adhoc Session/s strategy	Total meetings remunerated
Dr. KH Nduli	10/10	N/A	1/3	N/A	3/3	11
Mrs A Asmal	6/10	N/A	N/A	0/3	0/3	6
Mr AM Msomi	5/10	0/3	N/A	N/A	0/3	5
Mr B Kubheka	10/10	3/3	3/3	N/A	3/3	16
Ms N Zikalala	10/10	N/A	1/3	3/3	3/3	16
Mr M Sithole	10/10	3/3	N/A	3/3	3/3	16
Mr W Kunene	10/10	3/3	N/A	3/3	3/3	16

#### 4.1 Audit Committee

UThukela Economic Development Agency has an Audit Committee which comprises of Independent Members whom we are having shared services of with the shareholder (UTDM). In line with MFMA, the committee was established to serve as an independent governance structure whose function is to provide an oversight role on the systems of internal control, risk management and governance.

The duties and responsibilities of the Audit committees are comprehensively explained in the MFMA legislation which governs municipalities. In addition to the legislative requirements, the King Code and Report on Governance for South Africa (King IV) provides further guidance on the roles and responsibilities of audit committee members. This Committee focuses on providing strategic input on the financial and operational performance of the Entity. Ultimately members of this committee should be able to strategically guide management in ensuring that sufficient funds are available to implement SDBIP.

The Audit and Risk Committee comprises of Independent Members who are directly appointed by the Agency. As at the beginning of the reporting period, this committee comprised of five (5) members who were appointed in line with section 166 of the MFMA with their term ending on 30 May 2025.

Name	Number of meetings held
Sibusiso Majola	2/2
Samukelisiwe Khanyile	2/2
Nozipho Zondo	2/2
Nosipho Mchunu	1/2
Zenzele Mzimela	1/2

## 4.2 Risk Management

- The entity continues to implement the approved risk management framework. It guides the risk management process and instils a risk management culture within the institution. The risk assessments are conducted to determine the effectiveness of risk management policy and to identify new and emerging risks. Risks are identified through risk assessment sessions as well as through the entity's strategies and subsequently the risk register is updated. The parent municipality assists us with risk management activities.

Risk register as per the entity's risk register for 2024/25

Risk Name	Programme	Risk Description	Root Cause	Consequence	Inherent	Residual Risk	Control Details	Task Details
<b>Local Economic Development: Attraction and Investment</b>	uThukela Economic Development Agency - Strategic Risk Assessment 2024/2025	Failure to attract new investors and to retain existing businesses within the district	<ul style="list-style-type: none"> <li>- Lack of sector Specialist.</li> <li>- Water shortage</li> <li>- Red tapes or bottlenecks in terms of compliance with laws and regulations.</li> <li>- Climate change (the district is vulnerable to flooding).</li> <li>- Inaccessibility of municipality serviced land.</li> <li>- Poor municipal services and delays in responding to consumers complaints.</li> <li>- Uncoordinated planning between the agency, parent municipality and local municipalities.</li> <li>- Non-identification of investors opportunities</li> <li>- Lack of Investment and Promotion</li> </ul>	<ul style="list-style-type: none"> <li>- Slow economic growth</li> <li>- Businesses relocating to other areas</li> <li>- High unemployment rate</li> <li>- Loss of potential revenue</li> <li>- Low investor confidence</li> </ul>	72 Critical	57 Major	<ul style="list-style-type: none"> <li>-Continuous engagements with existing businesses</li> <li>-Participation in the District</li> <li>-Development Model Clusters</li> <li>-Quarterly reporting to Finance Portfolio Committee</li> <li>-Quarterly reporting to the board</li> <li>-Quarterly reporting to the Local Economic Development Portfolio Committee</li> <li>-Quarterly reporting to the parent municipality</li> <li>-J5Service Delivery and Budget Implementation Plan</li> </ul>	<ul style="list-style-type: none"> <li>-Continuous engagements with existing businesses</li> <li>-Participation in the District</li> <li>-Development Model Clusters</li> <li>-Quarterly reporting to Finance Portfolio Committee</li> <li>-Quarterly reporting to the board</li> <li>-Quarterly reporting to the Local Economic Development Portfolio Committee</li> <li>-Quarterly reporting to the parent municipality</li> <li>-J5Service Delivery and Budget Implementation Plan</li> </ul>
Local Economic Development: Informal Economy &	uThukela Economic Development Agency - Strategic Risk	Inability to foster economic growth through informal economy and	SMALL, MEDIUM AND MICRO ENTERPRISES Limited to access to finance due to:	<ul style="list-style-type: none"> <li>High unemployment rate</li> <li>Slow economic growth</li> </ul>	80 Critical	64 Critical	-Assistance in sourcing funding and with developing business plans for the SMMEs	

## UThukela Economic Development Agency: Annual Report 2024/25

SMME	Assessment 2024/2025	Small, Medium and Micro sized Enterprises	<ul style="list-style-type: none"> <li>- Limited business skills</li> <li>- Limited access to information due to Small, Medium and Micro Enterprises being located in rural areas</li> <li>- Failure to facilitate participation of SMME's in the large scale manufacturing due to</li> <li>- Lack of working space (clothing and textile industry)</li> <li>- Lack of equipment (machinery) and tools of trades to expand and grow the businesses</li> <li>- Lack of marketing skills to market businesses and products</li> <li>- Duplication of efforts between the agency, local municipalities and the parent municipality</li> <li>- Poor investor confidence due to poor</li> </ul>	<ul style="list-style-type: none"> <li>- Failure to alleviate poverty</li> <li>- Financial loss</li> <li>- Increase in the food scarcity</li> </ul>			<ul style="list-style-type: none"> <li>- Database for Small, Medium and Micro Enterprises and informal businesses</li> <li>- Local Economic Development Forum for information sharing</li> <li>- Monitoring of seedling by the entity for the communities Which includes local economic development activities</li> <li>- Quarterly reporting to the Board</li> <li>- Quarterly reporting to the parent municipality</li> <li>- F7 Trainings on financial management are conducted</li> <li>- Trainings on marketing skills with the assistance of SEDA are conducted</li> </ul>	
Local Economic Development: Agricultural Development	uThukela Economic Development Agency - Strategic Risk Assessment 2024/2025	Inadequate facilitation and promotion of local economic development through agricultural activities	<ul style="list-style-type: none"> <li>- Lack of support/Unsustainable support from stakeholders e.g. department of Agriculture</li> <li>- Lack of Agri-processing facility</li> <li>- Lack of market sustainability resulting in farmers selling products at a low cost</li> <li>- Unsustainability of projects at the end of supported programmes</li> <li>- Climate change negatively impact the harvest</li> </ul>	<ul style="list-style-type: none"> <li>- Slow economic growth resulting in high poverty levels</li> <li>- High unemployment rate</li> <li>- Failure to alleviate poverty</li> <li>- Failure to increase local economic development</li> <li>- Increase in food insecurity</li> </ul>	74 Critical	59 Critical	<ul style="list-style-type: none"> <li>- Database for farmers in place</li> <li>- Functional District Local Economic Development and Tourism Forum is</li> <li>- Quarterly reporting to Local Economic Development Portfolio Committee</li> <li>- Quarterly reporting to the board</li> <li>- Quarterly reporting to the parent</li> </ul>	<ul style="list-style-type: none"> <li>- Database for farmers in place</li> <li>- Functional District Local Economic Development and Tourism Forum is</li> <li>- Quarterly reporting to Local Economic Development Portfolio Committee</li> <li>- Quarterly reporting to the board</li> </ul>

## UThukela Economic Development Agency: Annual Report 2024/25

			Lack of financial literacy skills, agricultural and farming skills Water shortage Lack of Sector Specialists High competition with existing commercial farmers that results in inaccessibility of the market by small or emerging farmers High regulatory requirements required to meet production quality standards required by market High transportation cost for farmers to access the market to sell the products				municipality Support with seedling Training to farmers	Quarterly reporting to the parent municipality Support with seedling Training to farmers
Good Governance & Public Participation	<b>uThukela Economic Development Agency - Strategic Risk Assessment 2024/2025</b>	Non-compliance with laws and regulations and failure to develop, implement and maintain an Anti-Fraud and Corruption functions	Ineffective internal audit function - Delays in appointment of the audit committee members - Non sitting of the audit committee meetings Inability to effect the policy environment of the institution due to parent municipality expropriating the powers of the board Ineffective functioning of the board committees Non-conducting of Fraud Risk Assessments and Anti-Fraud and Ethics awareness Non-updating of the organizational website in accordance with the requirements of the legislation Lack of a Gift Register Non establishment of the	Failure to promote ethical conduct Financial loss due to fraud and corruption Negative impact on audit outcome Tarnished image of the entity Maladministration Institutional instability Non-compliance with the legislations and policies	80 Critical	44 Major	-Anti-Fraud and Corruption Policy in place - Approved Conflict of Interest --Policy in place Approved -Whistle blowing Policy in place -Audit Committee appointed with Terms of Reference -Compliance checklist in place and monitored by the Chief Executive Officer -Fraud Prevention Plan --Quarterly reporting to the board Remunerative Work Outside the Public Service Policy Stakeholder Analysis Plan in place Standard Operating Procedures	-Conduct Anti-Fraud and Corruption and awareness - Request assistance from the Office of the Premier Risk Owner: Acting Chief Executive Officer Action Owner: Head - Corporate Services Start Date: 14/10/2024 Due Date: 04/11/2024 -Follow up with KZN Provincial Treasury Fraud Risk Assessment Risk Owner: Acting Chief Executive Officer Action Owner: Head - Corporate



## UThukela Economic Development Agency: Annual Report 2024/25

			Risk Management Committee Non-				in all business units are in place	Services Start Date: 14/10/2024 Due Date: 29/11/2024
Financial Viability & Management	<b>uThukela Economic Development Agency - Strategic Risk Assessment 2024/2025</b>	Inability to ensure sustainable organization through diversification of revenue streams	Limited diversified revenue streams Limited revenue generating projects Unsustainable projects due to budget constraints Reliance on the grants from the parent municipality Delays in receiving payment of grants from the parent municipality Over-reliance on the district for finance Lack of financial management system Lack of Revenue Enhancement Strategy Insufficient human resource capacity within finance unit	Potential revenue loss Tarnished image of the entity Late/non-payment of suppliers Inability of the entity to continue as a going concern Negative impact from service delivery	80 Critical	44 Major	Approved Finance Policies in place - Supply Chain Management Policy - Assets Policy - Bank and Cash Management Policy - S&t Policy - Virment Policy - Approved Fraud Prevention Plan in place - Grants from the parent municipality Interest income -Management fees from externally initiated projects -Monthly reporting to the parent municipality Quarterly reporting to the board Quarterly reporting to the Finance and Investment Portfolio Committee VAT recoupment from South African Revenue Services	Develop Revenue Enhancement Strategy Risk Owner: Acting Chief Executive Officer Action Owner: Finance Officer Start Date: 14/10/2024 Due Date: 15/12/2024 u - Follow up with the parent municipality on using Munsoft system - Benchmark with other entities - Request server space from the parent municipality to back up entity's information Risk Owner: Acting Chief Executive Officer Action Owner: Finance Officer Start Date: 14/10/2024
Organizational Transformational & Development	uThukela Economic Development Agency - Strategic Risk Assessment 2024/2025	Inability to capacitate the institution with sufficient, skilled and experienced human resources	Lack of permanent staff High staff turnover due to lack of permanent status of the employees Staff being paid below average salaries Budget constraints- - The entity is highly dependent on grant funding from the	Low staff morale High staff turnover Non-achievement of strategic goals Financial loss Loss of institutional memory Ineffective governance Tarnished image	72 Critical	39 Major	-Annual Business Plan is in place -Approve Board Charter is in place -Approved and signed Job descriptions are in place -Approved organizational	-Develop Skills Development Plan Risk Owner: Acting Chief Executive Officer Action Owner: Head - Corporate Services Officer Start Date: 14/10/2024

## UThukela Economic Development Agency: Annual Report 2024/25

			<p>district</p> <ul style="list-style-type: none"> <li>- Lack of budget to provide trainings for staff development</li> <li>Inability to effect the policy environment of the institution due to parent municipality expropriating the powers of the board</li> <li>Lack of Skills Development Plan</li> <li>Insufficient tools of trade (vehicles and computers)</li> <li>Lack of Human Resource Management Plan</li> </ul>	of the entity			<p>Organogram is in place</p> <ul style="list-style-type: none"> <li>-Approved Performance Management Policy is in place</li> <li>-Employee Code of Conduct in place</li> <li>-Employees Development Plan</li> <li>-Performance Management System is in place</li> <li>-Quarterly reporting to the board</li> </ul>	<p>Due Date: 13/12/2024</p> <ul style="list-style-type: none"> <li>-Develop Human Resource Management Plan</li> <li>Risk Owner: Acting Chief Executive Officer</li> <li>Action Owner: Head - Corporate Services Officer</li> <li>Start Date: 14/10/2024</li> <li>Due Date: 30/06/2025</li> <li>-Conduct Skills Audit</li> <li>Risk Owner: Acting Chief Executive Officer</li> <li>Action Owner: Head - Corporate Services Officer</li> <li>Start Date: 14/10/2024</li> <li>Due Date: 31/03/2025</li> </ul>
Local Economic Development: Tourism Development	uThukela Economic Development Agency - Strategic Risk Assessment 2024/2025	Inadequate facilitation and promotion of local economic development through tourism	<p>Inadequate co-ordination between the agency and the local municipalities</p> <ul style="list-style-type: none"> <li>- Duplication of the Local Economic Development Programs in the agency, local municipalities and the parent muni</li> <li>Lack of incentives/funding to support emerging tourism businesses</li> <li>Cumbersome labor laws and red tapes that comes with government support</li> </ul>	<p>Slow economic growth Increase in unemployment rate Loss of potential revenue Tarnished image of the entity</p> <p>Increase in social ills Inability to alleviate poverty Failure to deliver on the mandate of the entity</p>	48 Major	38 Major	<p>-Local Economic Development and Tourism Forum Participation in District</p> <ul style="list-style-type: none"> <li>-Development Model Structures Quarterly tourism activation programs</li> <li>-Stakeholder analysis has been conducted</li> <li>Tourism establishments database in place and updated regularly</li> <li>Tourism material</li> </ul>	<p>-Develop a Tourism Strategy</p> <ul style="list-style-type: none"> <li>Risk Owner: Acting Chief Executive Officer</li> <li>Action Owner: Head – Local Economic Development</li> <li>Start Date: 15/10/2024</li> <li>Due Date: 30/06/2025</li> <li>-Establish a web based tourism office</li> <li>- Create content to upload to the tourism web</li> </ul>

## UThukela Economic Development Agency: Annual Report 2024/25

			<p>Inability to access financial support due to non-compliance with the laws and regulations of tourism establishments</p> <p>Strategy</p> <p>Lack of web-based tourisms office</p> <p>Lack of Sector Specialists</p> <p>Out-updated entity's website</p> <p>Inability to broaden the benefits of visiting tourists in the district</p> <p>Un-accreditation of the agency with Quality Council for Trades and Occupations (QCTO)</p>					<p>office</p> <p>Risk Owner: Acting Chief Executive Officer</p> <p>Action Owner: Head – Local Economic Development</p> <p>Start Date: 15/10/2024</p> <p>Due Date: 30/06/2025</p> <p>-Develop a Marketing Strategy - to include communication plan</p> <p>Risk Owner: Acting Chief Executive Officer</p> <p>Action Owner: Head – Local Economic Development</p> <p>Start Date: 15/10/2024</p> <p>Due Date: 30/06/2025</p>

### 4.3 Anticorruption and Fraud

Financial crime and other unlawful conduct pose as a threat to UEDA's operation and strategic objectives. UEDA ensures compliance with all relevant legislation and regulations. The antifraud and anticorruption programme supports and fosters a culture of zero tolerance to fraud, corruption and unlawful conduct.

Employees are regularly made aware of fraud activities and fraud prevention. Strict payment management processes are in place and the Bid Evaluation Committee independently verifies whether preferred service providers can complete the work.

Risk assessments are done and as part of the prevention strategy the following risk management documents are in place:

- Risk Management Policy
- Fraud Prevention Policy
- Fraud Response Plan Policy
- Whistle – Blowing Policy
- Code of Ethics Policy

### 4.4 Compliance with Laws & Regulations

A governance framework, as well as a compliance checklist, were created to continually enable the officials to observe legal compliance requirements when performing any function. The Compliance Checklist and MFMA Circular 68 are two primary compliance management tools which are key pillars that bring to life what the compliance checklist framework articulates.

The Compliance Checklist is made up of applicable legislation and regulations which are the following:

- Municipal Systems Act, 32 of 2000
- The Municipal Finance Management Act 56 of 2003
- King IV

- The Companies Act, 71 of 2008

The following legislatives/Regulations we were not compliant with:

#### MFMA NON-COMPLIANT SECTION

SECTION	LEVEL OF COMPLIANCE	REASON
165,	<b>Not Compliant</b>	We are currently <b>not in compliance</b> with this requirement, as we do <b>not have our own internal audit unit</b> in place. Audits are currently conducted by UTM auditors.

#### COMPANIES ACT NON-COMPLIANT SECTION

SECTION	LEVEL OF COMPLIANCE	REASON
Section 84(3)	<b>Not compliant</b>	The Auditor-General is the official auditor for the SOC, while external audits are currently conducted by UTM auditors. Although an individual has been identified to support audit functions, no formal appointment has been made. The lack of an internal audit unit highlights capacity gaps, and establishing an in-house function or formal interim support is recommended to improve internal controls and compliance.

### 4.5 Corporate Ethics and Organisational Integrity

The Agency and its Board of directors subscribe to high ethical standards and principles. The leadership provided by the Board is characterised by the value of responsibility, accountability, fairness and transparency.

#### 4.5.1 Code of Conduct

- Loyally execute the lawful policies of UEDA

- Perform the functions of office in good faith, diligently, honestly and in a transparent manner.
- Act in such a way that the spirit, purpose and objects of this policy are promoted.
- Act in the best interest of UEDA and in such a way that the credibility and integrity of UEDA and the staff are not compromised.
- Act impartially and treat all people including all members of staff equally without favour or prejudice.

#### **4.5.2 Declaration of interest**

UEDA maintains a file of director's declaration of interest. The forms are filled every board meeting sitting to declare if there is any interest in matters to be discussed at that particular meeting. The Board continues to adhere to this practice even in the period under review.

## 5. SERVICE DELIVERY AND PERFORMANCE

### 5.1 Programmes

#### 5.1.1 Vacant Land and Building Data Collection

As part of its mandate to promote investment, UEDA engaged in data collection efforts to identify and advertise available land and buildings for potential development. Activities included:

- **Engagement with Alfred Duma Municipality:** Reached out in both quarters of the reporting period. Access to the valuation roll was obtained in November 2024.
- **Field Research:** Conducted in Ladysmith, leading to the identification of strategic vacant land on Poort Road, opposite FET College.
- **Database Update:** All identified properties and valuation roll data were updated on the Agency's website, enhancing transparency and accessibility for potential investors.
- The agency has consulted with local municipalities on the availability of business and vacant land and collaboration with the private sector has yielded positive results. The agency managed to advertise one business property during third quarter. Further engagements with property owners and local authorities will continue to expand to the portfolio of advertising vacant land and commercial buildings.



#### Challenges:

- Delayed access to municipal records, which slowed data verification processes.
- Limited engagement from other municipalities within the district.

- UEDA collaborated with local municipalities and private sector stakeholders to compile data on vacant land and buildings available for investment. This data has not been advertised to potential investors. The initiative enhances UEDA's role in facilitating property-related investment and driving economic growth.
- Identification of vacant land and commercial buildings where the agency engages LMS, as well as local property investors to identify commercial land and buildings. 2 vacant land and buildings were identified during the quarter

### 5.1.2 Identification of Investment Opportunities

The investment opportunities identified within uThukela District, focusing on Ladysmith (Alfred Duma Municipality) and Estcourt (Inkosi Langalibalele Municipality). Highlights include:

- Restaurant Centre in Ladysmith: Potential for leasing spaces, promoting local crafts, and boosting tourism-related services.
- Developments in Estcourt: Opportunities from a new hospital, shopping center, and the renovation of the former Masonites property into the Estcourt Intermodal Terminal Logistics, which will facilitate trade and export activities.
- Logistics and Trade: Investment in warehouses, transport services, and trade hubs, supported by the Ladysmith-Newcastle corridor expansion.



***N11 ROAD CONSTRUCTION***

These projects present opportunities to enhance economic growth, create jobs, and support sustainable development in the district.



- The report highlights the investment opportunities available in the district, showing how they can help the local economy grow. Projects like the electric garage between Colenso and Winterton, Dukuza Dam Fish Farming, and the new hotel in Enondela have the potential to create jobs, support businesses, and improve infrastructure. These investments will bring more business opportunities, attract visitors, and improve the lives of local people. Although some approved projects have not yet started, they offer great potential for investors. By supporting these initiatives with proper planning and management, the district can achieve long-term economic growth and development.
- The agency identified several key investment opportunities aligned with uThukela District's development priorities. These opportunities span across sectors such as agriculture, manufacturing, and tourism, and are expected to attract both domestic and foreign investments. UEDA's role in identifying and packaging these opportunities is critical for promoting the district as an attractive investment destination.



***State-of-the-Art Fitness Centre***

Many of our SMME will benefit from the state- the-art fitness centre that is being developed in the Alfred Duma Local Municipality, and if there is an event, this centre will help them promote their products. This fitness centre can host regional sports events, tournaments, and wellness workshops, drawing visitors from outside the municipality. This influx of visitors can further contribute to the local economy.

The investment opportunity identified in the final quarter of 2024/25 was Nando's on N11.

### 5.1.3 SMME Training Sessions

UEDA conducted two training sessions tailored to empower SMMEs with critical knowledge on regulatory compliance and business operations:

- **Dates:** 25 November 2024 and 9 December 2024.
- **Focus Areas:**
  - Services provided by the Companies and Intellectual Property Commission (CIPC), including company registration, intellectual property protection, and compliance.
  - Essential SARS services, including tax registration, VAT compliance, PAYE, and income tax filing.

While turnout was below expectations, participants expressed positive feedback on the relevance and practicality of the training content. Plans are underway to increase awareness and attendance for future sessions through targeted outreach and partnerships with local stakeholders.



### 5.1.4 SMME Support Services

UEDA provided direct support to five (5) SMMEs, addressing critical business needs and fostering entrepreneurship:

- **Business Registration:** Assisted two (2) businesses in registering with CIPC:
  - MZAYI ENTERPRISE PTY (LTD)
  - WONDERBOY INTERNET CAFÉ PTY (LTD)

- **Beneficial Ownership Guidance:** Ensured compliance with new regulatory requirements.
- **Business Plan Development:** Supported three (3) SMMEs in creating comprehensive business plans:
  - MVIKELWA AND BROTHERS PTY (LTD)
  - MTHANDI PTY (LTD)
  - Thengothandayo Primary Cooperative Limited.
- UThukela Economic Development Agency has successfully provided critical support to 16 SMMEs during the quarter. By offering essential services at an affordable rate, UEDA has helped local businesses with company registration, BBBEE certification, SARS registration, CSD registration, and business plan drafting. This initiative has directly contributed to empowering SMMEs, improving their operational compliance, and promoting economic development within the region.
- The finance and investment manager officer reported that 8 SMMEs were given support during the quarter. Services such as CIPC, BBBEE, SARS (including training), Business Plans and application for funding were provided.
- The Portfolio committee noted the report the agency must consider documenting an agreement that will be presented to the applying SMMEs. The committee emphasised that the agency must explore how it can be part of the funded SMME projects upon successful funding applications. The committee supported the submission of the report to the Board of Directors.

#### 5.1.5 Transport Services



In support of agricultural SMMEs, UEDA facilitated cost-effective transportation of produce to market:

- **July – August 2024:** Transported 2,052 cabbages at a rate of **R6.50** per unit, totaling **R3, 857.55**.
- **November 2024:** Transported 300 cabbages, generating a revenue of **R318.00**.

This initiative addressed logistical challenges for small-scale farmers and contributed to market access and revenue generation.

There was no activity in the third quarter. The SMMEs we serve cultivate seasonal crops, which are not harvested during this quarter. As a result, there were no crops available for transportation. Going forward, transportation services will continue providing reliable and affordable transportation for the SMMEs. By covering a range of routes and ensuring the timely movement of individuals between various locations, the transportation services will contribute to the success of the SMMEs in their respective business activities, making it easier for all stakeholders to budget accordingly.

#### **5.1.6 Advertising and Liaising with Local Municipalities about UEDA's Services**

To enhance awareness of its services, UEDA launched targeted advertising campaigns and community engagement initiatives:

- **Local Newspaper Advertising:** Raised awareness of SMME support services, resulting in an expanded database of beneficiaries.
- **Community Engagement:**
  - Collaborated with local municipalities, councilors, and schools to identify business owners living with disabilities.

- Participated in events such as the **Inkanyezi Special School Graduation** on 28 November 2024 and **Disability Day at Roosboom** on 12 December 2024. In which we were given a platform to share the services and work that is done by the Agency to assist people with disabilities, with operating and non-registered business.

**Roosboom, Disability Day – 12 December 2024**



UThukela Economic Development Agency (UEDA) offered various services to foster business growth and compliance in the community. Notably, UEDA assisted **Thengothandayo Primary Co-operative Limited** by developing a comprehensive business plan, which included an executive summary, market analysis, operational strategy, financial projections, and a funding strategy. This plan effectively positioned the cooperative to communicate its vision to potential investors and stakeholders, increasing funding opportunities and improving business viability. Additionally, UEDA facilitated **SARS registrations**.

#### **5.1.7 Support for Businesses owned by persons with disabilities**

Successfully partnered with municipalities to identify and engage targeted individuals and businesses. This initiative aligns with UEDA's commitment to fostering inclusive economic development and supporting enterprises from historically disadvantaged communities through its programs. UEDA identified



and supported five (5) businesses owned by persons with disabilities, primarily within the sewing industry. Key initiatives included:

- **Provision of Materials and Tools:** Supplied essential resources to enhance productivity and operational efficiency.
- **Geographical Reach:**
  - Four (4) businesses located in Alfred Duma Municipality.
  - One (1) business situated in Inkosi Langalibalele Municipality.
- **Promotion Efforts:** Showcased their products on the Agency's Facebook page and website, boosting visibility and market reach.



### 5.1.8 Funding Application Assistance

UEDA identified funding opportunities for SMMEs and actively assisted them in applying for various programs:

#### Key Funding Sources:

- KZN Youth Fund (closed 1 November 2024).
- Agro-processing Support Scheme.
- ADA Application Form.
- National Empowerment Fund.
- Agriculture and Rural Development Funding.

This proactive approach facilitated access to essential resources and financial support for eligible SMMEs.

We successfully facilitated the application process and assisted several SMMEs with various funding opportunities in Quarter three. The funding programs not only aim to empower small businesses but also contribute to their growth and sustainability. The notification and application process were carefully managed through multiple channels, ensuring that all eligible SMMEs were informed and given the opportunity to apply for funding. We were able to assist a total of 10 SMMEs with 3 funding application opportunities.

UEDA successfully identified two funding applications for SMMEs. These applications seek to secure financial support for local entrepreneurs, contributing to the sustainability and growth of small businesses within the district. This is part of UEDA's broader mandate to support SMME development

#### 5.1.9 Business Retention and Expansion (BRE)

As part of its BRE strategy, UEDA engaged with prominent stakeholders to strengthen economic activity within the district:

- **Maersk:** Held an engagement on 23 July 2024 to explore logistics and supply chain opportunities. Maersk has taken over management of the warehouse previously operated by Bakers. Key challenges highlighted included road flooding, potholes, and insufficient lighting on the road from the warehouse to Helpmekaar. Proposals to address these issues will be submitted to the Alfred Duma Municipality and the Department of Transport.
- **Defy:** Met on 14 November 2024 to discuss topics such as potential relocation, community protests, and other concerns. Defy also pointed out challenges with the availability of skilled labor. During the Durban ICC Investment Conference held on 11–12 November, Defy announced an additional R500 million investment commitment, primarily aimed at sustaining operations and retaining existing jobs.

These engagements laid the groundwork for long-term partnerships and enhanced investment prospects in the region.

UEDA successfully held one engagement session with a key industry player in the district. UThukela Economic Development Agency had an engagement with DEFY and the engagement focused on fostering partnerships, identifying investment opportunities, and aligning the industry's activities with UEDA's development objectives.

#### 5.1.10 Stakeholder Engagements



The section successfully conducted two key stakeholder engagement sessions aimed at enhancing tourism marketing and development in the uThukela District.

The first engagement, held on the 7th of August 2024, focused on the Beyeng Production initiative, bringing together representatives from the trade sector, local tourism operators, and trade associations.

This session facilitated valuable discussions on the development and promotion of local tourism products, particularly focusing on fostering collaboration for tourism route development and exploring market opportunities for local artisans. The engagement was successful and met the targeted milestone for the quarter.

The second engagement took place on the 15th of November 2024, at the Winterton Tourism Offices, with the Cathkin Manager. This session concentrated on strategies to market uThukela District as a premier tourist destination. The meeting proved to be highly productive, enhancing mutual understanding and collaboration among the stakeholders. Further engagements will follow as part of the ongoing efforts to finalize the district's tourism marketing strategy.



On January 20, 2025, UEDA conducted a stakeholder engagement session with Three Trees Hill Lodge to explore joint initiatives aimed at economic growth and sustainable tourism in UThukela District. The engagement focused on identifying opportunities to integrate local businesses into the tourism value chain, enhance community participation in cultural tourism, and create sustainable economic benefits. Key discussion points included empowering local communities through skills development programs, expanding market access for crafters, and collaborating on unique cultural experiences. As a result of this engagement, 23 craft items were purchased by the lodge owner, demonstrating immediate economic benefits for local artisans.



VALLEY-CAMP SITE

On 29 May 2025, UThukela Economic Development Agency (UEDA) conducted a trade engagement at The Valley in Ntabamhlophe. The Valley is a newly established rural tourism site that offers a scenic campsite experience for both locals and regional tourists. Although the site is not yet fully operational, it currently generates income through venue hire by local schools and community groups. The business is supported by the Department of Economic Development, Tourism and Environmental Affairs (EDTEA).

The business owner shared challenges faced, including the lack of infrastructure such as ablution facilities and fencing, limited marketing, and absence of formal registration or tourism grading. Despite these constraints, the business demonstrates strong potential to contribute meaningfully to rural tourism in the area.

The Valley is currently receiving non-financial support and mentorship from EDTEA. The owner is actively seeking funding to expand the site into a fully

functional tourism destination. UEDA observed that the site could become part of the broader township and rural tourism route for Inkosi Langalibalele Local Municipality.

The Valley represents a promising rural tourism venture. UEDA will continue working with EDTEA and other stakeholders to explore ways to support the business through structured interventions aimed at growth and sustainability.

#### **5.1.11 Stakeholder Engagement and Tourism Route Development**

The section has made significant steps in stakeholder engagement and the tourism route development across the uThukela District. In the first quarter, a key engagement session was held with stakeholders from the private sector, local tourism operators, and trade associations. The focus was on promoting local tourism products, developing cohesive tourism routes, and identifying opportunities for local artisans. This engagement was instrumental in enhancing collaboration for tourism route development.



In the second quarter, the section continued its efforts with three additional engagements centered on strengthening the tourism routes across uThukela. These engagements involved local businesses, traditional authorities, and local municipality, and they contributed to the creation of structured tourism routes designed to highlight the district's key attractions. The focus was placed on enhancing rural and township tourism routes, with particular attention to underrepresented areas, such as historical and cultural sites.

The ongoing engagements have had a direct impact on advancing tourism routes in the district. In Inkosi Langalibalele Local Municipality (ILM), stakeholders emphasised the need for improvements in local tourism infrastructure and the promotion of cultural heritage. Specialised training for local businesses, especially tour guides, was identified as essential to ensure

high-quality tourism services and support long-term sustainability in the local tourism sector.

In Okhahlamba Local Municipality (OLM), the Thandanani area emerged as a promising new tourism hub, offering substantial potential for emerging tourism businesses. Efforts to foster partnerships with local businesses and coordinate capacity-building programs were central to the discussions, ensuring that tourism development remains sustainable and inclusive in this municipality.

In Alfred Duma Local Municipality (ADLM), discussions focused on a new tourism route linking the Nambiti Game Reserve with the Battlefields routes. This new route is expected to boost tourism flow and connect two of the district's key tourism destinations. Additionally, a proposal for a cultural village to serve both as a visitor attraction and a platform for local cultural activities was well received. This initiative aims to support local crafters and enrich the tourism experience in ADLM.

Overall, these engagements have laid a strong foundation for the continued growth of tourism in uThukela. The focus on strengthening local capacity, fostering partnerships, and enhancing tourism offerings ensures that the district is well-positioned for sustainable tourism development.

UEDA organized tourism routes marketing and launch events at various locations, including the Battlefield Site to Nambiti Game Reserve, Thandanani Craft Center in Obonjaneni, and Estcourt Town Hall. These events aimed to promote tourism routes, increase visibility, and integrate local communities into the tourism economy, creating opportunities for businesses and artisans.

- **Battlefield Site to Nambiti Game Reserve Tourism Route Launch**

On February 6, 2025, UEDA officially launched the tourism route connecting the Battlefield Site and Nambiti Game Reserve. Product pictures were taken and posted on UEDA's digital platforms for marketing purposes. This initiative aims to enhance cultural and historical tourism while linking heritage sites with wildlife experiences to attract a diverse range of visitors.

- Tourism Route Launch at Thandanani Craft Center, Obonjaneni

On March 21, 2025, UEDA launched a new tourism route at Thandanani Craft Center in Obonjaneni. This initiative focuses on integrating local communities into the tourism economy by creating business opportunities for local artisans and entrepreneurs along the route. Product pictures were taken and promoted through digital platforms to enhance market visibility. This event successfully demonstrated the potential for community-led tourism development in the region.

- Tourism Routes Launch at Estcourt Town Hall

On March 28, 2025, UEDA hosted a tourism routes launch at Estcourt Town Hall, marking a significant step in officially establishing these routes. The primary objective is to benefit communities situated between major tourism establishments and create a sustainable value chain in local tourism businesses. Despite unfavorable weather conditions, the event was successfully executed, reinforcing the commitment to developing local tourism initiatives.

#### **5.1.12 Tourism Route Feedback session with the principal and benefiting stakeholders**

The LED Programmes Section conducted feedback sessions with both benefiting and principal stakeholders across the three local municipalities to assess progress on the development of tourism routes.

In Alfred Duma Local Municipality (ADLM), it was found that the businesses are only partially operational, with crafters actively producing and selling products.

However, other elements of the route are lagging behind. A major concern raised was the poor quality of some of the craft products, which could negatively impact the image of the district if marketed to tourists. It was recommended that the call for participation be extended to other skilled

crafters in Alfred Duma to improve product quality and presentation, while seeking trainings to up-skill.

In Okhahlamba Local Municipality (OLM), the businesses are fully operational. The principal stakeholder is actively bringing tourists to the community-based businesses, including the Thandanani Craft Centre. Strong collaboration was observed between the principal and benefiting stakeholders, which contributes positively to the functioning of the route.

In Inkosi Langalibalele Local Municipality (ILM), the feedback session revealed that sales remain very slow. A key constraint is the pending response regarding the use of the industrial park in Wembezi. The intention is for the principal stakeholder to bring tourists to a single central location that accommodates all businesses. This would reduce the number of stops, cut logistical costs, and improve coordination along the route.

Overall, while progress varies across municipalities, continued support, improved product quality, and infrastructure access remain critical to strengthening the tourism routes.

### **5.1.13 Rural and Township Tourism**



The LED Programmes Section has made significant strides in promoting rural and township tourism, achieving key goals and addressing challenges that arose during the review period.

The first phase of the initiative involved the successful completion of three rural and township tourism awareness campaigns held in Okhahlamba, Inkosi Langalibalele, and Alfred Duma Local Municipalities. These campaigns aimed to educate local communities about the potential benefits of tourism and to highlight township

tourism as a viable economic opportunity. With robust participation from community members, local businesses, and traditional authorities, these events facilitated a better understanding of how to treat tourists and emphasized tourism's role in community upliftment and economic development.

Building on the success of the awareness campaigns, the UThukela Economic Development Agency (UEDA) continued its efforts to address rural and township tourism challenges through the Rural and Township Tourism Functionality initiative. This initiative included engagements in Alfred Duma, Inkosi Langalibalele, and Okhahlamba Municipalities in November 2024.

Key findings from these engagements revealed several challenges. In Inkosi Langalibalele, three active businesses in Ntabamhlophe, including Zamokuhle Lodge and traditional food kitchens, focused on cultural tourism, with the key challenge being the lack of accredited tour guides. In Alfred Duma, three traditional food kitchens and two artisans were seeking to integrate their businesses into tourism, with the main challenge being market access. In Okhahlamba, businesses involved in accommodation and traditional food, along with the resumption of Cannibals Lodge, faced challenges with market access and the underutilization of cultural resources.

Overall, a total of eight businesses in uThukela District were operational during the review period. The findings highlight the ongoing need for addressing challenges such as market access and capacity building in the tourism sector. These areas will continue to be a primary focus for the LED Programmes Section as it works to strengthen and grow rural and township tourism in the district.

UEDA conducted site visits to businesses across three municipalities: Okhahlamba (January 30, 2025), Inkosi Langalibalele (March 14, 2025), and Alfred Duma (March 26, 2025), to assess their functionality post-campaign. Ten businesses were found to be operational, demonstrating resilience despite challenges such as staffing shortages. These businesses, including lodges, cultural tourism hubs, and craft markets, play a vital role in the rural

tourism value chain. UEDA is exploring strategies to address these challenges, including partnering with local training institutions to develop a talent pipeline and advocating for funding to support job creation in the tourism sector.



#### **5.1.14 Rural and Township Tourism Feedback Session**

The LED Programmes Section conducted feedback sessions with both benefiting and principal stakeholders across the three local municipalities to assess progress on the development of tourism routes.

In Alfred Duma Local Municipality (ADLM), it was found that the businesses are only partially operational, with crafters actively producing and selling products.

However, other elements of the route are lagging behind. A major concern raised was the poor quality of some of the craft products, which could negatively impact the image of the district if marketed to tourists. It was recommended that the call for participation be extended to other skilled crafters in Alfred Duma to improve product quality and presentation, while seeking trainings to up-skill.

In Okhahlamba Local Municipality (OLM), the businesses are fully operational. The principal stakeholder is actively bringing tourists to the community-based businesses, including the Thandanani Craft Centre. Strong collaboration was observed between the principal and benefiting stakeholders, which contributes positively to the functioning of the route.



In Inkosi Langalibalele Local Municipality (ILM), the feedback session revealed that sales remain very slow. A key constraint is the pending response regarding the use of the industrial park in Wembezi. The intention is for the principal stakeholder to bring tourists to a single central location that accommodates all businesses. This would reduce the number of stops, cut logistical costs, and improve coordination along the route.

Overall, while progress varies across municipalities, continued support, improved product quality, and infrastructure access remain critical to strengthening the tourism routes.

These feedback sessions revealed that while most businesses are operational and committed, they face challenges related to staffing, market access, and product visibility. Continued support through marketing initiatives, infrastructure development, and placement of interns will strengthen the rural and township tourism value chain in the district.

#### **5.1.15 Market for Souvenirs**

The section successfully compiled a comprehensive database of souvenir crafters within the uThukela District. This database includes detailed profiles of local artisans, their product offerings, and contact information, which will facilitate better market access and exposure for these small businesses. This initiative aligns with the agency's commitment to supporting local craftsmanship and integrating souvenir production into the broader tourism value chain.

On December 5, 2024, a souvenir market was held at the Energy Garage in



Winterton, strategically located to attract both international and local tourists during the peak season. Nine local crafters from the uThukela District participated in the event, showcasing their handmade products. The market experienced significant foot traffic,



resulting in four immediate sales and 12 custom orders, reflecting strong interest in personalized purchases.

The event proved beneficial by fostering interaction between crafters and tourists, enhancing brand visibility for the participating artisans. To improve future market outcomes, adjustments to marketing strategies are recommended, such as extending event hours during weekends and evenings to maximize engagement and sales opportunities.

On March 1, 2025, UEDA hosted a market event in Winterton at Edge, featuring six local crafters from UThukela District. The event aimed to promote handmade crafts, generate direct income for artisans, and increase consumer awareness of locally produced goods. The event resulted in the sale of 14 individual craft items and a bulk purchase of 23 crafts worth R3, 950 by Three Trees Hill Lodge. Additionally, a partnership was established between Inala Supplier and Mrs. Bayer to expand market reach. Given the positive response, weekend market days will continue, with added efforts to enhance product branding, improve display setups, and introduce e-commerce solutions.

#### **5.1.16 Tourism Activation**

Two successful tourism activation events were held in uThukela during the year, designed to promote the district as a prime tourism destination and



enhance engagement with local and international tourists.

The first event took place at Astron Energy on September 6, 2024. This activation focused on increasing awareness of uThukela's tourism products and attracting visitors to explore the region's diverse

offerings. The event saw strong attendance, with brochures detailing key tourism attractions distributed to generate interest in the district.

The second event was held at Engen Garage in Winterton on December 6, 2024. Similar to the first event, it highlighted the variety of tourism options in uThukela. A total of 600 brochures were distributed at both events, showcasing the district's key attractions, activities, and destinations. The distribution of these materials helped raise awareness and fostered greater engagement with potential visitors.

These activations have significantly contributed to promoting uThukela's tourism sector, strengthening the local tourism industry, and encouraging tourists to explore the district's diverse offerings. The continued success of these events aligns with uThukela's ongoing efforts to position the district as a premier tourism destination.



*N3-ULTRA CITY NORTH BOUND ACTIVATION*

On March 7, 2025, UEDA hosted a tourism activation programme at Engen Garage in Bergville to promote tourism in UThukela District. The activation aimed to increase visitor interest in local attractions, encourage domestic tourism, and enhance UThukela's reputation as a must-visit destination. The event successfully engaged residents and international tourists, distributing 180 tourism brochures showcasing key attractions, activities, and accommodations within the district. The initiative provided valuable visitor feedback and contributed to strengthening the district's tourism brand.

On 12 April 2025, the Uthukela Economic Development Agency (UEDA) successfully hosted a Crafters Market under InkosiLangalibalele Local Municipality. Five local crafters participated in the event, showcasing and selling a range of handmade products that reflected the district's unique cultural heritage and craftsmanship. The event served as a platform for exposure, direct sales, and community engagement.

Sales on the day were modest but meaningful. Lehakoe sold one legomas item for R200, while Zinhle Mdakani sold two carpets for a combined value of R200. Umhlangu, a crafter from Alfred Duma Local Municipality (ADLM), sold one isicholo hat for R250. Nala, also from ADLM, sold three izimbenge baskets amounting to R460, and ZT Zulu sold one beaded vest for R300. The total revenue generated during the market amounted to R1,410. This initial effort reflected early local engagement and provided much-needed exposure and sales opportunities for the participating artisans.

Further progress was achieved on 27 June 2025, reflecting growing private sector interest in locally produced crafts. Three Tree Hill Lodge purchased handcrafted bags worth R4,450 from Nonku, a crafter based in ADLM. Wild Wing Lodge also supported local artisans by purchasing izimbenge from a crafter in the same municipality for R2,355. In addition, Three Tree Hill Lodge made another purchase from Nala, valued at R1,400. These sales demonstrate that the private sector, particularly within the tourism and hospitality industries, is beginning to recognise the value and uniqueness of rural craft products.

Combined, the total revenue from both the Estcourt market event and the subsequent private sector sales reached R9,615. Although still in the early stages, this momentum indicates a growing potential to link Township and rural crafters with sustainable, income-generating opportunities.

To ensure the long-term success of this initiative, continued support will be necessary. This includes strengthening areas such as product development, market readiness, branding, and formal buyer linkages. The Crafters Market and the follow-up sales confirm UEDA's critical role in building inclusive

economic platforms that empower rural entrepreneurs, preserve cultural identity, and drive local economic growth through practical, people-driven interventions.

#### **5.1.17 Follow-up on accreditation applications**

UEDA continued its accreditation process with the Quality Council for Trades and Occupations (QCTO) for the Occupational Certificate: Tourism Information Officer and Occupational Certificate: Travel Professional. UEDA successfully passed QCTO's desktop evaluation, marking a crucial step towards full accreditation. The next phase involves site visits by QCTO officials. This accreditation is expected to enhance skills development in the tourism sector and create new employment opportunities.

This report summarises the progress of the uThukela Economic Development Agency's accreditation application for Occupational Certificates: Tourism Information Officer and Travel Professional. Following the initial submission, a follow-up with QCTO confirmed that the application was forwarded to the Quality Partner, CATHSSETA. Subsequent attempts to obtain updates from CATHSSETA were met with limited responses, including delayed replies and a notice of staff leave, with an alternate contact provided. Despite further communication efforts and a willingness to provide additional information, no meaningful update has been received, and the application status remains unclear. The agency has made consistent and reasonable efforts to advance the process, but communication challenges continue to impede progress.

#### **5.1.18 Livestock Auction and Feeding**

On February 25, 2025, UEDA partnered with the Ncunjane Livestock Association and Umdukatshani NPO to host a livestock auction in Ncunjane. The auction resulted in the sale of 128 out of 135 goats, generating total revenue of R214, 750. Due to its success, another auction is scheduled for March 27, 2025, in collaboration with Siyaphambili, with a focus on increasing farmer participation and market expansion.

### 5.1.19 Livestock Auction and Agricultural Show

#### Livestock Auction



*NCUNJANA AUCTION*

On June 11, 2025, the UThukela Economic Development Agency (UEDA), in partnership with Umdukatshani NPO and the Ncunjane Livestock Association, hosted a successful goat auction in Ncunjane to support rural economic development and provide structured market access for emerging livestock farmers. A total of 114 goats were presented, with 112 sold, generating R217,650 in revenue and reflecting strong buyer demand and high market engagement. The event not only showcased the benefits of improved livestock management but also empowered 33 sellers—including 9 women—by boosting household income and promoting inclusive growth. The auction underscored UEDA's commitment to sustainable agriculture and rural economic stimulation, with plans to continue strengthening partnerships, farmer training, and market opportunities across the uThukela District.





*AGRICULTURAL SHOW - DAY 1*

The UThukela Economic Development Agency (UEDA), in collaboration with the Department of Agriculture, District Municipality, and local municipalities, successfully hosted the inaugural Agricultural Show on 25–26 June 2025 at Lambart Park in Inkosi Langalibalele Municipality. Designed to promote agricultural development, innovation, and stakeholder engagement, the event attracted 44 exhibitors, around 105 farmers, and 20 government officials.

Despite weather challenges on the second day and the cancellation of the livestock segment due to a foot-and-mouth disease outbreak, the show effectively showcased agricultural products, encouraged collaboration, and facilitated knowledge exchange. Valuable lessons were learned regarding contingency planning, exhibitor coordination, and community outreach, laying the groundwork for improved future events. UEDA expressed gratitude to all participants and reaffirmed its commitment to growing the district's agricultural sector through inclusive and well-coordinated platforms.

#### **5.1.20 Chicken Abattoir**

On March 11, 2025, UEDA advertised a call for service providers for the establishment of a chicken abattoir. However, financial constraints have delayed the appointment of a provider. UEDA remains committed to advancing the project and is actively seeking alternative funding solutions. The abattoir is expected to improve the poultry value chain, create employment opportunities, and support food security initiatives within the district.

The UThukela Economic Development Agency (UEDA) submitted a funding application to the Agribusiness Development Agency (ADA) for the establishment of a centralized chicken abattoir in the uThukela District, aimed at supporting smallholder and emerging poultry farmers by improving market access, boosting local economic development, and enhancing food security. The application included a comprehensive business plan detailing objectives, infrastructure requirements, governance, budget, and socio-economic impact, aligning with national priorities on agricultural growth and rural development. Despite delays in service provider appointment, UEDA's LED Programmes Section ensured timely submission and now awaits feedback, reaffirming its commitment to empowering local poultry producers and advancing the district's agricultural sector.

#### **5.1.21 Agricultural Market**

On March 11, 2025, UEDA advertised a call for service providers for the establishment of an agricultural. However, financial constraints have delayed the appointment of a provider. UEDA remains committed to advancing the project and is actively seeking alternative funding solutions. An agricultural market is expected to improve the value chain, create employment opportunities, and support food security initiatives within the district.



#### **Sugar Beans Distribution and Monitoring**

Between January 29 and February 7, 2025, UEDA distributed 150 sacks (25kg each) of sugar beans to 23 farmers across ILM, OLM, and ADLM. Site monitoring in March identified challenges such as unfavorable weather and

equipment shortages. Unplanted seeds were redistributed to suitable farmers, and monitoring will continue until harvest.

The harvesting of sugar beans is currently in progress, with farmers making steady strides despite early-season setbacks caused by heavy rainfall in April, which delayed crop maturity and damaged fields in areas such as Zwelisha, Ingubhela, Ntabamhlophe, and Mathews Farm. These challenges led to reduced yields and affected local livelihoods, but improved weather conditions have since allowed the harvest to continue.

On the marketing front, Uthukela Economic Development Agency (UEDA) has secured two buyers—Grain Zone CC and Liberty Cash & Carry—who have agreed to purchase the crop once harvesting is complete. These partnerships mark a crucial step in securing market access and income for farmers. UEDA remains committed to supporting post-harvest processes and is actively seeking additional buyers to enhance market competition and income potential. Despite earlier difficulties, the season is expected to deliver both agricultural and economic benefits through coordinated efforts and stakeholder collaboration.

UThukela Economic Development Agency (UEDA) submitted a funding application to the Agribusiness Development Agency (ADA) for the establishment of a centralized Agricultural Market in the uThukela District, aimed at supporting smallholder and emerging farmers by improving market access, promoting local economic development, and enhancing food security. The application, submitted via email, included a detailed business plan as requested for preliminary review, despite delays in finalizing the service provider and business plan. UEDA met the submission deadline and is awaiting feedback, ready to provide further documentation if needed. Meanwhile, it continues engaging with local stakeholders to ensure project readiness. The initiative aligns with both ADA's mandate and UEDA's strategy to foster inclusive agricultural growth and rural development in KwaZulu-Natal.

#### **5.1.22 Chicory Project Funding Application**



UEDA submitted an application to the AgriBEE Fund on March 31, 2025, to secure funding for the Chicory Project in UThukela District. The project aims to re-establish chicory farming and processing, benefiting small-scale farmers by creating employment and promoting agricultural sustainability. Nestlé has expressed interest in sourcing locally processed chicory. UEDA will engage with fund administrators to monitor progress.

UThukela Economic Development Agency (UEDA) has formally submitted a funding application to the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs (EDTEA) for the development of a chicory processing facility in the UThukela District. The submission, sent via official email with all supporting documents including a detailed business plan and budget, highlights the project's strategic goals and the importance of EDTEA's support in enhancing local agro-processing. The initiative targets a confirmed market opportunity, with Nestlé expressing interest in sourcing locally processed chicory, and aims to boost agricultural production, create sustainable jobs, and drive rural economic growth. UEDA is awaiting feedback and remains available to provide further information as needed.

## **5.2 Performance Management**

The Entity's commitment to effective performance management through the utilization of the Service Delivery Budget Implementation Plan (SDBIP). This plan serves as a fundamental tool in steering the organisation's performance towards its strategic objectives.

Throughout the year, we have rigorously adhered to the principles outlined in the SDBIP to monitor and enhance our organisational performance. Regular reporting, conducted on a monthly and quarterly basis, has allowed us to keep our shareholder, the UThukela District Municipality, informed of our progress. These reports include a comprehensive portfolio of evidence that reflects the Entity's initiatives, achievements, and challenges. To ensure the integrity of our performance reporting, the performance management unit of uThukela District

Municipality, in collaboration with their internal auditors conducts meticulous reviews and audits of our performance reports.

Employees were engaged in multiple sessions with their respective Department Heads. These sessions aimed to collaboratively develop and finalise individual performance development plans. These plans were carefully aligned with employees' job descriptions, as well as the Service Delivery Implementation Plan (SDBIP). Reviews sessions have been continuously conducted by the CEO in conjunction with the management team. These sessions provide a platform for open dialogue and feedback.

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### 2024/25 Service Delivery Budget and Implementation Plan

OBJECTIVE	STRATEGY	KPI No.	KEY PERFORMANCE INDICATOR	MEASURABLE UNIT	ANNUAL TARGET	QUARTERLY TARGETS		Q3	Q4	RESPONSIBLE PERSON	PORTFOLIO OF EVIDENCE
						Q1	Q2				
Improve institutional capacity and policy environment for effective local economic development	Ensure the adherence to the compliance checklist	UEDA 01	Quarterly reports on adherence to the compliance checklist	Number of reports	4 reports	1 report on adherence to the compliance checklist by 30 September 2024	1 report on adherence to the compliance checklist by 31 December 2024	1 report on adherence to the compliance checklist by 31 March 2025	1 report on adherence to the compliance checklist by 30 June 2025	SB Sibisi	Reports
	Adherence to the MFMA, MSA, and the Company's Act	UEDA 02	Compliance Checklist reviewed by Audit Committee and adopted by Board 30 June 2025	Date reviewed by Audit Committee. Date adopted by Board.	1 Compliance checklists reviewed by Audit Committee and adopted by the Board by 30 June 2025	n/a	n/a	1 compliance checklist submitted to the Audit Committee for consideration	1 Compliance checklists adopted by the Board by 30 June 2025	Ms S Maphalala- Corporate Service Officer	Compliance Checklist, Proof of submission to IAC, Board Resolution
	Regular reporting to uThukela District Municipality (UTDM)	UEDA 03	Performance reports submitted to UTDM	Number of reports submitted to the MM	4 Quarterly Performance reports submitted to UTDM by 30 June 2025	1 Quarterly Performance report submitted to UTDM by 30 September 2024	1 Quarterly Performance report submitted to UTDM by 31 December 2024	1 Quarterly Performance report submitted to UTDM by 31 March 2025	1 Quarterly Performance report submitted to UTDM by 30 June 2025	Ms S Maphalala- Corporate Service Officer	Quarterly reports, Proof of Submission
	Oversight on performance; risk and financial controls	UEDA 04	Quarterly Board meetings	Number of meetings	4 Board meetings by 30 June 2025	1 Board meeting by 30 September 2024	1 Board meeting by 31 December 2024	1 Board meeting by 31 March 2025	1 Board meeting by 30 June 2025	Ms S Maphalala- Corporate Service Officer	Notice, Agenda, Signed minutes and attendance registers
	Ensure good governance; performance management; risk assessment and financial controls.	UEDA 05	Quarterly internal Audit Committee Reports by 30 June 2025	Number of reports	4 internal Audit Committee Reports by 30 June 2025	1 Internal Audit Committee report by 30 September 2024	1 Internal Audit Committee report by 31 December 2024	1 Internal Audit Committee report by 31 March 2025	1 Internal Audit Committee report by 30 June 2025	Ms S Maphalala- Corporate Service Officer	Internal Audit reports
	Alignment with the 5-year plan	UEDA 06	Strategy Review, Reviewing and adoption of policies by 30 June 2025	Number of policies reviewed and adopted	1 Strategy Review, (No. of policies) policies reviewed and adopted by the Board by 30 June 2025	n/a	1 report on programmes earmarked for 2025/26	1 report on procurement of strategy review necessities, 1 formulation of the SDBIP	1 Strategy review, 1 Policy brief to stakeholders.	Ms S Maphalala- Corporate Service Officer	Reports, Strat document, Policy brief
ORGANISATIONAL DEVELOPMENT AND TRANSFORMATION											
Ensuring effective education, skills and capacity development	To improve delivery through the implementation of a performance management system	UEDA 07	Conduct employee Performance Management reviews by 30 June 2025	Number of reviews per employee	All employees entered into an employee performance review by 30 June 2025	Adoption of the performance management plan by MANCO by 30 September 2024	All employees entered into an employee performance review by 31 December 2024	1 feedback per employee regarding performance review by 31 March 2025	All employees entered into an employee performance review by 30 June 2025	Ms S Maphalala- Corporate Service Officer	PM Plan, MANCO resolution, Performance reviews, Feedback report
		UEDA 08	Implementation of capacity building programmes by 30 June 2025	Number of Capacity Building Session	Two(2) capacity building sessions held for employees by 30 June 2025	1 training session held for employees by 30 September 2024	n/a	1 training session held for employees by 31 March 2025	n/a	Ms S Maphalala- Corporate Service Officer	Signed reports
		UEDA 09	Adoption of policies by 30 June 2025	Number of policies adopted	15 policies adopted by 30 June 2025	review 5 policies by 30 September 2024	review 5 policies by 31 December 2024	review 5 policies by 31 March 2025	15 policies adopted by the Board as part of strat review by 30 June 2025	Ms S Maphalala- Corporate Service Officer	Report, Board resolution

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	To ensure effective reporting and compliance	UEDA 10	Submission of credible annual financial statements and performance report to the Auditor-General by 31 August 2024	Objective and targets not met due to capacity deficiencies	Date of submission of the report	Submission of credible annual financial statements and performance report to the Auditor-General by 31 August 2024	Proof of submission of annual financial statements and performance report to the Auditor-General by 31 August 2024	N/A	N/A	N/A	Ms. A Mathonsi-Finance&Investment Manager	Proof of submission
		UEDA 11	Submission of mid-term budget and performance assessment report to Board and UTDM by 20 January 2025	Objective and targets not met due to capacity deficiencies	Date of submission of the report	Submission of mid-term budget and performance assessment report to Board and UTDM by 20 January 2025	N/A	One (1) draft mid-term budget by 31 December 2024	Submission of mid-term budget and performance assessment report to Board and UTDM by 20 January 2025	N/A	Ms. A Mathonsi-Finance&Investment Manager	Draft Mid-term budget, Proof of submission
		UEDA 12	Submission of monthly financial reports to the board and UTDM by 30 June 2025	Objective and targets not met due to capacity deficiencies	Date of submission of the report	Twelve (12) submissions of monthly financial reports reported to Board and UTDM by 30 June 2025	Three (3) monthly financial reports by 30 September 2024	Three (3) monthly financial reports by 31 December 2024	Three (3) monthly financial reports by 31 March 2025	Three (3) monthly financial reports by 30 June 2025	Ms. A Mathonsi-Finance&Investment Manager	Proof of submission, Reports, Board resolution
		UEDA 13	Submission of the annual budget in terms of S87 of MFMA to the parent municipality by 31 January 2025	Budget may not be cash backed	Date of submission of the report	Submission of annual budget in terms of S8 of MFMA	N/A	N/A	Submission of a draft annual budget to the board and the parent municipality by 31 January 2025	Submission of the annual budget to the board for approval and to the Municipality for compliance	Ms. A Mathonsi-Finance&Investment Manager	Proof of submission, Board resolution
Expansion and development of strategic economy	Expansion and development of strategic economic infrastructure	UEDA 14	Collect vacant land and building data from municipalities and the private sector and advertise available land or buildings	Poor cooperation by LM's	Database/ Reports	Four(4) updates/ reports	One (1) report on collecting vacant land and building data from municipalities and the private sector and advertise available land or buildings by 30 September 2024	One (1) report on collecting vacant land and building data from municipalities and the private sector and advertise available land or buildings by 31 December 2024	One (1) report on collecting vacant land and building data from municipalities and the private sector and advertise available land or buildings by 31 March 2025	One (1) report on collecting vacant land and building data from municipalities and the private sector and advertise available land or buildings by 30 June 2025	Ms. A Mathonsi-Finance&Investment Manager	Reports and Database
		UEDA 15	Identification of investment opportunities within the district	Poor cooperation by LM's	Database/ Reports	Four(4) reports	One (1) report on the Identification of investment opportunities within the uThukela District by 30 September 2024	One (1) report on the Identification of investment opportunities within the uThukela District by 31 December 2024	One (1) report on the Identification of investment opportunities within the uThukela District by 31 March 2025	One (1) report on the Identification of investment opportunities within the uThukela District by 30 June 2025	Ms. A Mathonsi-Finance&Investment Manager	Reports, Database
		UEDA 16	Monthly reports on OSS expenditure		Reports	Twelve (12) reports on OSS expenditure	Three (3) monthly reports by 30 September 2024	3 monthly reports by 31 December 2024	3 monthly reports by 31 March 2025	3 monthly reports by 30 June 2025	Ms. A Mathonsi-Finance&Investment Manager	Monthly reports

## UThukela Economic Development Agency: Annual Report 2024/25

Support for small, medium and micro enterprises (SMME)	Support for informal economy	UEDA 17	Number of SMME trainings Financial Management, Marketing & Sales, customer services, tax matters	Objective and targets not met due to capacity deficiencies	Number of trainings	Six (6) trainings by 30 June 2025	One (1) report on adoption of manuals by MANCO by 30 September 2024	Report on two (2) trainings undertaken by 31 December 2024	Report on two (2) trainings undertaken by 31 March 2025	Report on two (2) trainings undertaken by 30 June 2025	Ms. A Mathonsi-Finance&Investment Manager	Reports, attendance register, MANCO resolution
		UEDA 18	Services - CIPC,CSD,TAX and business plans	Objective and targets not met due to capacity deficiencies	Number of Reports	Four(4) reports	One (1) report on services rendered by 30 September 2024	One (1) report on services rendered by 31 December 2024	One (1) report on services rendered by 31 March 2025	One (1) report on services rendered by 30 June 2025	Ms. A Mathonsi-Finance&Investment Manager	Reports
		UEDA 19	Logistical support for SMME'S	Objective and targets not met due to budgetary constraints	Number of reports	Four (4) reports	One (1) report on transportation services by 30 September 2024	One (1) report on transportation services by 31 December 2024	One (1) report on transportation services by 31 March 2025	One (1) report on transportation services by 30 June 2025	Ms. A Mathonsi-Finance&Investment Manager	Reports
		UEDA 20	Collect data on SMMEs	Poor cooperation by LM's	Database	One (1) advert, One (1) database	Advertise for SMMEs to be enlisted on the Agency's database by 30 September 2024	N/A	N/A	N/A	Ms. A Mathonsi-Finance&Investment Manager	copy of Advert, Report
	Support for informal economy and small enterprises	UEDA 21	Identification, assistance, and marketing of products of businesses operated by disabled persons and those in secluded areas ( clothing, cultural artifacts, welding, IT, and builders and carpentry)	Objective and targets not met due to capacity deficiencies	Database	Four(4) updates	Advertise and liaise with the LMs for targeted individuals and businesses to be enlisted on the Agency's database by 30 September 2024	Advertise and liaise with the LMs for targeted individuals and businesses to be enlisted on the Agency's database by 31 December 2024	Advertise and liaise with the LMs for targeted individuals and businesses to be enlisted on the Agency's database by 31 March 2025	Advertise and liaise with the LMs for targeted individuals and businesses to be enlisted on the Agency's database by 30 June 2025	Ms. A Mathonsi-Finance&Investment Manager	Report
		UEDA 22	Assistance with inputs for businesses operated by disabled persons.	Objective and targets not met due to budgetary constraints	Reports	Three (3) reports	N/A	One (1) report on the procurement of materials for sewing businesses	One report on the procurement of materials for welding businesses	One (1) report on the procurement of materials for carpentry businesses	Ms. A Mathonsi-Finance&Investment Manager	Reports
		UEDA 23	Marketing of products and services of businesses operated by disabled and secluded individuals	Objective and targets not met due to budgetary constraints	Reports	Three (3) reports	N/A	One (1) report by 31 December 2024	One (1) report by 31 March 2025	One (1) report by 30 June 2025	Ms. A Mathonsi-Finance&Investment Manager	Reports
		UEDA 24	SMME Funding applications	Objective and targets not met due to capacity deficiencies	Number of applications	Minimum of eight (8) applications by 30 June 2025	Two (2) SMME funding applications by 30 September 2024	Two (2) SMME funding applications by 31 December 2024	Two (2) SMME Funding applications by 31 March 2025	Two (2) SMME Funding applications by 30 June 2025	Ms. A Mathonsi-Finance&Investment Manager	Reports
		UEDA 25	Compilation of quarterly statistics on the services rendered in terms of OSS	Local businesses not accessing investment opportunities	Number of Reports	Four (4) Reports by 30 June 2025	One (1) report by 30 September 2024	One (1) report by 31 December 2024	One (1) report by 31 March 2025	One (1) report by 30 June 2025	Ms. A Mathonsi-Finance&Investment Manager	Reports
		UEDA 26	Business retention	Economic instability, other district competition	Number of Reports	Four(4) Reports on engagements by 30 June 2025	One (1) engagement with Major Industry by 30 September 2024	One (1) engagement with Major by 31 December 2024	One (1) engagement with Major 31 March 2025	One (1) engagement with Major 30 June 2025	Ms. A Mathonsi-Finance&Investment Manager	Reports

## UThukela Economic Development Agency: Annual Report 2024/25

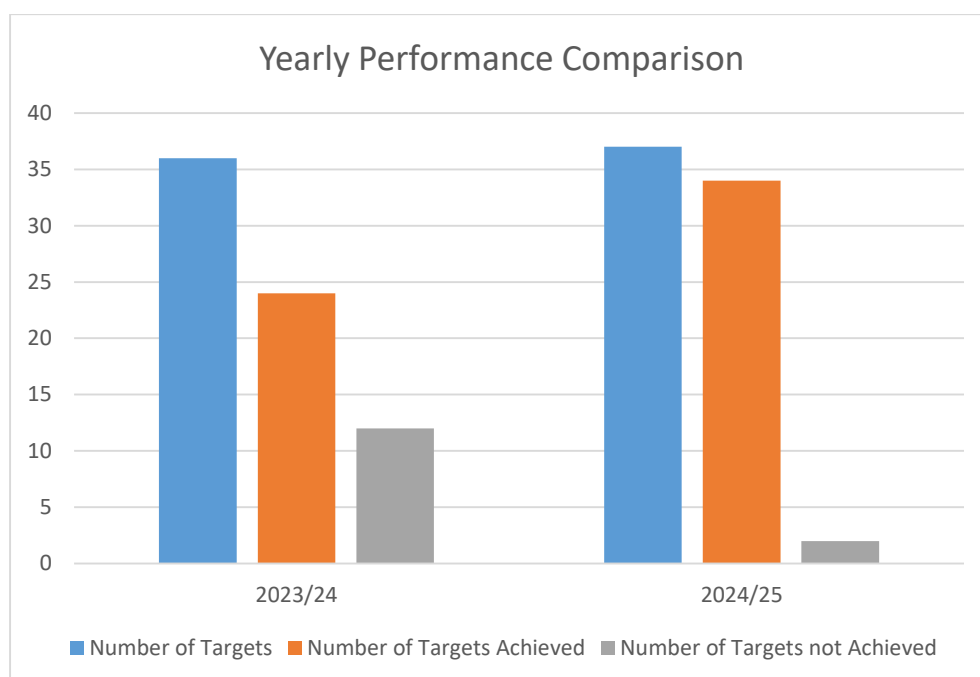
	<b>Development and support for the tourism sector</b>	UEDA 27	Number of Trade stakeholder engagements held by 30 June 2025	Lack of support.	Number of engagements	Four (4) stakeholder engagements held by 30 June 2025	One(1) stakeholder engagement held with Trade by 30 September 2024	One(1) stakeholder engagement held with Trade by 31 December 2024	One(1) stakeholders engagement held with Trade by 31 March 2025	One(1) stakeholders engagement held with Trade by 30 June 2025	Ms. NN Sithole - LED Programmes Officer	Attendance registers, Reports, Pictures
		UEDA 28	Identification and packaging of new tourism routes	Lack of support and funding for new routes	Number of reports and Launch	Six (6) engagements, three (3) meetings, three (3) launch, feedback by 30 June 2025	Three (3) Engagements with principal stakeholders by 30 September 2024	Three (3) engagements with benefiting stakeholders and 3 meetings of all stakeholders 31 December 2024	Marketing of the programme and 3 project launch activities by 31 March 2025	Feedback session with the principal and benefiting stakeholders by 30 June 2025	Ms. NN Sithole - LED Programmes Officer	Meeting minutes, attendance registers, reports & Pictures
		UEDA 29	Rural and township destination marketing	Inability to broaden the benefits of visiting tourists in the district	Number of reports, engagements and campaign	Three (3) awareness campaigns, two (2) reports, and three (3) feedbacks by 30 June 2025	Three (3) rural and township tourism awareness campaign by 30 September 2024	One (1) report on the functionality of rural and township tourism 31 December 2024	One (1) report on the functionality of rural and township tourism by 31 March 2025	Three (3) feedback sessions on the functionality of rural and township tourism by 30 June 2025	Ms. NN Sithole - LED Programmes Officer	Reports, Event Pictures
		UEDA 30	Market for souvenirs	Objective and targets not met due to capacity deficiencies	Database, reports	Database, three (3) Markets by 30 June 2025	Compilation of the database of souvenir crafters by 30 September 2024	One (1) Souvenir Crafters Market by 31 December 2024	One (1) Souvenir Crafters Market by 31 March 2025	One (1) Souvenir Crafters Market by 30 June 2025	Ms. NN Sithole - LED Programmes Officer	Reports, Database, pictures
		UEDA 31	Number of tourism activation programs conducted by 30 June 2025	Resource Limitations, Changing Tourist Preferences, Local Support, Cultural Sensitivity, and Digital Presence	Number of tourism activation programs	Four (4) tourism activation programs conducted by 30 June 2025	One (1) tourism activation programme conducted by 30 September 2024	One (1) tourism activation programme conducted by 31 December 2024	One (1) tourism activation programme conducted by 31 March 2025	One (1) tourism activation programme conducted by 30 June 2025	Ms. NN Sithole - LED Programmes Officer	Reports , Event Pictures
		UEDA 32	Coordinate accreditation of UEDA with the QCTO by 30 June 2025	Objective and targets not met due to capacity deficiencies	Reports	Four (4) reports follow up on the accreditation of UEDA with the QCTO by 30 June 2025	Follow up on the application for accreditation by 30 September 2024	Follow up on the application for accreditation by 31 December 2024	Follow up on the application for accreditation by 31 March 2025	One (1) report on the accreditation process by 30 June 2025	Ms. NN Sithole - LED Programmes Officer	Emails & report
<b>Expansion of the agricultural sector</b>	To mobilise and promote the use of local resources and skills thus ensuring maximising local economic development (Agriculture)	UEDA 33	Livestock auctions and agricultural show	Lack of budget to support emerging farmers	Reports	Three (3) livestock feeding and auction, 1 agricultural show by 30 June 2025	One (1) livestock feeding and auction by 30 September 2024	One (1) livestock feeding and auction by 31 December 2024	One (1) livestock feeding and auction by 31 March 2025	One (1) agricultural show by 30 June 2025	Ms. NN Sithole - LED Programmes Officer	Reports
		UEDA 34	Lobbying for a chicken abattoir	Lack of budget to support emerging farmers	Reports	Two (2) Engagements, 1 funding application by 30 June 2025	Research on chicken abattoir construction, registration and operation by 30 September 2024	Two (2) Engagement with stakeholders and farmers by 31 December 2024	Appointment of a service provider to develop and present a business plan by 31 March 2025	One (1) funding application by 30 June 2025	Ms. NN Sithole - LED Programmes Officer	Reports
		UEDA 35	Lobbying for an agricultural market	Lack of budget to support emerging farmers	Reports	Two (2) Engagements, one (1) funding application by 30 June 2025	Research on agricultural market registration and operation by 30 September 2024	Two (2) Engagement with stakeholders and farmers by 31 December 2024	Appointment of a service provider to develop and present a business plan by 31 March 2025	One (1) funding application by 30 June 2025	Ms. NN Sithole - LED Programmes Officer	Reports
		UEDA 36	Reports submitted on sugar bean seeds procurement and distribution (1), Monitoring (1), Harvesting, and Evaluation (1) by 30 June 2025	Lack of budget to support emerging farmers	Reports	Three (3) reports submitted on sugar bean seeds procurement and distribution (1), Monitoring (1), Harvesting, and Evaluation (1) by 30 June 2025	Create a database of bean farmers. Procurement of 150x25kg bags of sugar bean seeds by 30 September 2024	Select farmers from the database, using preset criteria, and distribute sugar bean seeds to those farmers by 31 December 2024	Monitor the cultivation of sugar beans, 1 visit per farmer by 31 March 2025	One (1) report on the harvesting and marketing of sugar beans. 1 evaluation meeting by 30 June 2025.	Ms. NN Sithole - LED Programmes Officer	Reports
		UEDA 37	Number of stakeholder meetings(4), Site assessment report completed(3), renovations, Business plan developed, Funding application submitted(2) by 30 June 2025	Insufficient funding, extreme weather condition	Reports, business plan, and funding application	Four (4) stakeholder meetings, Site assessment report completed(3), renovations, Business plan developed, Funding application submitted(2) by 30 June 2025	Engage stakeholders for re-establishment of ubumbano chicory production farming and engage SEDA for the development of the business plan by 30 September 2024	Develop business plan by 31 Dec 2024	One (1) funding application by 31 March 2025	One (1) follow-up on the funding application by 30 June 2025	Ms. NN Sithole - LED Programmes Officer	Site visit reports, Business plan, and proof of funding application

### 5.3 Highlights and Achievements

The Agency commenced the financial year with an approved SDBIP that has deliverables and targets for the financial year. The following are some of the highlights recorded during the implementation of the SDBIP:

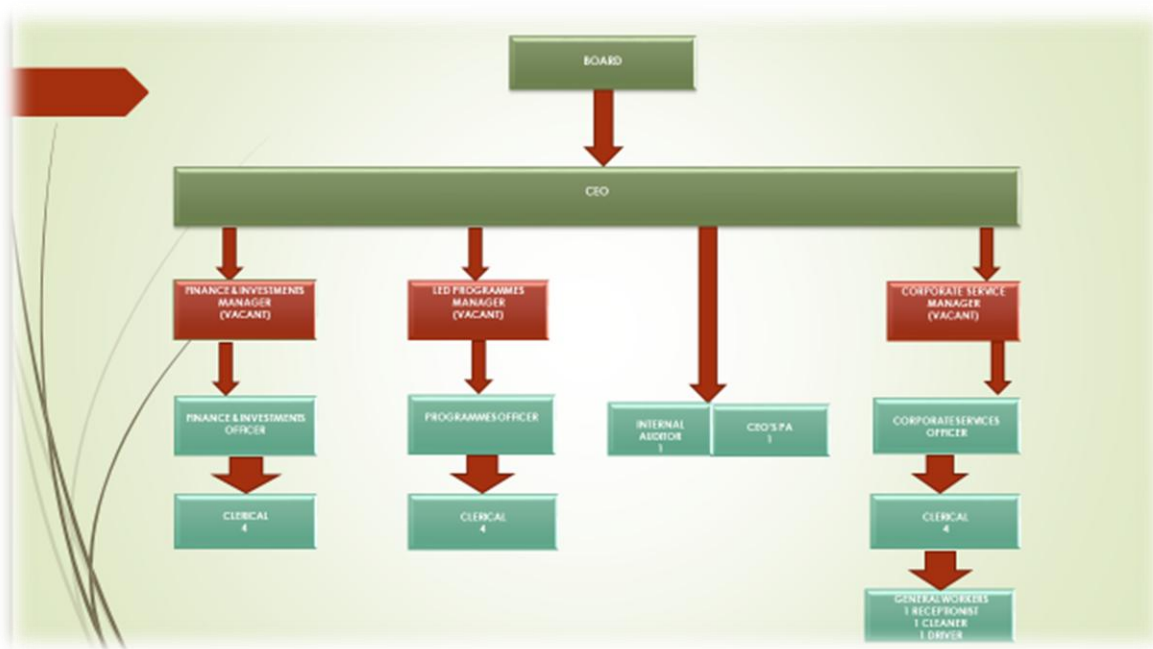
- The Board of Directors held a strategic session which was to agree on strategic focus areas

In comparison with the previous financial 2023/24 the entity's performance is higher in the financial year 2024/25



## 6. HUMAN RESOURCE & ORGANISATIONAL MANAGEMENT

### 6.1 Organisational Structure



## 6.2 Institutional Transformation & Employment Equity

The Entity acknowledges the value of retaining staff especially employees with scarce skills and those who possess experience that is required for the Entity to fulfil its objectives. The Entity recognises that in order for it to be able to retain staff, it is very important to create an environment that encourages staff not only to succeed in their jobs but also to grow and achieve their personal development goals and aspirations.

Designation	Number	Male	Female	Black	Indian	White
Board	7	5	2	6	1	-
Acting CEO	1	1	-	1	-	-
CFO	1	-	1	1	-	-
Managers	1	-	1	1	-	-
Officers	2	-	2	2	-	-
Clerks	6	3	3	6	-	-
General Workers	3	1	2	3	-	-
<b>TOTAL STAFF</b>	<b>30</b>	<b>10</b>	<b>11</b>	<b>19</b>	<b>1</b>	<b>-</b>



## 7. FINANCIAL PERFORMANCE & RELATED INFORMATION

### 7.1 Supply Chain Management

Regulation 6(3)(4) of the Municipal SCM Regulations requires that on a quarterly basis the accounting officer must submit to the parent municipality a report on the implementation of the SCM policy. Subsection 4 further states that the report must be made public in accordance with section 21A of the Municipal Systems Act.

The municipal entity developed its policy in line with Supply Chain Management Regulations issued by National Treasury. The National Treasury developed a generic supply chain management policy which was amended to suit the needs of the municipal entity. This policy was developed along with procedure manuals, the policy was presented to the board on 11 January 2024

#### 7.1.1 Functions of SCM Unit

The SCM is done by the staff member of the finance department with the assistance of other personnel from the parent municipality.

#### 7.1.2 Functioning Of Bid Committees

- **CONSTITUTION OF BID COMMITTEES**

The 3 bid committees namely the Bid Specification Committee, Bid Evaluation Committee and the Bid Adjudication Committee have been constituted in line with the SCM regulation requirements.

- **ADEQUACY OF BID COMMITTEE MEETINGS**

<b>Committee</b>	<b>Meetings Attended in the quarter</b>	<b>Quorum</b>
Bid Specification Committee	1	Met the quorum
Bid Evaluation Committee	1	Met the quorum
Bid Adjudication Committee	1	Met the quorum

### **7.1.3 SUPPLIER DATABASE**

Paragraph 14 (1)(ii) of the Supply Chain Management Regulations mandates that the accounting officer must invite potential suppliers of goods and services to apply for evaluation and inclusion on an approved list of accredited providers. The UThukela Economic Development Agency utilises the supplier database maintained by the UThukela District Municipality for this purpose.

### **7.1.4 PROCUREMENT PROCESS**

The Supply Chain Management Unit developed procurement plans for the 2024/2025 financial year.

- **THRESHOLD VALUES**

Formal written quotations (3 days' advert): R1 –R30, 000.00

Formal written quotations (7 days' advert): R30, 001 –R200, 000.00

Competitive bidding process (Tender) – above R 200,000.00

• **BIDS AWARDED (TENDER)**

NO.	PROJECT	COMPANY	AMOUNT	DATE
1.	Sugar bean seed	Insikayamantungwa trading and construction	R348,000.00	24/12/2024

**1. TOP 10 SUPPLIERS BY VALUE OF CONTRACTS (QUOTATIONS)**

NO.	SERVICE PROVIDER	VALUE OF CONTRACT
1.	SIQEDAUUVILA TRADING(PTY)LTD	R2 550.00
2.	ONOMO	R2 700.83
3.	ROYAL HOTEL	R3050.00
4.	INTUTHUANE CONSTRUCTION TRAINING	R6 450.00
5.	MKHUFAKHUFA TRADING PTY (LTD)	R6 500.00
6.	J JAMES PTY LTD	R7 500.00
7.	MNOTHI THE SPARK TRADING PTY LTD	R13 015.00
8.	LUYANDIZA INVESTMENTS	R18 730.73
9.	KAMAQHOBOZA TRADING	R19 780.03
10.	THE RIVERSIDE HOTEL	R3590.00
11.	THEMBATHEMBANI (PTY)LTD	R4030.00
12.	NEWCASTLE ADVERTISER	R4951.50
13.	LUDONGA NP PROJECT (PTY)LTD	R5040.00
14.	NEWCASTLE ADVERTISER	R6869.20
15.	BONANTOMBI (PTY)LTD	R16745.30
16.	ZIPHELELISIWE TRADING	R3500.00
17.	B.W CONSULTING AND TRADING	R10 000.00
18.	B.W CONSULTING AND TRADING	R10 000.00
19.	MAXODE EVENTS AND TRADING	R79 608.75
20.	JAWZ TRADING AND ENTERPRISES	R38 675.00

The Supply Chain Management Unit is continuously improving its processes and procedures in order to ensure that board of directors receive value for money in terms of demand and acquisition management. This process is done with the aim of giving reasonable assurance to the board and communities of the Greater uThukela Area.

## 7.2 Operating Results

Revenue	Actual	Budget	Variance
	2024/25	2024/25	2024/25
	R	R	
Opening accumulated surplus	R0	R 706 070.00	R706 070.00
Operating income for the year	R5 281 970.00	R 10 698 085.82	R5 407 155.82
<b>Total</b>	<b>R5 281 970.00</b>	<b>R11 404 155.82</b>	<b>R6 122 185.82</b>
<b>EXPENDITURE</b>			
Operating expenditure for the year	R5 623 900.00	R7 507 000.00	R1 881 100.00
Closing accumulated surplus	0	R706 070.00	-R341 930.00
<b>Total</b>	<b>R5 623 900.00</b>	<b>R8 213 070.00</b>	<b>R2 589 170.00</b>

## 7.3 Annual Financial Statements

### ANNEXURE A:

## 7.4 Audit Action Plan

Findings	Action to Address/Corrective Measures
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(a) Incorrect calculation of price points in application of the Preferential Procurement Regulations.	Conduct training for bid evaluators on accurately applying the Preferential Procurement Regulations formula.
(b) Irregular expenditure not disclosed R1, 982,901.82	Management ensure that AFS are adequately reviewed. GRAP training for the CFO for the accurate preparation of AFS.
(c) Fruitless and wasteful expenditure inappropriately disclosed	Ensure UIFW reconciliations are done monthly and reconciled accordingly. 2. Request internal audit of UTDM to assist in the review of AFS

## 8. AUDIT REPORT

### Report on the audit of the financial statements Opinion

The financial statements of the uThukela Economic Development Agency set out on pages which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies have been audited.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the uThukela Economic Development Agency as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practise (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA).

### **Basis for opinion**

The audit was conducted in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

I am independent of the municipal entity in accordance with the International Ethics Standards

Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Unaudited disclosure notes**

In terms of section 125(2) (e) of the MFMA, the municipal entity is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, we do not express an opinion on it.

### **Report on the annual performance report**

- In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
- The following material performance indicators related to local economic development were selected and presented in the annual performance report for the year ended 30 June 2024. The selected indicators measure the municipal

entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of engagements to develop bulk infrastructure for economic opportunities.
- Number of PSC engagements in relation to the establishment of DUT satellite office by 30 June 2024
- Number of meetings held in the establishment of Clothing and Textile Special Economic Zone by 30 June 2024
- Number of engagements to support informal economy and small enterprises
- Number of engagements held to expand the manufacturing
- Number of engagements held to develop strategic transport infrastructure
- Number of in-house tourism training & development workshops conducted with the tourism interns & officers
- Number of District Tourism Marketing updates by 30 June 2024
- Lobbying for the provincial tourism authority and municipalities to ensure that tourism SMMEs are listed and promoted on their websites
- Number of tourism stakeholders' analysis by 30 June 2024
- Number of tourism activation programs conducted by 30 June 2024
- Lobbying for funding for the construction of Phase one of uMhlumayo Cultural Village Project by 30 June 2024
- Coordinate accreditation of UEDA with the tourism specific SETA by 30 June 2024
- Conduct familiarisation trips on all tourism routes
- Reports submitted farmer identification (1), seed procurement and distribution (1), chicken production (2) by 30 June 2024

- Reports submitted farmer identification (1), seed procurement and distribution (1), Monitoring visits (1), potato harvests (1), project evaluation (1) by 30 June 2024
- Four (4) reports submitted farmer identification (1), bean seed procurement and distribution (1), monitoring visits (1), bean harvests (1), bean harvests (1), project evaluation (1) by 30 June 2024
- Four (4) reports submitted farmer identification (1), soya seed procurement and distribution (1), monitoring visits (1), soya harvests (1), bean harvests (1), project evaluation (1) by 30 June 2024
- Four (4) reports submitted farmer identification (1), groundnut seed procurement and distribution (1), monitoring visits (1), groundnut harvesting (1), project evaluation by 30 June 2024.
- Four (4) reports submitted: Farmer identification (1), butternut seed procurement and distribution (1), monitoring visits (1), project evaluation (1).
- Reports on enquiries and engagements farmer identification (1), maize seed procurement and distribution (1), monitoring visits (1), maize harvesting (1), project evaluation (1) by 30 June 2024
- Four reports submitted on livestock markets held by 30 June 2024.
- Reports submitted by Cannabis/hemp production
- Reports submitted on business plan, fixing of machinery, funding application (1), tilling for 3rd parties, and follow up (1) by 30 June 2024.
- The reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice were evaluated. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipal entity's planning and delivery on its mandate and objectives.
- performed procedures to test whether:



- the indicators used for planning and reporting on performance can be linked directly to the municipal entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipal entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information presented in the annual performance report in the prescribed manner
- There is adequate supporting evidence for the achievements reported and for measures taken to improve performance.
- Performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
- The material findings on the reported performance information for the selected material indicators are as follows:
  - **Report on compliance with legislation**
    - In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The

accounting officer is responsible for the municipal entity's compliance with legislation.

- Performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
- Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipal entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

**- Internal control deficiencies**

- Considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
- The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report.
- The accounting officer did provide adequate oversight in ensuring that the entity implement necessary controls that would ensure adherence to the applicable legislation, including conducting the necessary investigation.
- The accounting officer did not ensure that that daily, monthly and annual review processes were effectively implemented and monitored in ensuring that reliable and credible set of annual financial statement as well as an

accurate and consistent annual performance report are available to support financial and performance reporting.

- The accounting officer did not ensure that risk assessments are performed and that assurance providers are formally appointed, as required by the legislation.

### **Annexure to the auditor's report**

The annexure includes the following:

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

### **Auditor-general's responsibility for the audit**

#### **Professional judgement and professional skepticism**

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

#### **Financial statements**

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipal entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- Conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipal entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipal entity to cease operating as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Communication with those charged with governance**

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

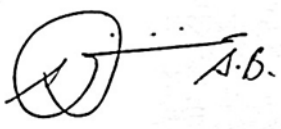
provided the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be

thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## 8.1 Compliance with Legislation

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003 (MFMA) and regulations issued in terms of the act	Sections: 1, 87(5)(b), 87(5)(d), 87(5)(d)(i), 87(5)(d)(iii), 87(6)(c), 87(8), 88(1)(a), 95(d), 97(e), 97(f), 97(h), 97(i), 99(2)(a), 99(2)(b), 99(2)(c), 102(1), 102(2)(a), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 122(1), 126(2)(b), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 172(3)(a), 172(3)(b)
MFMA: Municipal Supply Chain Management Regulations, 2005	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations: 73(1)(a), 73(1)(b), 73(2)(a), 73(2)(b), 73(2)(d), 75(1), 75(2)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(b), 10(1)
Companies Act 71 of 2008	Sections: 46(1)(a), 46(1)(b), 46(1)(c)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Municipal Systems Act 32 of 2000	Section: 93B(a), 93C(a)(iv)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)

Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)



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**Mr. SB SIBISI**

**Acting CEO**

**UThukela Economic Development Agency**