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ANNUAL REPORT

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UTHUKELA ECONOMIC DEVELOPMENT AGENCY SOC



2023/2024 FINANCIAL YEAR  
131 MURCHISON STREET, LADYSMITH 3370

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# PART A: GENERAL INFORMATION

## 1. CHIEF EXECUTIVE OFFICER'S FOREWORD

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**MR S.B SIBISI ACTING CHIEF EXECUTIVE OFFICER (ACEO)**

The year 2023/24 has been a tumultuous - in all three senses of the word: confused, excited, and disorderly - year for the uThukela Economic Development Agency (UEDA). Five very senior members of the management left the Agency in the first two quarters of this financial year. The contract of the CEO came to an end at the end of August 2023, while two senior managers reporting directly to the Chief Executive Officer (CEO), and the Board Secretary

had their contracts expiring at the end of October. The Chief Financial Officer (CFO) resigned at the beginning of December. It was not, until the 2<sup>nd</sup> of November that an ACEO was appointed. For two full months, the Agency had no CEO. Had it not been for the acumen of the then Municipal Manager (MM) of UThukela District Municipality and the able leadership of His Worship, the Inkosi Shabalala, uThukela Economic Development Agency would have perished in those two months. Credit also must go to the Chairperson, Dr. Nduli and the Board of Directors he leads for going beyond the call of their duty just to ensure that the Agency continues to operate without an administrative head.

The collective effort for both the new administration of the Agency and the Board of Directors made the Agency to operate in as smooth a manner as none would guess there has such drastic changes in the overall management structure and personnel. The Agency was able to meet the deadlines for the compilation and submission of important documents like 2022/23 annual report, 2023/24 mid-year report, adjustment budget and 2024/25 draft annual budget.

Our biggest challenge, as an institution, in the year 2023/24 has been the termination of the audit services of the internal audit committee it was rendering to the Agency. Having only considered performance records for the first quarter in the year, the committee did not consider records for the second quarter. With the intervention of the new Municipal Manager, the same audit committee was appointed formally to audit records of performance for the Agency as well. The Agency is grateful to the internal audit and performance management units of uThukela District Municipality for the work they did for the Agency without compensation of any sort. Without their assistance, the Agency would not have been able to present records of any credibility to Auditor General for consideration.

The Unqualified audit opinion by the Auditor General SA (AG) is a testament to the amount of work everyone associated with the Agency put in. It is the culmination of warm and frank relationships between the mayor and the chairperson, the MM and the CEO. None of us worked for an unqualified opinion, but a clean audit opinion. However, under the circumstances, as alluded to above, an unqualified opinion is gratifying.

I present this annual report with satisfaction that I have led a team of managers who have shown dedication to their work and the institution beyond normalcy, and an entire workforce that responded positively to my call for discipline, dedication, good appearance and excellency. While the report is a narration of the year past, it is also a foundation for the years ahead.

## 2. CHAIRPERSON'S STATEMENT

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improvement in performance.

In the middle of the year, we underwent a significant change in management and board members. The Board of Directors, together with the Acting Chief Executive Officer (ACEO) (since November 2023), successfully stabilised the situation, leading to an unqualified audit report. Despite the challenging circumstances and the prolonged period under an Acting CEO, the Agency achieved a remarkable

### **Dr. KH Nduli, UEDA Board Chairperson**

The board is committed to ensuring stability in light of these achievements and the challenges faced. With a sense of nostalgia and excitement, I acknowledge the transition of our Acting CEO, staff, and uThukela District Municipality.

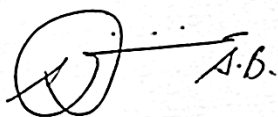
In response to the arrival of new board members, we decided to implement a capacity-building initiative to enhance their skills. I would like to express my gratitude to all board members, particularly the new ones, for the professional manner in which they have carried out their duties and responsibilities. Finally, I want to extend my thanks to the Acting CEO, the Agency staff, uThukela District Municipality, and the municipalities within the district for their efforts in promoting the Agency's work and fulfilling their responsibilities.

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

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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 2024.



A handwritten signature in black ink, consisting of a stylized circular mark followed by a horizontal line and the initials 'S.B.'.

Mr. SB Sibisi

Chief Executive Office (Acting)



A handwritten signature in black ink, consisting of a stylized circular mark followed by a horizontal line and the initials 'K.H.'.

Mr KH Nduli

Board Chairperson

## 4. STRATEGIC OVERVIEW

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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).

### **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 socio-economic 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%)

Map 1: Source: UThukela District Municipality Website



## **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.

## 5. LEGISLATIVE AND OTHER MANDATES

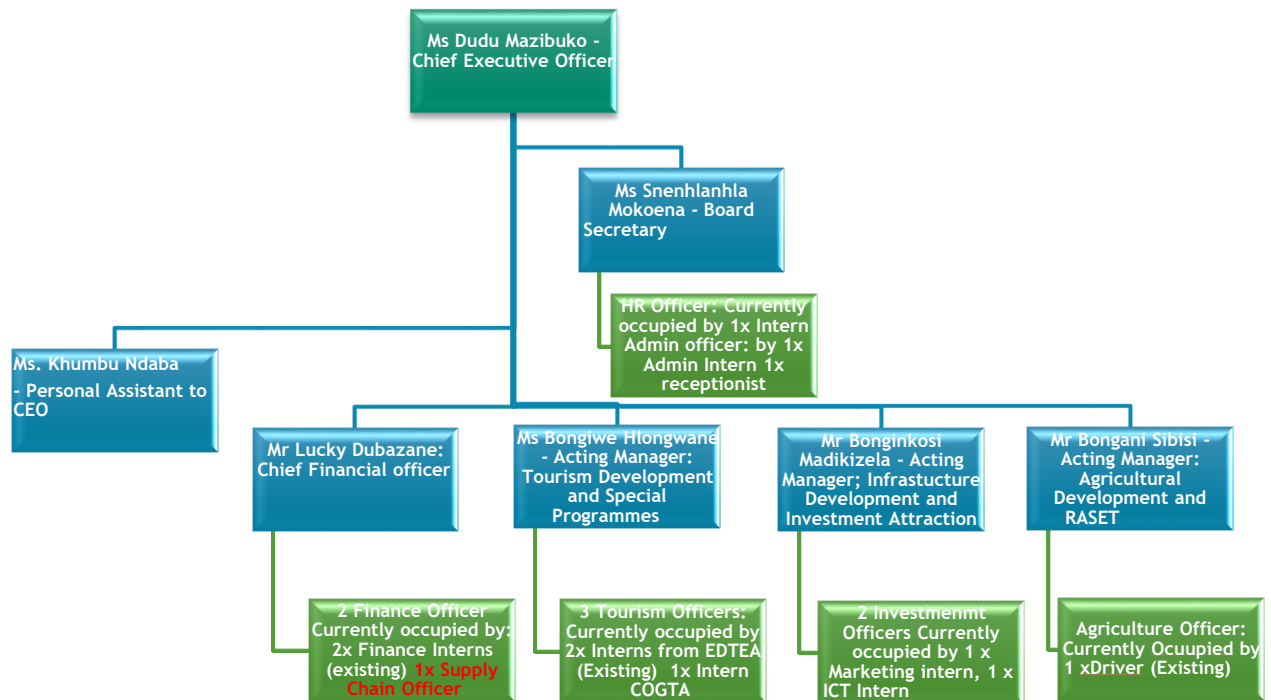
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UThukela Economic Development Agency operates under a comprehensive legal framework designed to ensure accountability, transparency, and effective governance.

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

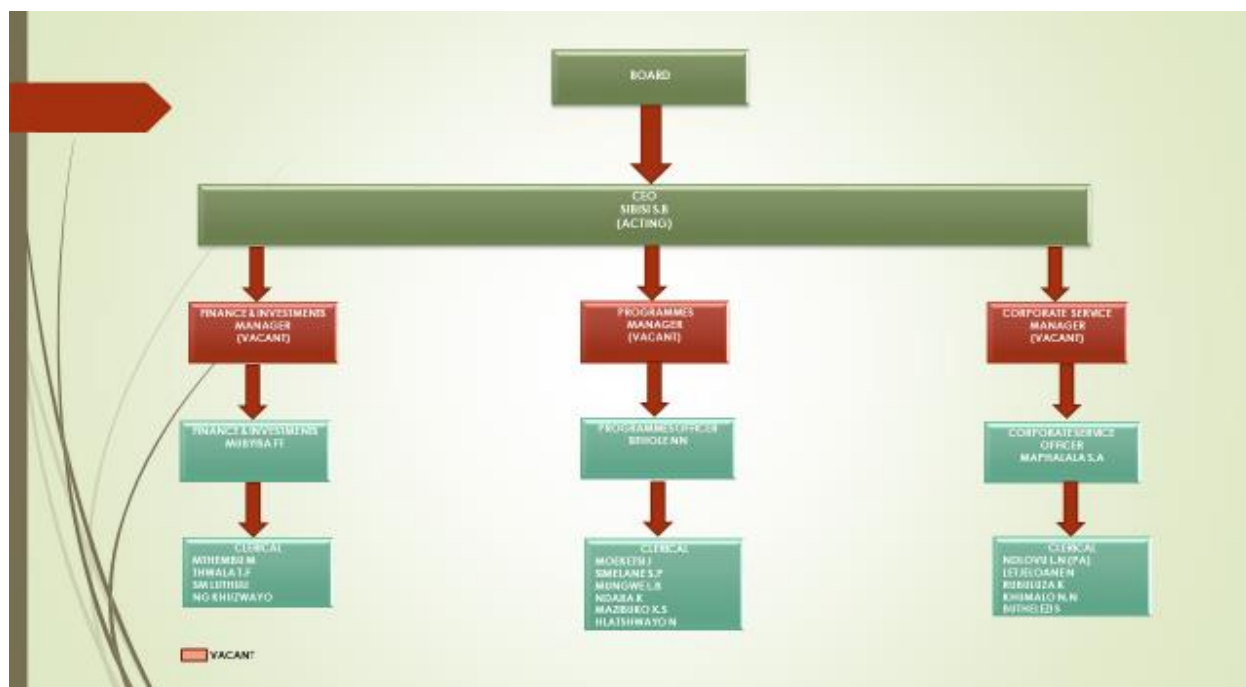
## 6. ORGANISATION STRUCTURE



*Ceased on the 31 October 2023*

The organisational structure which was originally approved in alignment with the Annual Performance Plan for the 2023/2024 period, underwent significant amendments after the conclusion of staff contracts, particularly for managerial positions. Notably, changes occurred after October 2023, following the expiration of contracts for key management roles, and the departure of the Chief Executive Officer at the end of August 2023. These staffing changes necessitated a revision of the organogram to ensure it accurately reflects the current personnel structure and meets the evolving operational demands of the organisation. The updated organogram now better aligns with both the current staffing capabilities and the strategic needs for continued growth and performance in the upcoming period.

The organogram below was approved by the board on the board meeting on the 05<sup>th</sup> of December 2023:



## STRATEGIC PARTNERS

UEDA has through a number of strategic partnerships, aligned itself with like-minded stakeholders with a view to synergistically and consistently promote UThukela District's attributes.

Such linkages have seen a number of effective collaborations on projects within the district that make the Agency effective and efficient in its endeavors to fulfil its mandate.

### Key strategic partners include:

- Public entities
- Financial institutions.
- Tertiary educational & research institutions
- Municipalities in UThukela District.
- The Business Chamber movement, at both local and district levels.
- Trade & Investment KwaZulu-Natal.
- Other Economic development agencies (national and international)
- Provincial and national government departments

## **PART B: PERFORMANCE INFORMATION**

### **7. INVESTMENT AND INFRASTRUCTURE**

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#### **INTRODUCTION**

The 2023/2024 financial year was a period of strategic growth for the Agency. Throughout the year, UEDA implemented key infrastructure and investment initiatives, secured substantial funding, and laid the groundwork for projects across critical sectors, including energy, transport, manufacturing, and small, medium, and micro enterprises (SMMEs). Significant milestones were achieved, including the successful completion of infrastructure projects, the facilitation of business expansion, and strengthened partnerships with local, provincial, national, and international stakeholders. Despite challenges in funding and stakeholder coordination, UEDA remains focused on positioning UThukela as a competitive investment destination.

#### **ENGAGEMENTS TO DEVELOP BULK INFRASTRUCTURE FOR ECONOMIC OPPORTUNITIES**

A pivotal engagement was held to advance the Colenso Power Project, with the CEO of Colenso Power providing an insightful overview of the initiative. The project has garnered robust support from the Trade and Industry sector in Pretoria, reflecting its significant potential for regional development.

While the acquisition of a water license has experienced some delays, UEDA's Acting CEO is proactively addressing this challenge. Constructive discussions are planned with the uThukela District Municipal Manager and the General Manager for Water and Sanitation. This collaborative effort demonstrates UEDA's commitment to overcoming obstacles and ensuring progress.

In response to the passing of the previous community liaison, UEDA will assist in identifying a suitable replacement to maintain strong community engagement. Investor

opportunities for the project remain available, with construction targeted to commence in 2024.

This partnership between UEDA and Colenso Power is dedicated to resolving challenges and achieving shared success. Further updates will be provided as milestones are reached, underscoring the steady momentum of this transformative project.

## **THE ESTABLISHMENT OF THE CLOTHING AND TEXTILE SPECIAL ECONOMIC ZONE**

An engagement was held to discuss integrating a Special Economic Zone (SEZ) for the clothing and textile industry with the One-Stop Shop (OSS). Key stakeholders, including UEDA, Trade & Investment KwaZulu-Natal (TIKZN), IThala, and KwaZulu-Natal Department of Economic Development, Tourism, and Environmental Affairs (KZN EDTEA), outlined plans to co-locate the SEZ and OSS to enhance efficiency and streamline services.

KZN EDTEA allocated R7 million to support the SEZ's establishment, focusing on infrastructure, technology, and essential services. The Operational Planning Project Steering Committee proposed a joint cost-sharing model for operations, pending the signing of a Memorandum of Understanding (MOU) by the stakeholders. This initiative aims to drive economic growth, create jobs, and attract investment in the region's clothing and textile sector. The UThukela SEZ, is still in its proposal phase which is done by KZN-EDTEA.

## **SUPPORT INFORMAL ECONOMY AND SMALL ENTERPRISES**

The Agency is committed to supporting the growth and sustainability of Small, Medium, and Micro Enterprises (SMMEs), despite financial constraints. In line with this mission, an SMME database has been established to facilitate timely communication and streamline assistance processes, ensuring efficient support delivery.



The Agency recognises the pivotal role played by SMMEs in driving economic development and fostering entrepreneurship within the community. To this end, the Agency remains steadfast in collaborating with SMMEs and maintaining active engagement to cultivate a conducive environment for their growth and success. This approach aims to contribute to job creation and economic empowerment. By the end of 2023/2024 Financial Year UEDA had thirty (30) SMMEs enlisted on the Agency SMME database, ranging from clothing and textile, and tourism to agricultural sector.

Despite financial constraints, the Agency remains committed to supporting the growth and sustainability of SMMEs. In the 2023/2024 Financial Year, the Agency assisted SMMEs with applications for funding from the Small Enterprise Development and Finance Agency (SEDFFA), partnered with the Small Enterprise Development Agency (SEDA) to provide financial training, and engaged with various stakeholders to secure working and storage space for SMMEs. These efforts are aimed at fostering a supportive environment for small businesses to thrive.



**SMME TRAINING AT ALFRED DUMA, TOWN HALL**

### **UTHUKELA TRADE AND INVESTMENT CONFERENCE (18 - 19 JULY 2023 AT APEX BOUTIQUE HOTEL)**

The UThukela Trade and Investment Conference held in July 2023 was a significant success. The department compiled a detailed report highlighting the outcomes, collaborative efforts, and identified investment opportunities during the event. This report, anchored in the conference held at the Apex Boutique Hotel, serves as a valuable

reference for future trade and investment initiatives, emphasizing the agency's dedication to fostering economic development.

The conference showcased key investment opportunities in energy, agriculture, manufacturing, and infrastructure, with participation from existing investors like Sumitomo, Defy, and Nestlé. Funding support of R100, 000 each was secured from TIKZN and KZN COGTA.



## **ENGAGEMENTS IN RELATION TO THE ESTABLISHMENT OF DUT SETELLITE OFFICE**

A Post-Doctoral Fellow from the Durban University of Technology (DUT) was appointed to carry out a research survey designed to identify academic programs that are closely aligned with the needs of the local economy. The purpose of this survey was to assess which programs would be critical for the continued operation of the DUT satellite campus in the uThukela District. The findings from this survey were expected to guide decisions on which academic offerings should be prioritized, ensuring they cater to the region's economic demands and contribute to its growth.

However, despite the importance of this survey in shaping the future direction of the DUT campus, the results were never received. Without this crucial information, the Agency was unable to proceed with plans to support or expand the DUT satellite campus, as there was insufficient data to inform strategic decisions. This lack of survey results ultimately led to the decision not to continue with the development and operation of the DUT campus, hindering the Agency's ability to ensure that the academic programs offered met the specific needs of the local community and economy.

## **CHALLENGES AND CONSTRAINTS**

- Several challenges and constraints impacted the execution of planned projects during the 2023/2024 financial year. One of the primary obstacles was the change in management, which occurred due to the end of key contracts. This transition led to disruptions in project planning and execution, as new leadership took time to adjust and strategise effectively.
- Additionally, budget constraints played a significant role in limiting the section's ability to meet its targets. The allocated budget for the Investment Conference, which was a priority initiative, consumed the entire budget for the section in the first quarter of the financial year. This unexpected expenditure left the section with limited financial resources to support other planned projects and activities, resulting in delays and the inability to achieve the set performance goals.

## **CONCLUSION**

The uThukela Economic Development Agency (UEDA) has made significant strides in fostering economic growth and development despite various challenges and constraints. This quarter, the Agency demonstrated its commitment to facilitating large-scale investments, supporting SMMEs, and advancing trade opportunities.

## **KEY ACHIEVEMENTS**

- Critical progress was made in the Colenso Power Project through collaborative engagement to resolve water licensing issues, paving the way for the construction phase
- Laid the groundwork for integrating a Clothing and Textile SEZ with the One-Stop Shop (OSS), supported by a R7 million allocation from KZN EDTEA.
- Established an SMME database to enhance communication and streamline assistance.

- Facilitated access to funding for SMMEs, and provided financial training in partnership with SEDA, contributing to economic empowerment and job creation.
- Successfully hosted the investment conference, highlighting key investment opportunities in energy, agriculture, manufacturing, and infrastructure.

Despite challenges such as budget constraints, project delays, and survey feedback gaps, UEDA continues to make meaningful progress in driving economic development and positioning uThukela District as a hub for investment and growth. The Agency remains steadfast in addressing constraints and capitalising on opportunities to support the region's prosperity.

## 8. TOURISM AND AGRICULTURE

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### IN-HOUSE TRAINING AND DEVELOPMENT WORKSHOPS

Over the past year, the Tourism Section successfully conducted four in-house training workshops, each designed to enhance the professional capabilities of department clerks. These sessions, held at the UEDA Main Boardroom, focused on addressing critical areas for personal and team development.



IN-HOUSE TRAINING- UEDA

The first workshop, held on 08 August 2023, concentrated on teamwork. The goal was to foster collaboration and unity among employees, emphasizing the importance of working effectively in teams to achieve shared objectives. On 01 November 2023, the focus shifted to leadership skills, equipping participants with the tools and confidence to make informed decisions and

take initiative in their roles.

In the workshop held on 08 February 2024, the team explored tourism product development. This session provided strategies for creating, innovating, and refining tourism offerings to cater to diverse markets and stakeholders. The final workshop, conducted on 16 May 2024, centered on effective stakeholder engagement, where employees learned techniques to build and maintain meaningful relationships with external partners.

These workshops offered numerous benefits to employees. Participants gained enhanced skills in key areas such as teamwork, leadership, product development, and stakeholder engagement, which significantly improved their effectiveness. The training also boosted their confidence, enabling them to handle responsibilities and interact with stakeholders more effectively. By equipping staff with relevant tools and strategies, the workshops contributed to improved productivity, resulting in more efficient workflows and better outcomes.



TOURISM IN HOUSE TRAINING

In addition to professional growth, the workshops supported career development by introducing employees to advanced concepts and practices that prepare them for future opportunities. The emphasis on teamwork and stakeholder engagement strengthened collaboration among colleagues and with external partners, fostering a cohesive and supportive work environment.

These initiatives underscore UEDA's commitment to empowering its workforce through continuous professional development, ensuring employees are well-equipped to meet both current demands and future challenges.

## **DISTRICT TOURISM UPDATES**

To bolster UThukela District's visibility as a tourism destination, UEDA spearheaded six (6) district tourism updates during the year. These updates, uploaded to the UEDA website and Facebook page, served as a vital platform to promote the district's diverse tourism products and services.

The updates, shared on 20 September 2023, 24 October 2023, 26 October 2023, 27 October 2023, 06 November 2023, and 07 June 2024, highlighted the richness of uThukela's tourism landscape. They included information on key attractions, upcoming events, and innovative tourism packages, ensuring that potential visitors and stakeholders remained engaged and informed.

By leveraging digital platforms, UEDA demonstrated a proactive approach to marketing uThukela’s tourism offerings, positioning the district as a compelling destination for both local and international tourists.

### **LOBBYING FOR LISTING AND PROMOTION OF TOURISM SMMES**

UEDA actively engaged with EDTEA and Tourism KZN through email correspondence and multiple engagements to advocate for the inclusion of tourism SMMEs from uThukela District on Tourism KZN’s platforms. These efforts proved successful, as Tourism KZN agreed to list uThukela tourism products on its website. They also requested UEDA to monitor the website periodically to ensure that the district's offerings are effectively represented and marketed.

### **STAKEHOLDER DOCUMENT**

UEDA developed a Stakeholder Analysis Document in-house, which identified key tourism stakeholders within the district. This document was formally noted by the UEDA Board of Directors on 8 July 2024, marking its adoption as a strategic resource. Complementing this, UEDA also drafted a Stakeholder Analysis Plan, providing a framework for engaging identified stakeholders to strengthen partnerships and enhance tourism development initiatives.

#### **Stakeholder Mapping:**

One way to represent the relationships between UEDA and its stakeholders is through a stakeholder matrix. Here's a simplified version:

<b>Stakeholder</b>	<b>Power/Influence</b>	<b>Interest</b>
UThukela District Mun.	High	High
Inkosi Langalibalele Mun.	High	High
Alfred Duma Mun.	High	High
Okhahlamba Local Mun.	High	High
UThukela SAPS	High	High

<b>Stakeholder</b>	<b>Power/Influence</b>	<b>Interest</b>
UThukela District Mun.	High	High
Inkosi Langalibalele Mun.	High	High
Alfred Duma Mun.	High	High
Okhahlamba Local Mun.	High	High
EDTEA	High	High
COGTA	High	High
Ladysmith Tourism Assoc.	High	High
Drakensberg Experience	High	High
Drakensberg Midlands	High	High
UThukela Dept. of Health	High	High
UThukela Dept. of Edu.	High	High
Mnambithi TVET College	High	High
Dept. of Sports, Arts...	High	High
Dept. of Tourism	High	High
TIKZN	Medium	Medium



## STAKEHOLDER ENGAGEMENTS TRADE



ZITHEI LODGE- EZAKHENI

In March 2024, UEDA conducted a stakeholder engagement with Zithei Lodge to assess its current operations, facilities, and marketing strategies. The lodge, located in Alfred Duma Local Municipality, is working towards grading its accommodation facilities and employs four full-time staff. While it caters to events and business travelers, the lodge relies solely on word of mouth, with no structured marketing materials or signage, which limits its visibility in Ezakheni Township.

Recommendations were made to improve marketing efforts, attract more customers, and foster local employment.

On 5 June 2024, UEDA participated in a trade engagement at Spionkop Lodge to plan the 125th Spionkop Commemoration event scheduled for January 2025. Key stakeholders, including representatives from Spionkop Lodge, Amafa, and UEDA, attended the meeting. The lodge emphasized the need for UEDA's active involvement in the event's organization and proposed a meeting with local mayors and UEDA's CEO to present the event details and secure their participation. Broader discussions also addressed challenges related to tourism marketing in uThukela District.

In November 2023, UEDA collaborated with KZN, and uThukela District Municipality to host a trade engagement workshop in Estcourt. The workshop focused on maximising marketing support for SMMEs and tourism product owners to promote growth and development within the district. It provided an opportunity to discuss strategies for improving tourism marketing and supporting small businesses, aligning with the district's broader economic objectives.

These engagements highlighted the need for structured marketing efforts, collaborative planning, and stakeholder involvement to advance uThukela's tourism sector.

## **TOURISM ACTIVATIONS**

On July 10, 2023, UEDA hosted a tourism activation at The Square Center in Alfred Duma Local Municipality to promote uThukela's tourism products and raise awareness about district activities. Targeting both locals and visitors, the activation distributed 250 brochures and facilitated meaningful engagement between UEDA officials and the public.

On November 23, 2023, UEDA conducted another activation at Guinea Fowl Garage in Ladysmith to promote local tourism businesses and highlight uThukela District's offerings. With 150 brochures distributed, this event focused on rural and township tourism, historical sites, and cultural experiences. Strategically located along a busy travel route, the event effectively engaged motorists and encouraged them to explore the district's attractions.



**N3 SOUTH BOUND ULTRA CITY  
ESTCOURT-TOURISM ACTIVATION**

A major activation occurred at N3 South Bound Ultra City in Estcourt, targeting Easter travelers. Representatives from UEDA and local municipalities collaborated to distribute marketing materials and promote uThukela as a destination. Okhahlamba crafters showcased and sold their work, while the Drakensberg Experience CTO sponsored adventure vouchers and giveaways, including a night at The Cavern. This activation increased awareness of uThukela's tourism

potential and strengthened partnerships with local businesses and sponsors.

On June 14, 2024, UEDA and Okhahlamba Local Municipality organized a winter tourism activation at Bergville's Astron Energy Garage. Over 200 promotional materials, including brochures and maps, were distributed, showcasing attractions and accommodations across Inkosi Langalibalele, Alfred Duma, and Okhahlamba municipalities. The event received positive feedback from travelers, demonstrating the success of collaborative efforts in promoting uThukela's unique experiences and fostering long-term tourism growth.



**ASTRON ENEGY GARAGE-  
BERGVILLE**

These activations emphasized strategic outreach, community collaboration, and engaging travelers, significantly contributing to the district's tourism development.

### **UMHLUMAYO CULTURAL VILLAGE PROJECT FUNDING**

UEDA initiated efforts to secure funding for Phase One of the uMhlumayo Cultural Village Project. A formal proposal was submitted to Tourism KwaZulu-Natal (TKZN) to support further Environmental Impact Assessment studies for the project. However, no additional funding lobbying took place after the feasibility study, conducted by an appointed service provider, determined that the project was not viable. The remaining surplus of the grant is held by UEDA, pending approval from COGTA to use the funds for the revised business plan.

### **UEDA ACCREDITATION PROCESS**

On September 27, 2023, UEDA held a meeting to address its accreditation process. Initially intending to apply through the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA), the Local Economic Development (LED) Programme Section learned that CATHSSETA no longer provides accreditation services and was directed to the Quality Council for Trades and Occupations (QCTO). UEDA promptly submitted a letter of intent to QCTO to begin the accreditation process.

QCTO responded to UEDA's application, requesting several supporting documents, including the Company Registration document. However, a challenge arose as the document has shown a pending status on the Companies and Intellectual Property Commission (CIPC) system since March 28, 2024. This delay has prevented UEDA from completing its submission to QCTO within the required timeframe.

UEDA has taken active steps to address this issue, including regular follow-ups with CIPC and maintaining open communication with QCTO to explain the challenges. To mitigate the delay, UEDA focuses on expediting the resolution of the pending status and ensuring the timely provision of all required documents.

Despite these challenges, UEDA remains committed to achieving accreditation and prioritizes resolving the pending status issue to complete the process with QCTO.

## **FAMILIARISATION TRIPS**

Between July 2023 and June 2024, the UThukela Economic Development Agency (UEDA) conducted several familiarisation trips to various tourism establishments within the UThukela District. These trips were designed to deepen the understanding of local tourism products, refine marketing strategies, and foster stronger partnerships with stakeholders.



**NAMBITI GAME RESERVE-  
FAMILIARASATION TRIP**

The journey began on 14 July 2023 with a visit to James Ilenga Lodge in KwaHlathi, where the serene setting and cultural importance of the lodge were highlighted. This was followed by a trip to Springbok Lodge in Nambiti Game Reserve on 25 January 2024, which showcased its luxury offerings and opportunities for conservation and eco-tourism.

On 12 March 2024, UEDA explored Siyaphambili Tours in Okhahlamba Municipality. The tour emphasized authentic Zulu cultural experiences that appeal to both domestic and international tourists. Another key visit took place on 6 May 2024 in Ntabamhlophe, Inkosi Langalibalele Local Municipality, where officials focused on rural and township tourism potential, particularly in heritage and eco-tourism.

Later, on 10 June 2024, the team visited the Tower of Pizza in Okhahlamba. This establishment combines a unique ambiance with its proximity to the Drakensberg, making it an integral part of the district's rural tourism offerings.

Additional trips were conducted to specific accommodations, such as the Uitval Lodge & Conference Centre in Indaka, Alfred Duma Local Municipality, on 14 December 2023. This lodge caters to families, business travelers, and leisure tourists with amenities like a pool, conference facilities, and cozy cabins. A subsequent trip on 18 December 2023 to Mt. View Lodge & Conference Centre in the same municipality highlighted its 30-room capacity, including facilities for disabled guests and event hosting capabilities.



**ROYAL NATAL-FAMILIARISATION TRIP**

Finally, on 15 September 2023, the team visited the Royal Natal Drakensberg Park in Okhahlamba, a UNESCO World Heritage Site renowned for its natural beauty and cultural significance. This visit offered UEDA officials an opportunity to experience the exceptional services and attractions of this iconic destination.

The primary objective of these familiarisation trips was to ensure that UEDA's tourism officials are well-versed in the diverse tourism offerings available in the district. These firsthand experiences not only informed marketing strategies but also strengthened the agency's ability to support and promote these products effectively.

Through these engagements, UEDA gained valuable insights to enhance tourism development, ensuring that the UThukela District is positioned as a top travel destination for both local and international visitors.

## IDENTIFICATION OF CHICKEN FARMERS

The identification of chicken production farmers was conducted through multiple channels to ensure a comprehensive and representative selection: Stakeholder Engagements: Engagements were held with various stakeholders, including agricultural associations, local government officials, and industry experts. These interactions provided valuable recommendations and referrals for identifying active chicken producers in the district.

Local outreach: Local agricultural auctions served as a platform for identifying farmers involved in chicken production. Auctions provide insights into the scale of operations and the market dynamics affecting these farmers.

Walk-Ins: Farmers who visited UEDA offices directly were also included in the identification process. These walk-ins provided an opportunity to engage with producers personally and gather information about their operations. The findings will inform the development of targeted interventions and support strategies, contributing to the growth and development of the poultry sector in UThukela District.

## GROUNDNUT SEEDS DISTRIBUTION

On the 24 of May and 10<sup>th</sup> of June 2024, uThukela Economic Development Agency (UEDA) embarked on a significant initiative to support and empower local farmers in the communities of Nkaseni, Ngodini, and Nkaseni under Inkosi Langalibalele (ILM). This effort, conducted in collaboration with the uThukela District Municipality and Inkosi Langalibalele, focused on distributing groundnut seeds to previously disadvantaged farmers, aiming to boost their agricultural productivity and sustainability.

### Procurement and Distribution

UEDA procured a total of R180, 000 worth of groundnut seeds, which amounted to 100 bags, each weighing 40kg. The distribution was strategically targeted at three communities:



- **Nkaseni:** 31 bags
- **Ngodini:** 54 bags
- **Esahlumbe:** 15 bags

**NKASENI BEAN SEEDS  
DISTRIBUTION**

**LIVESTOCK AUCTIONS**



**UMHLUMAYO AUCTION**

UTHukela Economic Development Agency (UEDA), in collaboration with key partners such as the Mdukatshani Goat Project, Siyaphambili, and the Department of Agriculture and Rural Development (DARD), has organized and conducted several successful goat auctions using in-house expertise across the district. These events aim to support previously disadvantaged farmers by providing fair market platforms for selling their livestock, fostering economic empowerment, and promoting community engagement.

promoting community engagement.

Below is the consolidated table with the total of 4 goat auctions held:

	<b>Location</b>	<b>Goats Presented</b>	<b>Goats Sold</b>	<b>Not Sold</b>	<b>Revenue (R)</b>	<b>Farmers Commission (R)</b>
16 Aug 2023	UMhlumayo, Mjindini	94	94	0	189,000	6,580
14 Nov 2023	Msinga Sales Yard	203	197	6	332,850	13,790
20 Mar 2024	UMhlumayo, Mjindini	103	97	6	187,630	6,790

9 Apr 2024	Msinga Sales Yard	120	120	0	249,575	8,400
<b>Total</b>	-	<b>520</b>	<b>508</b>	<b>12</b>	<b>959,055</b>	<b>35,560</b>

**Total Revenue: R 959,055.00**

These goat auctions underscore UEDA's commitment to supporting rural development through strategic partnerships and well-organized events. Moving forward, UEDA aims to enhance auction processes and increase outreach to maximize benefits for farmers and the broader community.

**CHALLENGES**

- **CIPC Document Delay in Accreditation Process:** A delay in obtaining the required company registration document from CIPC hindered UEDA's accreditation process with the Quality Council for Trades and Occupations (QCTO). This was a significant setback, as the delay affected UEDA's ability to meet the accreditation timeline, thus slowing down the process of officially certifying UEDA's programs.
- **Marketing and Visibility Limitations for Smaller Tourism Businesses:** Smaller tourism businesses, such as Zithezi Lodge, faced challenges in marketing their services, relying primarily on word of mouth without structured promotional strategies. UEDA identified this gap and made recommendations, but the lack of adequate marketing infrastructure and visibility for some businesses in the district posed a significant barrier to their growth.

**KEY ACHIEVEMENTS**

- **In-House Training Workshops:** UEDA conducted four successful training workshops focusing on teamwork, leadership, product development, and stakeholder engagement, enhancing employee skills, confidence, and productivity.
- **Tourism Promotion:** UEDA led six district tourism updates on digital platforms, raising awareness of uThukela's attractions, events, and tourism packages.



- **Advocacy for Tourism SMMEs:** UEDA successfully advocated for uThukela tourism products to be listed on Tourism KZN's website, boosting visibility and market reach for local businesses.
- **Stakeholder Analysis and Mapping:** UEDA developed and adopted a comprehensive Stakeholder Analysis Document, guiding efforts to strengthen tourism partnerships and development.
- **Stakeholder Engagements and Trade Collaborations:** UEDA engaged with key stakeholders like Zithei Lodge and Spionkop Lodge, improving marketing strategies and event planning, such as the 125th Spionkop Commemoration.
- **Tourism Activations:** UEDA organized tourism activations at locations like The Square Centre and Guinea Fowl Garage, engaging locals and travellers while promoting uThukela's tourism offerings.
- **Livestock Auctions:** UEDA successfully organized goat auctions, generating R959, 055 and empowering local farmers through fair market opportunities.
- **Groundnut Seeds Distribution:** UEDA distributed R180, 000 worth of groundnut seeds to farmers in Nkaseni, Ngodini, and Esahlumbe, boosting agricultural productivity.
- **Familiarisation Trips:** UEDA conducted familiarisation trips to key tourism sites, enhancing staff understanding of local products to improve marketing efforts.

## **PART C: GOVERNANCE**

### **9. CORPORATE GOVERNANCE STATEMENT**

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#### **INTRODUCTION**

UThukela Economic Development Agency, as a municipal entity, is committed to upholding the highest standards of corporate governance, transparency, and accountability in its operations. The Agency operates in line with the legislative framework governing municipal entities in South Africa, particularly the Municipal Finance Management Act (MFMA), Municipal System Act (MSA), the Companies Act, and King IV principles of good governance.

#### **GOVERNANCE STRUCTURE**

The governance framework of the uThukela Economic Development Agency is structured to ensure effective oversight, ethical leadership, and sound decision-making processes. The Board of Directors, appointed by the uThukela District Municipality, is responsible for providing strategic direction, approving key policies, and overseeing the management's performance. The Board operates through a governance model that includes adherence to regulatory compliance, financial prudence, and stakeholder engagement.

#### **COMPLIANCE AND ACCOUNTABILITY**

UThukela Economic Development Agency adheres to applicable legislative and regulatory requirements, ensuring compliance with the MFMA, the Companies Act, and any other relevant regulations. It also ensures the alignment of its operations with the municipal Integrated Development Plan (IDP) through its Annual Performance Plan. Regular financial reporting and audits are conducted to ensure accountability and transparency in the Agency's financial affairs.

## STAKEHOLDER ENGAGEMENT

There were no Engagements held by the Corporate Service Department for the Year 2023/2024

## BOARD COMPOSITION AND RESPONSIBILITIES

The Board is composed of 07 Directors with diverse skills, expertise, and experience necessary to guide the Agency in achieving its developmental and economic goals. Directors are charged with ensuring the entity's long-term sustainability, protecting the interests of its stakeholders, and fulfilling its mandate of promoting local economic development in the uThukela District.

NAME	DESIGNATION	DATE OF APPOINTMENT	QUALIFICATION	AREAS OF EXPERTISE
<b>REV K.D NDULI</b>	Chairperson ( <i>as of Dec 2022</i> )	27/06/2017	Diploma in Production Management	Human Resource
<b>MR A.M MSOMI</b>	Member	27/06/2017	BSS ,Post Grad Diploma in HR, and Master of Laws	Finance Planning
<b>MRS M ASMALS</b>	Deputy Chairperson( <i>as of Dec 2022</i> )	27/06/2017	BSS, BA honours in psychology, Certificate in HIV/AIDS Counselling, Certificate in Practical Law, Certificate in mobilising and Training of Trainers in Assets for Community Driven Development, and Certificate in Community Health Impact Assessment	Tourism
<b>MR M.S SITHOLE</b>	Member	02/12/2022	Senior Primary Teachers Diploma, Higher Education Diploma and Sport Management	Corporate services
<b>MR W.Z KUNENE</b>	Member	02/12/2022	Athletics Sports Certificates, Adult Basic Education, Primary Teachers Certificates, National Professional Diploma in Education, Basic Computer Literacy.	Agriculture
<b>MR B.W KUBHEKA</b>	Member	02/12/2022	Secondary Teachers Diploma, B. Paed	Finance

			Degree, BA Honours Degree	
<b>MISS N.F ZIKALALA</b>	Member	02/12/2022	Certificates in HIV/AIDS ARV Treatment literacy, Certificates in HIV/AIDS Counselling	Agriculture

**BOARD ACTIVITIES**

*The following policies were reviewed on the board meeting that was held on 08 July 2024:*

**FINANCE POLICIES**

- Anti-Fraud and Corruption Policy
- Asset Management Policy
- Bank and Cash Management Policy
- Cell Phone and 3G Policy
- Compliance Policy
- Fleet Management Policy
- Fraud Prevention Strategy
- Fraud Response Plan
- Remuneration Policy &(HR)
- Risk Committee Charter
- Risk Management Policy
- Subsistence and Travel Allowance Policy
- Supply Chain Management Policy
- Virement Policy

**HUMAN RESOURCE MANAGEMENT POLICIES**

- Acting Policy
- Code of Conduct Policy
- Consequence Management Policy

- Conflict of Interest Policy
- Disciplinary Code Policy
- Employment Equity Policy
- Exit Management Policy
- Leave Policy
- Performance Policy
- Promotion Policy
- Recruitment and Selection Policy
- Training and Development Policy
- Whistle Blowing Policy

## BOARD MEETINGS

The table outlines the board meetings convened during the 2023/2024 financial year, along with the attendance details. No committee meetings took place during this period.

BOARD MEETINGS	SPECIAL BOARD	SPECIAL BOARD	SPECIAL BOARD	SPECIAL BOARD	SPECIAL BOARD	SPECIAL BOARD	BOARD MEETING	SPECIAL MEETING	SPECIAL BOARD	SPECIAL BOARD
Board Members	31 July 2023	28 August 2023	30 October 2023	02 November 2023	10 November 2023	05 December 2023	11 January 2024	30 January 2024	04 April 2024	31 May 2024
Rev. K Nduli	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. M Asmal	✓	✓	✓	✓	✓	✓	✓	✓	✓	Apology
Mr A.M Msomi	✓	✓	x	x	Apology	Apology	x	✓	✓	Apology
Mr B Kubheka	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. N Zikalala	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr M Sithole	✓	✓	✓	Apology	✓	✓	✓	✓	✓	✓
Mr W Kunene	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

**BOARD ALLOWANCE AND EMOLUMENTS FOR 2023/2024 AS PER THE ANNUAL FINACIAL STATEMENTS.**

<b>BOARD MEMBERS</b>	<b>2024</b>	<b>2023</b>
Asmal M	68,219	53,127
Msomi Am	45,611	40,369
Nduli Kh	118,172	77,768
<b>Shabalala S.</b>	-	<b>28,188</b>
<b>Stockil Pa</b>	-	<b>19,851</b>
Sithole M	65,887	31,284
Kubheka B	71,020	34,759
Kunene W	68,046	33,484
Zikalala N	73,864	35,160
	<b>510,820</b>	<b>353,988</b>
<p><i>The new board members began their service at the UThukela Economic Development Agency on December 1, 2022. S. Shabalala and P.A. Stockil served on the UEDA Board until November 2022. M. Asmal, A.M. Msomi, and Nduli were part of the previous board and were reappointed as of December 1, 2022.</i></p>		

## 10. ANNUAL PERFORMANCE REPORT

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The UThukela Economic Development Agency has identified various sectors upon which to cluster its projects. These are as elaborated below.

### INVESTMENTS: 2023/2024 FINANCIAL YEAR

The main objective of the investments section is to bring infrastructure & facilities that will help large and SMMEs to thrive in UThukela District. This is done through the implementation of the following programmers:

- Creation of a conducive and enabling environment for local and international businesses to thrive,
- Facilitation, coordination and monitoring of the implementation of all District economic projects and
- Restoration of business confidence, stakeholders' engagement and establishment of business working groups.

During the 2023/2024 financial year, six key performance indicators (KPIs) were set and they start from KPI 14 to KPI 19. Two of them were achieved.

### Performance on each Key Performance Indicator

KPI NO.	KEY PERFORMANCE INDICATOR	TARGET	ACTUAL	OUTPUT
UEDA 14	Number of engagements to develop bulk infrastructure for economic opportunities	3	2	Not Achieved
UEDA 15	Number of PSC engagements in relation to the establishment of DUT satellite office by 30 June 2023	4	0	Not achieved



UEDA 16	Number of meetings held in the establishment of Clothing and Textile Special Economic Zone by 30 June 2023	2	2	Achieved
UEDA 17	Number of engagements held to support informal economy and small enterprises	4	4	Achieved
UEDA 18	Number of engagements held to expand the manufacturing	4	2	Not achieved
UEDA 19	Number of engagements to develop strategic transport infrastructure	4	0	Not Achieved

## CHALLENGES

- The experienced manager's contract expired during the year.
- Postponed activities due to budget constraints.

## REMEDIAL ACTION

- Finance officer was appointed to head the section
- Only programmes budgeted for were included in the APP.

## RASET AND AGRICULTURE: 2023/2024 FINANCIAL YEAR

The section is responsible for developing sustainable commercialisation of Agriculture and Agribusiness industries and the implementation of RASET in the UThukela District. In the period under review, there were ten key performance indicators (KPIs) under which the section had to perform. KPIs touched on a variety of areas of the agricultural continuum. These areas included engagements held with Cannabis farmers, chicken farmers, seed procurement, livestock markets, and chicory.

## Performance on each Key Performance Indicator

KPI NO.	KEY PERFORMANCE INDICATOR	TARGET	ACTUAL	OUTPUT
UEDA 27	Reports submitted farmer identification (1), feed procurement and distribution (1), chicken production (2) by 30 June 2024	4	1	Not Achieved
UEDA 28	Reports submitted farmer identification, seed procurement and distribution (1), monitoring visits, potato harvests (1), Project evaluation (1) by 30 June 2024	4	0	Not Achieved
UEDA 29	Four(4) reports submitted farmer identification (1), bean seed procurement	4	0	Not Achieved

	and distribution (1), monitoring visits, bean harvests (1), Project evaluation (1) by 30 June 2024			
UEDA 30	Four(4) reports submitted farmer identification (1), soya seed procurement and distribution (1), monitoring visits, soya harvests (1), Project evaluation (1) by 30 June 2024	4	0	Not Achieved

UEDA 31	Four (4) reports submitted on groundnut seed procurement and distribution (1), Monitoring (1), Harvesting, Evaluation (1) by 30 June 2024	4	2	Not Achieved
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UEDA 32	Reports submitted on farmer identification (1), butternut seed procurement and distribution (1), Harvesting (1), Evaluation (1) by 30 June 2024	4	0	Not Achieved
UEDA 33	Reports on enquiries and engagements(1) Identification of farmers, maize seeds procurement and distribution (1), Monitoring (1), Harvest, evaluation (1) by 30 June 2024	4	0	Not Achieved
UEDA 34	Four reports submitted on livestock markets held by 30 June 2024	4.	4	Achieved
UEDA 35	Reports submitted on Cannabis/hemp production	4	0	Not Achieved
UEDA 36	Reports submitted on business plan, fixing of machinery,	4	0	Not Achieved

	funding application (1), tilling for 3rd parties, follow up (1) by 30 June 2024			
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## CHALLENGES

- Non-availability of funds curtailed this promising programme

## REMEDIAL ACTION

- Projects not budgeted for should not be in APP

## TOURISM: 2023/2024

The Tourism unit of the UThukela Economic Development Agency is accountable for promoting, enhancing & and supporting initiatives that contribute towards tourism development within UThukela District. The tourism sector is highly dependent on the movement of people. The Tourism unit, UThukela Economic Development Agency continues to position UThukela as a first-choice world-class tourism destination

To regain the district's market share, particularly in the domestic market, and rebuild consumer confidence, UEDA Tourism is using attainable marketing tactics to achieve this. These include a fearless approach towards marketing campaigns with strong business/trade, Tourism KZN, and to some degree, media partnerships to keep UThukela District top of mind to travelling consumers, to drive focused messages to position and promote UThukela District as the only destination to visit throughout different seasons. This is done despite the very tight budget constraints and unexpected changes to budget allocations by the parent municipality.

## Performance of each Key Performance Indicator

KPI NO.	KEY PERFORMANCE INDICATOR	TARGET	ACTUAL	OUTPUT
UEDA 20	Number of in-house tourism training & development workshops conducted with the tourism interns & officers	4	4	Achieved
UEDA 21	Number of District Tourism Marketing updates by 30 June 2023	4	5	Achieved
UEDA 21.1	Lobbying for the provincial tourism authority and municipalities to ensure that tourism SMMEs are listed and promoted on their websites	4	4	Achieved
UEDA 22	Number of Tourism Stakeholder Analysis by 30 June 2023	1	1	Achieved
UEDA 22.1	Number of Tourism stakeholder Engagement Plan by 30 June 2024	1	1	Achieved
UEDA 22.2	Number of stakeholders engagement held by 30 June 2024	3	3	Achieved
UEDA 23	Number of tourism activation programs conducted by 30 June 2024	4	4	Achieved
UEDA 24	Lobbying for funding for the construction of Phase one of uMhlumayo Cultural Village Project by 30 June 2024	4	1	Not Achieved
UEDA 25	Coordinate accreditation of UEDA with the Tourism specific SETA by 30 June 2024	1	1	Achieved

UEDA 26	Conduct Familiarisation trips on all tourism routes	8	8	Achieved
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## CHALLENGES

- Changes in budget allocations by the parent municipality hurt operations

## REMEDIAL ACTIONS

- Budget allocations by the parent municipality should be carried out as per commitments

## CORPORATE GOVERNANCE: 2023/2024 FINANCIAL YEAR

Corporate governance embodies processes and systems by which municipal entities are directed, controlled and held to account. In addition to legislative requirements based on a municipal entity's enabling legislation and Companies Act, corporate governance with regards to municipal entities is applied through Municipal Finance Management Act (MFMA), Municipal Systems Act (MSA) and run-in tandem with principals contained in the King Code of Governance for South Africa and King Report on Governance (King III).

### Performance on each Key Performance Indicator

KPI NO.	KEY PERFORMANCE INDICATOR	TARGET	ACTUAL	OUTPUT
UEDA 01	Compliance Checklist reviewed by Audit Committee and adopted by Board 30 June 2024	1	1	Achieved
UEDA 02	Performance reports submitted to UTDM	4	4	Achieved
UEDA 03	Quarterly Board meetings	4	4	Achieved

UEDA 04	Quarterly internal Audit Committee Reports by 30 June 2024	4	3	Not Achieved
UEDA 05	Conduct employee Performance Management reviews by 30 June 2024	4	4	Achieved
UEDA 06	Implementation of skills training programs by 30 June 2024	2	4	Achieved
UEDA 07	Adoption human resources and related policies by 30 June 2024	14	14	Achieved

**CHALLENGES**

- The Agency does not have an internal audit committee; it relies on the committee of the Parent municipality, Internal Audit did not audit the quarter 2 reports because it was not formally appointed.
- The audit committee reports are not submitted to the Agency on time.

**REMEDIAL ACTION**

- The Council resolved that the shared services of the Audit and Performance committee between UTDM and UEDA be approved (resolution NO. 23/03/24)

**FINANCE: 2023/24 FINANCIAL YEAR**

The Finance unit is responsible for the budgeting, financial management and financial reporting to UEDA’s board of directors, Parent Municipality, National Treasury, COGTA, and other stakeholders. The Finance office has managed to meet all the targeted KPIs as per the Agency’s Service Delivery and Budget Implementation Plan for the financial year 2023/2024:



## Performance of each Key Performance Indicator

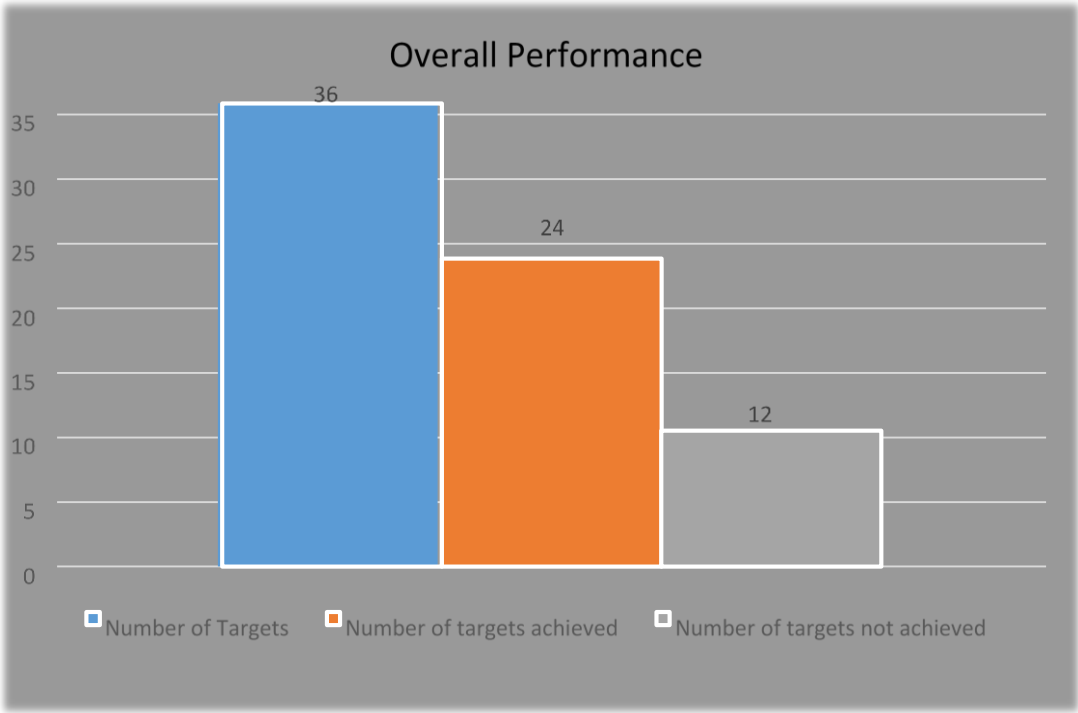
KPI NO.	KEY PERFORMANCE INDICATOR	TARGET	ACTUAL	OUTPUT
UEDA08	Submission of credible annual financial statements to the Auditor-General by 31 August 2023	1	1	Achieved
UEDA09	Submission of credible annual performance report to the Auditor-General by 30 August 2023	1	1	Achieved
UEDA 10	Submission of midterm budget and performance assessment report to Board and UTDM by 20 January 2024	1	1	Achieved
UEDA11	Submission of monthly financial reports to the board and UTDM by 30 June 2024	12	12	Achieved
UEDA 12	Submission of annual budget in terms of S87 of MFMA to the parent municipality by 31 January 2024	1	1	Achieved
UEDA 13	Submission of Annual Budget in terms of S87 of the MFMA to the parent municipality, 30 days before the start of the financial year	1	1	Achieved

## **CHALLENGES**

- The Finance office does not have permanent staff to execute the Finance functions.
- The Agency does not have a financial system in place. The Finance unit is unable to submit the monthly and annual financial reports as per the format or prescribed standards required by the National Treasury in terms of the Municipal Finance Management Act no 56 of 2003 and regulations of this act, due to cash flow constraints to acquire the financial system.

## **REMEDIAL ACTION**

- For the Agency to sustain itself, the Parent Municipality to continue to provide the Agency with the subsidy grant.
- The Agency has to look into other ways to generate its revenue so that it can appoint its permanent finance officials and procure the financial system to comply with MFMA Act no 56 of 2003 in terms of budgeting and reporting.



**2023/2024 DRAFT SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

OBJECTIVE	STRATEGY	KPI No.	KEY PERFORMANCE INDICATOR	MEASURABLE UNIT	ANNUAL TARGET	QUARTERLY TARGETS				RESPONSIBLE PERSON	PORTFOLIO OF EVIDENCE
						Q1	Q2	Q3	Q4		
<b>GOOD GOVERNANCE</b>											
To ensure compliance with legislation applicable to municipal entities and principals outlined in the King III Report	Adherence to the MFMA, MSA, and the Company's Act	UEDA 01	Compliance Checklist reviewed by Audit Committee and adopted by Board 30 June 2024	Date reviewed by Audit Committee. Date adopted by Board.	1 Compliance checklists reviewed by Audit Committee and adopted by the Board by 30 June 2024	n/a	n/a	n/a	1 Compliance checklists reviewed by Audit Committee and adopted by the Board by 30 June 2024	Ms DCP Mazibuko- Chief Executive Officer	Compliance Checklist,Resolution Board
	Relationship with Parent Municipality (UTDM).	UEDA02	Performance reports submitted to UTDM	Number of reports submitted to the accounting officer	4 Quarterly Performance reports submitted to UTDM by 30 June 2024	1 Quarterly Performance report submitted to UTDM by 30 September 2023	1 Quarterly Performance report submitted to UTDM by 31 December 2023	1 Quarterly Performance report submitted to UTDM by 31 March 2024	1 Quarterly Performance report submitted to UTDM by 30 June 2024	Ms S Mokoena-Board Secretariat	Quarterly reports,Proof of Submission
	Oversight on performance; risk and financial controls	UEDA03	Quarterly Board meetings	Number of meetings	4 Board meetings by 30 June 2024	1 Board meeting by 30 September 2023	1 Board meeting by 31 December 2023	1 Board meeting by 31 March 2024	1 Board meeting by 30 June 2024	Ms S Mokoena-Board Secretariat	Notice ,Agenda , Signed minutes and attendance registers
	Ensure good governance; performance management; risk assessment and financial controls.	UEDA04	Quarterly internal Audit Committee Reports by 30 June 2024	Number of reports	4 internal Audit Committee Reports by 30 June 2024	1 internal Audit Committee report by 31 September 2023	1 internalAudit Committee report by 31 December 2023	1 internal Audit Committee report by 31 March 2024	1 internalAudit Committee report 30 June 2024	Ms DCP Mazibuko- Chief Executive Officer	Internal Audit reports
<b>ORGANISATIONAL DEVELOPMENT AND TRANSFORMATION</b>											
Implement Performance Management		UEDA05	Conduct employee Performance Management reviews by 30 June 2024	Number of employees	4 employee entered into an employee performance reviews by 30 June 2024	n/a	4 employee entered into an employee performance reviews by 31 December 2023	n/a	4 employee entered into an employee performance reviews by 30 June 2024	Ms DCP Mazibuko- Chief Executive Officer	Signed reports
To improve the capacity of staff for service delivery	To improve delivery through the implementation of a performance management system	UEDA06	Implementation of skills training programmes by 30 June 2024	Number of Training Session	Two(2) training session held for employees by 30 June 2024	n/a	n/a	1 training session held for employees by 31 March 2024	1 training session held for employees by 30 June 2024	Ms DCP Mazibuko- Chief Executive Officer	Signed reports
		UEDA07	Adoption human resources and related policies by 30 June 2024	Number of policies adopted	14 Human resources and related policies adopted by the Board by 30 June 2024	n/a	n/a	n/a	14 Human resources and related policies adopted by the Board by 30 June 2024	Ms DCP Mazibuko- Chief Executive Officer	Proof of adoption

FINANCIAL VIABILITY AND MANAGEMENT											
Sound Financial Planning and Reporting	To ensure effective reporting and compliance	UEDA08	Submission of credible annual financial statements to the Auditor-General by 31 August 2023	Date of submission of the report	Submission of annual financial statements to the Auditor-General by 31 August 2023	Submission of annual financial statements to the Auditor-General by 31 August 2023	n/a	n/a	n/a	Mr L Dubazana-Chief Finance Officer	Proof of submission
		UEDA09	Submission of credible annual performance report to the Auditor-General by	Date of submission of the report	Submission of annual performance report to the Auditor-General by	Submission of annual performance report to the Auditor-General by 31 2023	n/a	n/a	n/a	Mr L Dubazana-Chief Finance Officer	Proof of submission
		UEDA 10	Submission of mid-term budget and performance assessment report to	Date of submission of the report	Submission of mid-term budget and performance assessment report to Board	n/a	n/a	Submission of mid-term budget and performance	n/a	Mr L Dubazana-Chief Finance Officer	Proof of submission
		UEDA11	Submission of monthly financial reports to the board and UTDM by 30 June 2024	Date of submission of the report	12 Submission of monthly financial reports reportett to Board and UTDM by 30 June 2024	3 monthly financial reports by 31 September 2023	3 monthly financial reports by 31 December 2023	3 monthly financial reports by 31 March 2024	3 monthly financial reports by 30 June 2024	Mr L Dubazana-Chief Finance Officer	Proof of submission
		UEDA 12	Submission of annual budget in terms of S87 of MFMA to the parent municipality by 31 January 2024	Date of submission of the report	Submission of annual budget in terms of S8 of MFMA	n/a	n/a	Annual budget	n/a	Mr L Dubazana-Chief Finance Officer	Proof of submission
		UEDA 13	Submission of Annual Budget in terms of S87 of the MFMA to the parent municipality, 30 days	Date of submission of the report	submission of annual budget in terms of S7 of MFMA	n/a	n/a	n/a	Annual budget	Mr L Dubazana-Chief Finance Officer	board resolution
LOCAL ECONOMIC DEVELOPMENT											
OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR	MEASURABLE UNIT	ANNUAL TARGET	QUARTERLY TARGETS				PORTFOLIO OF EVIDENCE		
					Q1	Q2	Q3	Q4			
To bring infracture & facilities that will help large and SMMEs to thrive at uThukela District	To create an enabling and conducive environment for both local and international businesses to thrive	UEDA 14	Number of engagements to develop bulk infrastructure for economic opportunities	Number of meetings	Three (3)engagements held with relevant stakeholders in relation to development of bulk infrastructure for economic	One engagement to facilitate access to land for development by 30 September 2023	One (1) engagement to facilitate the establishment of Colenso Power Project by 31 December 2023	One engagement to facilitate a study to provide free wifi in uThukela District by 31 March 2024	n/a	Mr B Madikizelka-Investment &Infrastructure Manager	Notice,Agenda,Attendance Register,Minutes
		UEDA 15	Number of PSC engagements in relation to the establishment of DUT setellite office by 30 June 2023	Number of meetings	4 engagements held in relation to the establishment of DUT satellite Campus in Ladysmith by 30 June 2024	One(1) engagement held in relation to establishment of DUT Satellite Campus by 30 September 2023	One(1) engagement held in relation to the establishment of DUT setellite office by 31 December 2023	One (1) engagement held in relation to the establishment of DUT setellite office 31 March 2024	One (1) PSC engagement held in relation to the establishment of DUT setellite office by 30 June 2024	Mr B Madikizelka-Investment &Infrastructure Manager	Notice,Agenda,Attendance Register,Minutes
		UEDA 16	Number of meetings held in the establishment of Clothing and Textile Special Economic Zone by 30 June 2023	Number of meetings	Two (2) engagements held on the establishment of Special Economic Zone by 30 June 2024		One (1) meetings held on the establishment of Special Economic Zone by 31 December 2023		One (1) meetings held on the establishment of Special Economic Zone by 30 June 2024	Mr B Madikizelka-Investment &Infrastructure Manager	Notice,Agenda,Attendance Register,Minutes
		UEDA 17	Number of engagementsheld to support informal economy and small enterprises	Number of meetings	Four(4) engagements to support informal economy and small enterprises by 30 June 2024	One (1)engagement to support informal economy and small enterprises by 30 September 2023	One (1)engagement to support informal economy and small enterprises by 31 December 2023	One (1)engagement to support informal economy and small enterprises by 31 March 2023	One (1)engagement to support informal economy and small enterprises by 30 June 2024	Mr B Madikizelka-Investment &Infrastructure Manager	Notice,Agenda,Attendance Register,Minutes
		UEDA 18	Number of engagements held to expand the manufacturing	Number of meetings	Four(4) engagements held to expand the manufacturing sector by 30 June 2024	One ( 1) engagements heldwith relevant stakeholders to review the district investment promotion and facilitation strategy by 30 September 2023	One (1) engagement to develop a database of all zoned industrial, vacant and underutilised spaces by 31 December 2023	One (1) engagements heldwith relevant stakeholders to facilitate phase 2 of CMT(Pro Textile) by 31 March 2024	Four (4) engagements held with relevant stakeholders to secure an investor for Watersmeet Spring Water Bottled Project by 30 June 2024	Mr B Madikizelka-Investment &Infrastructure Manager	Notice,Agenda,Attendance Register,Minutes
		UEDA 19	Number of engagements to develop strategic transport infrastructure	Number of meetings	Four(4) engagements to develop strategic transport infrastructure by 30 June 2024	One(1) engagement held with relevant stakeholders to fast track Alfred Duma Aerodrome Project by 30 September 2023	One(1) engagement held with relevant stakeholders concerning SIP2: Coridor plan to improve the logistic capability of the N3 by 31 December 2023	One(1) engagement held with relevant stakeholders concerning the implementation of N11 Corridor Plan by 31 March 2024	One (1) engagement held in facilitation of Escourt Intermodal Terminal or Isitimela Rapid Cargo Project by 30 June 2024	Mr B Madikizelka-Investment &Infrastructure Manager	Notice,Agenda,Attendance Register,Minutes
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To position UTD as a first choice world class tourism destination	To mobilise and promote the use of local resources and skills thus ensuring maximising local economic development (tourism)	UEDA 20	Number of in-house tourism training & development workshops conducted with the tourism interns & officers	Number of trainings	Four (4) in-house tourism training & development workshops conducted with the tourism interns & officers by 30 June	One (1) in-house tourism training & development workshops conducted with the tourism interns & officers by 30 September 2023	One (1) in-house tourism training & development workshops conducted with the tourism interns & officers by 31 March	One (1) in-house tourism training & development workshops conducted with the tourism interns & officers by 30 June 2024	Ms B Hlongwane- Tourism Manager	Signed Reports Attendance registers & pictures of training sessions and training contents	
		UEDA 21	Number of District Tourism Marketing updates by 30 June 2023	Number of tourism marketing updates	Four(4) District Tourism Marketing updates by 30 June 2024	One (1) District Tourism Marketing update by 30 September 2023	One (1) District Tourism Marketing update by 31 December 2023	One (1) District Tourism Marketing update by 31 March 2024	Ms B Hlongwane- Tourism Manager	Signed Reports, Municipal Websites, Social media	
		UEDA 21.1	Lobbying for the provincial tourism authority and municipalities to ensure that tourism SMMEs are	Lobbying for the listing of the tourism SMME's	Four (4) Lobbying for the provincial tourism authority and municipalities to ensure that tourism SMME's are	One (1) email lobbying for the listing of the tourism SMME's by 30 September 2023	One (1) email lobbying for the listing of the tourism SMME's by 31 December 2023	one (1) email lobbying for the listing of the tourism SMME's by 31 March 2024	one (1) email lobbying for the listing of the tourism SMME's by 30 June 2024	Ms B Hlongwane- Tourism Manager	Email print outs
		UEDA 22	Number of Tourism Stakeholder Analysis by 30 June 2023	Number of tourism stakeholder analysis	One (1) Tourism Stakeholder Analysis by 30 June 2023	One (1) Tourism Stakeholder Analysis noted by Board by 30 June 2024	n/a	n/a	n/a	Ms B Hlongwane- Tourism Manager	Stakeholder analysis Document
		UEDA 22.1	Number of Tourism stakeholder Engagement Plan by 30 June 2024	Number of Tourism Stakeholder Engagement Plan	One (1) Tourism Stakeholder Engagement Plan by 30 June 2024	One (1) Tourism Stakeholder Engagement Plan by 30 September	n/a	n/a	n/a	Ms B Hlongwane- Tourism Manager	Stakeholder engagement plan document
		UEDA 22.2	Number of stakeholders engagement held by 30 June 2024	Number of stakeholders engagement	Three (3) Number of stakeholders engagements held by 30 June 2023	n/a	One (1) stakeholders engagement held with Trade by 31 December 2023	One(1) stakeholders engagement held with Trade by 31 March 2024	One(1) stakeholders engagement held with Trade by 30 June 2024	Ms B Hlongwane- Tourism Manager	Attendance registers, Reports, Pictures
		UEDA 23	Number of tourism activation programs conducted by 30 June 2024	Number of tourism activation programs	Four (4) tourism activation programs conducted by 30 June 2024	One (1) tourism activation programs conducted by 30 September 2023	One (1) tourism activation programs conducted by 31 December 2023	One (1) tourism activation programs conducted by 31 March 2024	One (1) tourism activation programs conducted by 30 June 2024	Ms B Hlongwane- Tourism Manager	Reports , Event Pictures
		UEDA 24	Lobbying for funding for the construction of Phase one of uMhlumayo Cultural Village Project by 30 June 2024	Lobbying for funding	Four (4) Lobbying for funding for the construction of Phase one of uMhlumayo Cultural Village Project by 30 June 2024	One (1) Lobby (Proposal submission) for uMhlumayo Cultural Village Project by 30 September 2023	One (1) Lobby (Proposal submission) for uMhlumayo Cultural Village Project by 31 December 2023	One (1) Lobby (Proposal submission) for uMhlumayo Cultural Village Project by 31 March 2024	One (1) Lobby (Proposal submission) for uMhlumayo Cultural Village Project by 30 June 2024	Ms B Hlongwane- Tourism Manager	Submitted Proposals
		UEDA 25	Coordinate accreditation of UEDA with the Tourism specific SETA by 30 June 2024	Coordinate accreditation	One (1) Coordinate accreditation of UEDA with the Tourism specific SETA by 30 June 2024	one (1) meeting with SETA to facilitate the accreditation of UEDA with the Tourism specific SETA by 30 September 2023	One (1) Follow up meeting with SETA to facilitate the accreditation of UEDA with the Tourism specific SETA by 31 December 2023	One (1) Follow up meeting with SETA to facilitate the accreditation of UEDA with the Tourism specific SETA by 31 March 2024	one (1) report on the coordination of the accreditation of UEDA with the Tourism specific SETA by 30 June 2024	Ms B Hlongwane- Tourism Manager	Meeting minutes, attendance registers & report
		UEDA 26	Conduct Familiarisation trips on all tourism routes	Conduct Familiarisation trips	Eight (8) Familiarisation trips conducted by 30 June 2024	Two (2) Familiarisation trips conducted by 30 September 2023	Two (2) Familiarisation trips conducted by 31 December 2023	Two (2) Familiarisation trips conducted by 31 March 2024	Two (2) Familiarisation trips conducted by 30 June 2024	Ms B Hlongwane- Tourism Manager	Reports, Pictures
	UEDA 27	reports submitted farmer identification (1), feed procurement and distribution (1), chicken production (2) by 30 June 2024	Reports	Four(4) reports submitted farmer identification (1), feed procurement and distribution (1), chicken production (2) by 30 June 2024	Identification of 10 chicken farmers around the district that can procure 250 (min) broilers a week by 30 September 2023	Feed procurement and distribution, 25(40kg) feed bags per farmer by 31 December 2023	Chicken production, minimum 500 per farmer per month. Assistance with transport by 31 March 2024	Chicken production, minimum 500 per farmer per month. Assistance with transport by 30 June 2024	Mr B Sibisi- Raset Manager	reports	

To develop sustainable commercialisation of Agriculture and Agribusiness industries and the implementation of RASET in the uThukela District	To mobilise and promote the use of local resources and skills thus ensuring maximising local economic development (Agriculture)	UEDA 28	reports submitted farmer identification, seed procurement and distribution (1), monitoring visits, potato harvests (1), Project evaluation (1) by 30 June 2024	Reports	Four(4) reports submitted farmer identification, seed procurement and distribution (1), monitoring visits, potato harvests (1), Project evaluation (1) by 30 June 2024	Identification of 10 potatoe farmers around the district to plant 2 hectares of land each and be assisted with 10 bags of potato seeds each by 30 September 2023	Monitoring, harvest (2 tons per farmer) potatoes per farmer. Assistance with transport by 31 December 2023	Finishing harvest of remaining potatoes to reach previous quarter's targets by 31 March 2024	Project evaluation and adjustments by 30 June 2024	Mr B Sibisi- Raset Manager	Reports
		UEDA 29	Four(4) reports submitted farmer identification (1), bean seed procurement and distribution (1), monitoring visits, bean harvests (1), Project evaluation (1) by 30 June 2024	Reports	Four(4) reports submitted farmer identification (1), bean seed procurement and distribution (1), monitoring visits, bean harvests (1), Project evaluation (1) by 30 June 2024	Identification of 10 bean farmers around the district that can produce 5ton beans by 30 September 2023	Seed procurement and distribution, 10 (25kg) seed bags per farmer by 31 December 2023	Bean harvests, min 2 tons per farmer, assistance with transport 31 March 2024	Project evaluation and adjustments by 30 June 2024	Mr B Sibisi- Raset Manager	Reports
		UEDA 30	Four(4) reports submitted farmer identification (1), soya seed procurement and distribution (1), monitoring visits, soya harvests (1), Project evaluation (1) by 30 June 2024	Reports	Four(4) reports submitted farmer identification (1), soya seed procurement and distribution (1), monitoring visits, soya harvests (1), Project evaluation (1) by 30 June 2024	Identification of 10 soya bean farmers that can produce 5 ton soya by 30 September 2023	Seed procurement and distribution, 10 (25kg) seed bags per farmer by 31 December 2023	Soya production, min 2 tons per farmer, assistance with transport by 31 March 2024	Project evaluation and adjustments by 30 June 2024	Mr B Sibisi- Raset Manager	reports
		UEDA 31	Four (4) reports submitted on groundnut seed procurement and distribution (1), Monitoring (1), Harvesting, Evaluation (1) by 30 June 2024	Reports	Four (4) reports submitted on groundnut seed procurement and distribution (1), Monitoring (1), Harvesting, Evaluation (1) by 30 June 2024	Procurement and distribution of 150 (40kg) bags of peanut seeds to farmers of Nkasseni, Ngodini and Sahlumbe by 30 September 2023	Monitoring of peanut cultivation, 2 visits per farmer by 31 December 2023	Groundnut production, min 50 tons to be harvested. Assistance with transport by 31 March 2024	Project evaluation and adjustments by 30 June 2024	Mr B Sibisi- Raset Manager	Reports
		UEDA 32	Reports submitted on farmer identification (1), butternut seed procurement and distribution (1), Harvesting (1), Evaluation (1) by 30 June 2024	Reports	Four (4) reports submitted on farmer identification (1), butternut seed procurement and distribution (1), Harvesting (1), Evaluation (1) by 30 June 2024	Identification of 10 butternut farmers that can grow min 2 hectares of land by 30 September 2023	seed procurement and distribution, 10 (1kg) seed pockets per farmer by 31 December 2023	Butternut production, min 2 tons per farmer, assistance with transport by 31 March 2024	Project evaluation and adjustments by 30 June 2024	Mr B Sibisi- Raset Manager	report
		UEDA 33	Reports on enquiries and engagements(1) Identification of farmers, maize seeds procurement and distribution (1), Monitoring (1), Harvest, evaluation (1) by 30 June 2024	Reports	Four(4) reports on enquiries and engagements(1) Identification of farmers, maize seeds procurement and distribution (1), Monitoring (1), Harvest, evaluation (1) by 30 June 2024	Investigate (3) and engage with (2) markets available for maize farmer by 30 September 2023	Mobilise 5 farmers to join maize production (2 Hectares). Procure and distribute 10 (40kg) seed bags per farmer by 31 December 2023	Monitoring of all 5 farmers, 2 visits per farmer by 31 March 2024	Harvest 2 tons per farmer. Assist with transport. Project evaluation and adjustments by 30 June 2024	Mr B Sibisi- Raset Manager	emails and attendance register and report
		UEDA 34	Four reports submitted on livestock markets held by 30 June 2024	Reports	Four(4) Quarterly reports submitted on livestock markets.	One(1) report submitted on livestock market held by 30 September 2023	One(1) report submitted on livestock market held by 31 Dec 2023	One(1) report submitted on livestock market held by 31 March 2024	One(1) report submitted on livestock market held by 30 June 2024	Mr B Sibisi- Raset Manager	report
		UEDA 35	reports submitted on Cannabis/hemp production	Reports	Four (4) reports on engagements with stakeholders. Separate meetings with each stakeholder and 3 PSC meetings by 30 June 2023	One (1) report on 1 engagement with DARD, 1 with ILM, ADLM and UTDM (separately) on a funding model, 1 with all stakeholders. Formation of PSC. By 30 September 2023	One (1) report on identification and mapping of aMaKhoshi land set aside for cannabis farming. 1 PSC meeting by 31 December 2023	Two (2) engagement with Druids. 1 PSC meeting by the 31 March 2024	Compilation of 1 application per each iNkosi (3 aMaKhoshi in ADLM and 2 in ILM). PSC meeting by 30 June 2024	Mr B Sibisi- Raset Manager	Reports, Notice, Agenda, Minutes, Attendance register
UEDA 36	reports submitted on business plan, fixing of machinery, funding application (1), tilling for 3rd parties, follow up (1) by 30 June 2024	Reports	Four reports submitted on business plan, fixing of machinery, funding application (1), tilling for 3rd parties, follow up (1) by 30 June 2024	Writing of business plan. Fixing of three tractors. Funding applications to 3 funders by 30 September 2023	Use of machinery to cultivate (10ha) land for other farmers at a fee to get funds to restart chicory farming. Follow up on funding applications by 31 December 2023	Procure chicory seeds (100 kg ) by 31 March 2024	Comence with chicory production (100 hetres) by 30 June 2024	Mr B Sibisi- Raset Manage	Reports, business plan and Acknowledgement of receipt		

## PART D: FINANCIAL OVERVIEW

### 11. ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024			
Figures in Rand	Note(s)	2024	2023
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	<u>3</u>	3,506,655	5,578,425
Prepaid Expenses	<u>19</u>	5,156	3,269
VAT Receivable	<u>23</u>	18,828	234,332
Interest Receivable	<u>11</u>	18,707	-
		<b>3,549,346</b>	<b>5,816,025</b>
<b>Non-Current assets</b>			
Property, Plant & Equipment	<u>4</u>	974,927	1,121,078
		<b>974,927</b>	<b>1,121,078</b>
<b>Total Assets</b>		<b>4,524,273</b>	<b>6,937,104</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts Payable	<u>16</u>	18	274,450
Unspent Conditional Grants	<u>26</u>	2,783,851	4,508,114
		<b>2,783,869</b>	<b>4,782,565</b>
<b>Total liabilities</b>		<b>2,783,869</b>	<b>4,782,565</b>
<b>Net Assets</b>			
Accumulated surplus		1,740,403	2,154,540
<b>Total net assets</b>	SCE	<b>1,740,403</b>	<b>2,154,540</b>
<b>Total Equity and Liabilities</b>		<b>4,524,273</b>	<b>6,937,104</b>



**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2024</b>	<b>2023</b>
<b>Revenue</b>			
<b>Revenue from non-exchange transactions</b>			
Transfers and subsidies	<u>7</u>	3,285,000	3,120,000
Transfer Payment: uThukela District Municipality	<u>7</u>	1,373,858	1,584,135
Conditional Grant	<u>7</u>	1,724,263	532,082
<b>Revenue from non-exchange transactions</b>		<b>6,383,121</b>	<b>5,236,217</b>
<b>Revenue from exchange transactions</b>			
Interest received/earned	<u>11</u>	315,410	378,650
Other Revenue	<u>20</u>	10,530	15,186
<b>Revenue from exchange transactions</b>		<b>325,940</b>	<b>393,836</b>
<b>Total Revenue (A)</b>		<b>6,709,061</b>	<b>5,630,053</b>
<b>Expenditure</b>			
Employee related costs	<u>8</u>	1,841,887	1,507,907
Board Allowances	<u>6</u>	510,820	353,988
Transfer expenditure	<u>5</u>	1,373,858	1,584,135
Depreciation & Amortization	<u>4</u>	136,971	493,187
General Expenses	<u>14</u>	1,527,257	1,444,832
Grant expenditure	<u>13</u>	1,724,263	-
Loss on write offs	<u>4</u>	9,180	1,809,527
<b>Total Expenditure (B)</b>		<b>7,124,236</b>	<b>7,193,576</b>
<b>Operational surplus/ (Deficit)</b>		<b>(415,176)</b>	<b>(1,563,523)</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>(415,176)</b>	<b>(1,563,523)</b>

<b>UTHUKELA ECONOMIC DEVELOPMENT AGENCY</b>			
<b>REG. NO: 2017/256360/30</b>			
<b>STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024</b>			
<b>Figures in Rand</b>	<b>Note</b>	<b>Accumulated surplus</b>	<b>Total net assets</b>
<b>Balance 30 June 2023</b>		<b>2,154,541</b>	<b>2,154,541</b>
Prior period error adjustment	15	1,038	1,038
<b>Opening Balance (restated )30 June 2023</b>		<b>2,155,579</b>	<b>2,155,579</b>
Deficir or surplus for the period		(415,176)	(415,176)
<b>Balance 30 June 2024</b>		<b>1,740,403</b>	<b>1,740,403</b>

<b>UTHUKELA ECONOMIC DEVELOPMENT AGENCY</b>			
<b>REG. NO: 2017/256360/30</b>			
<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024</b>			
<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2024</b>	<b>2023</b>
<b>Cash flow from operating activities</b>			
<b>Receipts</b>			
Transfers and subsidies		3,285,000	5,120,000
Interest Receipts		315,410	378,650
Other Income		10,530	15,186
		<b>3,610,940</b>	<b>5,513,836</b>
<b>Payments</b>			
Employee costs		(2,352,707)	
Suppliers		(2,649,527)	(2,793,799)
Bank charges		(10,251)	(8,770)
Rent paid		(591,742)	(501,509)
Increase on prepaid Expense		(1,887)	(1,882)
Decreased in Account Payables		(274,432)	(53,331)
Increase in Vat Receivable	<b>23</b>	182,283	(183,060)
		<b>(5,698,263)</b>	<b>(3,542,351)</b>
<b>Net cash flow from operating activities</b>	<b>24</b>	<b>(2,087,323)</b>	<b>1,971,485</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	<b>4</b>	-	(206,145)
<b>Net cash flow from investing activities</b>		<b>-</b>	<b>(206,145)</b>
<b>Cash flows from financing activities</b>			
		-	-
<b>Net increase/decrease in cash and cash equivalents</b>		<b>(2,087,323)</b>	<b>1,765,340</b>
Cash and cash equivalents from the beginning of year	<b>3</b>	5,578,425	3,813,086
<b>Cash and cash equivalents end of year</b>	<b>3</b>	<b>3,491,102</b>	<b>5,578,425</b>

REG. NO: 2017/256360/30			
UTHUKELA ECONOMIC DEVELOPMENT AGENCY			
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024			
<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>
<b>3. Cash and cash equivalents</b>			
Cash and cash equivalent consist of:			
Main Bank balance		753,412	484,268
Investment Bank balance		2,753,243	5,094,157
		<b>3,506,655</b>	<b>5,578,425</b>
Agency has the following bank accounts			
		<b>Bank statement balances</b>	
		<b>2024</b>	<b>2023</b>
Primary Bank Account	<b>62804453025</b>	753,412	484,268
Investment Bank Account	<b>62857029063</b>	-	-
Stardand Bank	<b>068460767</b>	2,753,243	5,094,157
		<b>3,506,655</b>	<b>5,578,425</b>

<b>NOTE 4</b>				<b>NOTE 4</b>				
<b>Property, Plant &amp; Equipment</b>				<b>Property, Plant &amp; Equipment</b>				
<b>PPE 2024</b>				<b>PPE 2023</b>				
	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Carrying Amount</b>		<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Carrying Amount</b>	
Infrastructure	439,100	-	439,100	Infrastructure	439,100	-	439,100	
Computer equipment	362,950	204,994	157,956	Computer equipment	381,550	175,953	205,598	
Furniture	379,800	213,933	165,867	Furniture	379,800	171,856	207,944	
Machinery & Equipment	86,956	42,700	44,256	Machinery & Equipment	86,956	35,581	51,375	
Motor Vehicle	394,511	226,763	167,748	Motor Vehicle	394,511	177,449	217,062	
	<b>1,663,317</b>	<b>-</b>	<b>688,390</b>		<b>1,681,917</b>	<b>560,839</b>	<b>1,121,078</b>	
<b>PPE 2024</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Donation Received</b>	<b>Write - off/EXPENSE</b>	<b>WIP</b>	<b>Depreciation</b>	<b>Impairment</b>	<b>Carrying Amount</b>
Infrastructure	439,100	-	-	-	-	-	-	439,100
Computer equipment	205,598	-	-	9,180	-	38,462	-	157,956
Furniture	207,944	-	-	-	-	42,077	-	165,867
Machinery & Equipment	51,375	-	-	-	-	7,119	-	44,256
Motor Vehicle	217,062	-	-	-	-	49,314	-	167,748
	<b>1,121,078</b>	<b>-</b>	<b>-</b>	<b>9,180</b>	<b>-</b>	<b>136,971</b>	<b>-</b>	<b>974,927</b>
<b>PPE 2023</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Donation Received</b>	<b>Write - off/EXPENSE</b>	<b>WIP</b>	<b>Depreciation</b>	<b>Impairment</b>	<b>Carrying Amount</b>
Infrastructure	-	-	-	-	439,100	-	-	439,100
Computer equipment	279,828	-	-	-	-	74,230	-	205,598
Furniture	259,894	3,385	-	-	-	55,335	-	207,944
Machinery & Equipment	64,158	-	-	-	-	12,783	-	51,375
Motor Vehicle	2,377,428	-	-	1,809,527	-	350,839	-	217,062
	<b>2,981,307</b>	<b>3,385</b>	<b>-</b>	<b>1,809,527</b>	<b>439,100</b>	<b>493,187</b>	<b>-</b>	<b>1,121,078</b>

Useful life of computer equipment, furniture and machinery & equipment were reviewed in the financial year. Usage and the better maintenance of the assets affected the decision.

5	Transfer Expenditure		
		2024	2023
		<b>1,373,858</b>	<b>1,584,135</b>
	Basic salary	649,752	1,067,488
	Car Allowance	196,786	242,151
	Subsistence & travelling	27,887	88,473
	Housing allowance	22,973	133,175
	Backpay	8,039	35,235
	UIF	2,834	3,125
	SDL	11,678	14,489
	Leave paid out	226,103.78	0
	Acting Allowance	103,215.76	0
	Bonus	38,634.00	
	Providence C	85,820.76	
	SALGA BC	137	
	<b>Total transfer expenditure</b>	<b>1,373,858</b>	<b>1,584,135</b>

From July to September 2023, the parent municipality has paid the salaries of the Chief Executive Officer and Finance Intern. Additionally, the Acting CEO's Salary

Figures in Rand	2024	2023
<b>6 Board Members</b>		
Asmal M	68,219	53,127
Msomu Am	45,611	40,369
Nduli Kh	118,172	77,768
<b>Shabalala S.</b>	-	<b>28,188</b>
<b>Stockil Pa</b>	-	<b>19,851</b>
Sithole M	65,887	31,284
Kubheka B	71,020	34,759
Kunene W	68,046	33,484
Zikalala N	73,864	35,160
	<b>510,820</b>	<b>353,988</b>

The new board members began their service at the UThukela Economic Development Agency on December 1, 2022. S. Shabalala and P.A. Stockil served on the UEDA Board until November 2022. M. Asmal, A.M. Msomi, and Nduli were part of the previous board and were reappointed as of December 1,

Figures in Rand	2024	2023
<b>7 Transfers and subsidies</b>		
Transfer and Subsidy	3,285,000	3,120,000
Conditional Grants (recognised as revenue)	1,724,263	532,082
Transfer Payment: uThukela District Municipality	1,373,858	1,584,135
Rental Grant	-	-
<b>Total Revenue from Non-exchange transactions</b>	<b>6,383,121</b>	<b>5,236,217</b>

Figures in Rand	2024	2023
<b>8 EMPLOYEE RELATED COST</b>		
NET SALARY	1,727,684	1,404,860
PAYE	72,744	74,752
UIF	35,390	27,441
PAYE-Penalty	6,068	854
	<b>1,841,887</b>	<b>1,507,907</b>
PAYE + UIF	108,134	102,193

#### 9 Risk Management

##### Liquidity risk

The agency risk to liquidity is a result of the funds available to cover future commitments. The agency manages liquidity risk through an ongoing review of future commitments and credit facilities.

##### Interest rate risk

The agency has no significant interest-bearing assets, that its income and operating cash flows are substantially independent of changes in market interest rates.

#### 10 Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. The Agency is currently grant dependent to its parent municipality. The entity sent its proposed budget of the following year to the parent municipality for approval and sourcing funding in terms of s87 The Agency current and acid test ratio is 1.77:1, meaning that the agency has ability to pay all its short

Figures in Rand	2024	2023
<b>11 REVENUE</b>		
Interest received	<b>315,410</b>	<b>378,650</b>
Interest received includes an Accrued interest of R18,706.97 representing income earned on investments		

#### 12 Related Party Transactions

UThukela Economic Development Agency is 100 percent controlled by the UThukela District Municipality .

Figures in Rand	2024	2023
<b>Compensation to the Chief Executive Officer:</b>		
Basic salary	649,752	1,067,488
Car Allowance	196,786	242,151
Subsistence & travelling	27,887	88,473
Housing allowance	22,973	133,175
Back pay	8,039	35,235
UIF	2,834	3,125
SDL	11,678	14,489
Leave paid out	226,104	0
Acting Allowance	103,216	0
Bonus	38,634	
Providence C	85,821	
SALGA BC	136,56	
<b>Total transfer expenditure</b>	<b>1,373,858</b>	<b>1,584,135</b>

<b>Figures in Rand</b>			<b>2,024</b>	<b>2023</b>
<b>Capital &amp; Operational Conditional Grant</b>		<b>Notes</b>		
		<b>13</b>		
uMhlumayo Culture Centre			-	514,984
Coal Gasification			1,724,263	17,098
			<b>1,724,263</b>	<b>532,082</b>
<b>Figures in Rand</b>			<b>2,024</b>	<b>2023</b>
<b>General Expenses</b>		<b>14</b>		
Audit Fees			268,968	233,185
Accommodation			11,029	41,093
Stationery			48,743	35,117
Bank charges			10,251	8,770
Advertisement			25,620	46,586
Training & Workshops			-	-
Beans Seeds			-	-
Rental and Utility			591,742	544,323
Transport			-	-
Consultancy			20,000	-
Cleaning material			31,174	50,360
Catering			2,593	2,081
Fuel, Oil and Other			5,585	-
Investments programs			121,644	-
Raset Programs-Auctions			-	-
Raset Programs			180,000	27,159
Events			-	-
SDL			18,181	16,609
Capacity Building & Strategy			187,675	439,548
Subsistence & travelling			4,052	-
			<b>1,527,257</b>	<b>1,444,832</b>
<b>Figures in Rand</b>			<b>2,024</b>	<b>2023</b>
<b>Correction of an error</b>		<b>15</b>		
Vat receivable			1,038	-
			<b>1,038</b>	<b>-</b>
VAT receivables were overstated in 2022/2023 financial year				
<b>Figures in Rand</b>			<b>2,024</b>	<b>2023</b>
<b>Account Payables</b>		<b>16</b>		
Board Allowance			18	2,659
UIF			-	-
RENT			-	-
uMhlumayo Village Centre			-	271,791
			<b>18</b>	<b>274,450</b>

Figures in Rand		2,024	2023
<b>Deviation from supply chain management regulations</b>	<b>17</b>		
Deviations supported by approval memo's		-	-
		-	-

Paragraph 12(1) (d) (i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the board and includes a note to the unaudited annual financial statements.

Figures in Rand		2,024	2023
<b>IRREGULAR EXPENDITURE</b>	<b>18</b>		
<b>OPENNING BALANCE</b>		-	1,860,877
Section 36 deviations			
Non-compliance with SCM regulations		1,982,902	
Over Spending			
Write-offs		-	1,860,877
		<b>1,982,902</b>	<b>-</b>

Irregular expenditure disclosed is relating to the non-compliance identified in the prior year 2022/23, where bids awarded had incorrectly calculated scores. As a result, all amounts paid in respect of the 23/2022-OTH awards should be regarded as irregular expenditure and should be disclosed accordingly. R1,982,901.82 was paid to Impande Consulting Engineering (Pty) Ltd for the coal gasification project

Figures in Rand		2,024	2023
<b>PREPAID EXPENSE</b>	<b>19</b>		
SARS-PAYE		5,156	3,269
		<b>5,156</b>	<b>3,269</b>



Figures in Rand		2,024	2,023
<b>Other Revenue-From exchange transaction</b>	<b>Notes</b>		
	<b>20</b>		
Tender document		-	7,000
Refund		-	8,186
LGSETA		10,530	-
		<b>10,530</b>	<b>15,186</b>
<b>Figures in Rand</b>		<b>2,024</b>	<b>2023</b>
<b>FRUITLESS AND WASTEFULL EXPENDITURE</b>	<b>22</b>		
Opening		2,919	14,498
Add: Current period Interest and Penalties - SARS		6,068	2,919
Add: Prior period Interest and Penalties - SARS		322	
Less: current period amount recovered		-	
Less: prior period amount recovered		-	
Less: current period write-off		-	
Less: Prior period Writes-off		-	14,498
Closing		<b>9,309</b>	<b>2,919</b>
The penalty charged is for late payment of PAYE, UIF and SDL in December & January to South African Revenue Services by the Agency due to the late registration of the new representative, which was reported to the board, parent municipality, Provincial Treasury and Auditor General as per the board resolution on 31 May 2024 (Board resolution no.:47/05/2024).			
<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>
<b>Vat Receivable</b>	<b>23</b>		
Opening Balance		201,112	-
Add: VAT refunds during the year		443,705	173,526
Less: reassessment/ adjustments by SARS		- 5,721	- 15,591
Add: Interest earned		1,900	259.32
Add:Accrued input VAT claimable		18,646	96414.6
Less: Refund		- 640,814	-53,496.85
<b>Closing Balance</b>		<b>18,828</b>	<b>201,112</b>

Figures in Rand		2024	2023
<b>Net cash flow from operating activities</b>	<b>24</b>		
Net Profit (loss)		- 415,176	- 1,563,533
Adjustment of Non Cash			
Donation received		-	-
Depreciation		137,322	493,187
loss on write-offs		9,180	1,809,527
		<b>- 268,673</b>	<b>739,181</b>
<b>Working Capital Movement</b>		<b>2,421,142</b>	<b>1,232,305</b>
<b>Inventories</b>			
Receivables from non exchange transactions		- 268,673	- 218,511
Increase in Vat receivables		182,283	
Receivables from exchange transactions		- 274,432	- 15,220
Unspent conditional grants		2,783,851	1,467,918
Provisions: legal Proceedings			
Provisions: Pension			
Provisions: Leave			
Provisions: Bonus			
Employee benefits obligations			
Consumer deposits			
Prepayments		- 1,887	- 1,882
Prior Adjustments			
Other Financial Liabilities			
		<b>2,152,469</b>	<b>1,971,486</b>
<b>Figures in Rand</b>		<b>2,024</b>	<b>2023</b>
<b>Commitment</b>	<b>25</b>		
Authorised Capital Expenditure			
uMhlumayo Cultural Village Centre			2,495,035
Driefontein Coal Gasification			2,000,000
		-	<b>4,495,035</b>
<b>Unspent conditional grant</b>	<b>26</b>		
Opening balance		4,508,114	3,040,197
Add: Current year's receipts		-	2,000,000
Correction of an Error		-	-
Less: Current year expenses recognised as revenue		- 1,724,263	- 532,082
Prepaid Rent		-	-
<b>Unspent conditional grant (Closing balance)</b>		<b>2,783,851</b>	<b>4,508,114</b>
<b>Operating Lease Commitments</b>	<b>27</b>		
The entity has entered into non-cancellable operating lease agreements primarily for rental of property with Samaros Trust. Lease payments are adjusted periodically per the contract.			
In accordance with the requirements of GRAP 13, the future minimum lease payments under non-cancellable operating leases are as follows:			
Not later than one year: <b>R269,512.76</b>			
Later than one year and not later than five years: <b>None</b>			
Later than five years: <b>None</b>			
The entity recognises lease expenses on a straight-line basis over the lease term. For the year under review, lease payments recognised as an expense in the statement of financial performance amounted to <b>R541 629 (exclusive of VAT)</b> .			

Change in Accounting Estimate Note (GRAP)		28		
In accordance with <b>GRAP 3: Accounting Policies, Changes in Accounting Estimates, and Errors</b> , the entity reviewed the useful lives, residual values, and conditions of its property, plant, and equipment (PPE) during the year ended 30 June 2024. This review resulted in changes to depreciation rates and carrying amounts for certain asset categories, which have been applied prospectively.				
<b>Impact of Changes</b>				
The changes in estimates primarily affected the following:				
1. Computer Equipment: A write-off of R18,600 was recognised due to adjustments in expected future benefits.				
2. Depreciation Adjustments: The total depreciation expense for the year increased by R136,971 as a result of the revisions to estimated useful lives. This adjustment was allocated as follows:				
Computer Equipment: R38,462				
Furniture: R42,077				
Machinery & Equipment: R7,119				
Motor Vehicles: R49,314				
The carrying amounts were adjusted accordingly.				
<b>Reconciliation of Changes (Figures in Rand)</b>				
<b>2024</b>				
Asset Category	Opening Balance	Additions	Write-Off/Expense	Depreciation
Infrastructure	439,100	-	-	-
Computer Equipment	205,598	-	-18,600	-38,462
Furniture	207,944	-	-	-42,077
Machinery & Equipment	51,375	-	-	-7,119
<b>2023</b>				
Asset Category	Opening Balance	Additions	Write-Off/Expense	Depreciation
Infrastructure	-	-	-	-
Computer Equipment	279,828	-	-	-74,230
Furniture	259,894	3,385	-	-55,335
Machinery & Equipment	64,158	-	-	-12,783

## 12. AUDIT REPORT

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The audit report begins on the following page.



AUDITOR-GENERAL  
SOUTH AFRICA

# AUDIT REPORT

UThukela Economic Development Agency

2023-24

# Report of the auditor-general to KwaZulu-Natal Provincial Legislature and the Council on uThukela Economic Development Agency

## Report on the audit of the financial statements

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### Opinion

1. I have audited the financial statements of the uThukela Economic Development Agency set out on pages xx to xx, 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.
2. 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 Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA).

### Basis for opinion

3. I conducted my audit 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.
4. 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### Irregular expenditure

7. As disclosed in note 18, the municipal entity incurred irregular expenditure of R1 982 902, due to failure to disqualify the supplier that did not meet the minimum qualifying score for

functionality in accordance with 2017 Preferential Procurement Regulation 5(6) in respect to Driefontein coal gasification project.

## Other matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### Unaudited disclosure notes

9. 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.

## Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

11. In preparing the financial statements, the accounting officer is responsible for assessing the municipal entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipal entity or to cease operations or has no realistic alternative but to do so.

## Responsibilities of the auditor-general for the audit of the financial statements

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 10 – 11, forms part of our auditor's report.

## Report on the annual performance report

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14. 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.

15. I selected the following material performance indicators related to local economic development presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that 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 SMMESs 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, follow up (1) by 30 June 2024.

16. I evaluated 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. 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.

17. I 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.

18. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

19. The material findings on the reported performance information for the selected material indicators are as follows:

#### Various indicators

20. The reported achievements in the annual performance report were inconsistent with the commitments made in the approved planning documents. These discrepancies highlight misalignment between approved plans and operations, while the incorrect reporting undermines transparency and accountability.

Approved indicator	Approved target	Reported achievement
Number of district tourism marketing updates by 30 June 2023	Four (4) district tourism marketing updates by 30 June 2024	Five (5) District Tourism Marketing updates were performed on the Agencies website on the 20 September 2023, 24 October 2023, 26 October 2023, 27 October 2023, 6 November

		2023, 7 June 2024
Number PSC engagement in relation to be establishment of DUT satellite office by 30 June 2023	4 engagements held in relation to the establishment of DUT satellite Campus in Ladysmith by 30 June 2024	Zero (0) engagements were held in relation to the establishment of DUT satellite Campus in Ladysmith by 30 June 2024
Number of meetings held in the establishment of clothing and textile special economic zone by 30 June 2023	Two (2) engagements held on the establishment of Special Economic Zone by 30 June 2024	Two (2) engagements held on the establishment of Special Economic Zone on the 15 November 2023 and 31 January 2024
Number of Tourism Stakeholder Analysis by 30 June 2023	One (1) Tourism Stakeholder Analysis by 30 June 2023	One (1) Tourism Stakeholder Analysis was noted by the board on the 8 July 2024
Reports submitted on Cannabis/hemp production	Four (4) reports on engagements with stakeholders. Separate meetings with each stakeholder and 3 PSC meetings by 30 June 2023	Zero (0) reports on engagements with stakeholders. Separate meetings with each stakeholder and 3 PSC meetings by 30 June 2023

## Other matter

21. I draw attention to the matters below.

### Achievement of planned targets

22. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.
23. The table that follows provides information on the achievement of planned targets and lists the key local economic development indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.

## Local economic development

<i>Targets achieved: 53.84%</i>		
<b>Key indicators not achieved</b>	<b>Planned target</b>	<b>Reported achievement</b>
UEDA 14 - Number of engagements to develop bulk infrastructure for economic opportunities	3	2
UEDA 15 - Number of PSC engagements in relation to the establishment of DUT satellite office by 30 June 2023	4	0
UEDA 18 - Number of engagements held to expand the manufacturing	4	2
UEDA 19 - Number of engagements to develop strategic transport infrastructure	4	0
UEDA 24 - Lobbying for funding for the construction of Phase one of uMhlumayo Cultural Village Project by 30 June 2024	4	1
UEDA 27 - Reports submitted farmer identification (1), feed procurement and distribution (1), chicken production (2) by 30 June 2024	4	1
UEDA 28 - Reports submitted farmer identification, seed procurement and distribution (1), monitoring visits, potato harvests (1), Project evaluation (1) by 30 June 2024	4	0
UEDA 29 - Four (4) reports submitted farmer identification (1), bean seed procurement and distribution (1), monitoring visits, bean harvests (1), Project evaluation (1) by 30 June 2024	4	0
UEDA 30 - Four (4) reports submitted farmer identification (1), soya seed procurement and distribution (1), monitoring visits, soya harvests (1), Project evaluation (1) by 30 June 2024	4	0
UEDA 31 - Four (4) reports submitted on groundnut seed procurement and distribution (1), Monitoring (1), Harvesting, Evaluation (1) by 30 June 2024	4	2
UEDA 32 - Reports submitted on farmer identification (1), butternut seed procurement and distribution (1), Harvesting (1), Evaluation (1) by 30 June 2024	4	0

UEDA 33 - Reports on enquiries and engagements (1) Identification of farmers, maize seeds procurement and distribution (1), Monitoring (1), Harvest, evaluation (1) by 30 June 2024	4	0
UEDA 35 - Reports submitted on Cannabis/hemp production	4	0
UEDA 36 - Reports submitted on business plan, fixing of machinery, funding application (1), tilling for 3rd parties, follow up (1) by 30 June 2024	4	0

## Material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for local economic development. Management did not correct the misstatements, and I reported material findings in this regard.

## Report on compliance with legislation

25. 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.

26. I 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.

27. 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.

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

## Annual financial statements

29. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

## Expenditure management

30. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R6 390, as disclosed in note 22 to the annual financial statements, in contravention of section 95(d) of the MFMA, due interest and penalties being levied in respect of late payment of PAYE, UIF and SDL to South African Revenue Services.

## Consequence management

31. Fruitless and wasteful expenditure incurred by the municipal entity was not investigated to determine if any person is liable for the expenditure, as required by municipal budget and reporting regulations 75(1).

## Procurement and contract management

32. Quotation was awarded to bidder based on preference points that were not calculated in accordance with the requirements of section 2(1)(a) of the Preferential Procurement Policy Framework Act and its regulations. Similar non-compliance was also reported in the prior year. This non-compliance was identified in the procurement of groundnuts seed from accredited supplier.

## Other information in the annual report

33. The accounting officer is responsible for the other information included in the annual report which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act of South Africa. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in objective presented in the annual performance report that have been specifically reported on in this auditor's report.

34. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

35. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
36. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

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37. I 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.
38. 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.
39. 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.
40. 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 consistence annual performance report are available to support financial and performance reporting.
41. The accounting officer did not ensure that risk assessments are performed and that assurance providers are formally appointed, as required by the legislation.



Pietermaritzburg



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## 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 scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism 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

I communicate 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.

I also provide 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.

## Compliance with legislation – selected legislative

**requirements** The selected legislative requirements are as follows:

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)

## 13. AUDIT ACTION PLAN

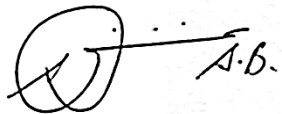
COMF NO.	Finding	Root Cause	Action Plan	Responsible Person	Due Date	Progress Indicator
COMF 1.1 OF 2024	Incorrect calculation of price points in application of the Preferential Procurement Regulations.	The formula for calculating price points was incorrectly applied.	Conduct training for bid evaluators on accurately applying the Preferential Procurement Regulations formula.	Finance Officer	31/01/2025	
COMF 1.4 OF 2024	Failure to prevent fruitless and wasteful expenditure.	Late registration and payment of PAYE, UIF, and SDL resulting in penalties.	Investigate the identified fruitless and wasteful expenditure to determine accountability and liability.	Acting CEO	31/01/2025	
			Report the previously undetected fruitless expenditure (R3188.49) to the board of directors for consideration.	Acting CEO	31/01/2025	
COMF 6.1 OF 2024	The midyear performance assessment was incomplete.	The mid-year assessment did not incorporate the previous year's annual report as Section 88 of the MFMA required.	Review and update the mid-year performance assessment template to include a section for analysing the prior year's annual report and progress on addressing identified challenges.	Acting CEO	31/01/2025	
			Establish a formal tracking	Corporate Services Officer	29/02/2025	

			mechanism to monitor progress on resolving challenges from the prior year's annual report, integrated with quarterly performance reviews.			
COMF 9.1 OF 2024	Reported achievement not supported by sufficient appropriate evidence.	The portfolio of Evidence (PoE) does not support the reported achievement of five updates as claimed.	Review and reconcile all reported performance achievements with the corresponding PoE before finalizing the annual performance report.	Acting CEO	30/06/2025	
			Establish a checklist for collecting and verifying PoE for all performance indicators quarterly to ensure consistency and alignment with planned targets.	Corporate Services Officer	31/03/2025	
COMF 9.2 OF 2024	Planning document not consistent with reporting document.	Printing error in the SDBIP (incorrect year cited in some KPIs).	Review and reconcile all indicators and targets in the SDBIP and APR before publication to ensure alignment and eliminate errors.	Acting CEO	30/06/2025	
			Establish a pre-publication review process involving the audit committee, internal audit, and relevant department heads to verify	Corporate Services Officer	31/03/2025	

			consistency in key documents.			
COMF 10.1 OF 2024	VAT returns not submitted timeously.	Delays in updating UEDA representative details with SARS and inadequate tracking of submission deadlines.	Implement a compliance calendar with reminders for VAT submission and payment deadlines.	Finance Officer	31/01/2025	
			Monitor submission progress for all VAT periods and maintain a log to track submission dates, payments, and resolution of any delays.	Finance Officer	On going	
			Assign a dedicated finance team member to oversee all SARS-related submissions and escalate any issues to the Finance Officer promptly.	Finance Officer	31/01/2025	
COMF 11.1 OF 2024	Fruitless and wasteful expenditure incurred in prior year was not investigated.	Lack of awareness of prior-year fruitless and wasteful expenditure requiring investigation and action by the Board.	Submit the prior-year fruitless and wasteful expenditure of R2,919 to the Board of Directors for formal investigation and resolution.	Acting CEO	31/01/2025	
COMF 11.2 OF 2024	Audit Committee not appointed.	Delayed establishment and operationalization of the Audit Committee despite its critical role in governance.	Ensure that the Audit Committee meets quarterly and operates effectively by overseeing risk management, internal controls, and compliance with legislation.	Audit Committee Chair	Ongoing	

			Conduct a review of the Audit Committee's performance by June 2025 to assess its effectiveness and address any gaps identified.	Board of Directors	30/06/2025	
COMF 11.3 OF 2024	Internal audit unit not appointed.	Reliance on the municipality's Internal Audit (IA) unit without a dedicated resource for the entity's needs.	Appoint a trainee internal auditor by January 2025 to work under the mentorship of the municipality's IA unit.	Acting CEO	31/01/2025	
			Formalize the relationship with the municipality's IA unit through an SLA (Service Level Agreement) detailing roles, responsibilities, and timelines.	Acting CEO & IA Manager	31/01/2025	
COMF 12.1 OF 2024	Fraud risk assessment not conducted.	Absence of a structured framework for annual fraud risk assessments and reliance on ad hoc risk management efforts by the entity.	Develop a Fraud Risk Assessment (FRA) framework in collaboration with the parent municipality's Risk Management Unit.	Acting Corporate Officer	31/01/2025	
			Conduct the first comprehensive fraud risk assessment exercise with the support of the parent municipality.	Acting Corporate Officer & Parent Municipality Risk Manager	28/02/2025	

			Establish a Fraud Risk Register to document identified fraud risks, their likelihood, impact, and mitigation strategies.	Acting Corporate Officer	31/03/2025	
			Formulate a Fraud Response Plan to address identified risks systematically and ensure appropriate action is taken.	Acting Corporate Officer	31/03/2025	
COMF 12.2 OF 2024	Budget not aligned with key performance objectives.	Lack of coordination between the finance team and performance management unit during the planning and budgeting process.	Conduct a joint planning session between Finance and Performance Management units during budget preparation to align KPIs and budget.	Acting CEO	31/03/2025	



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