

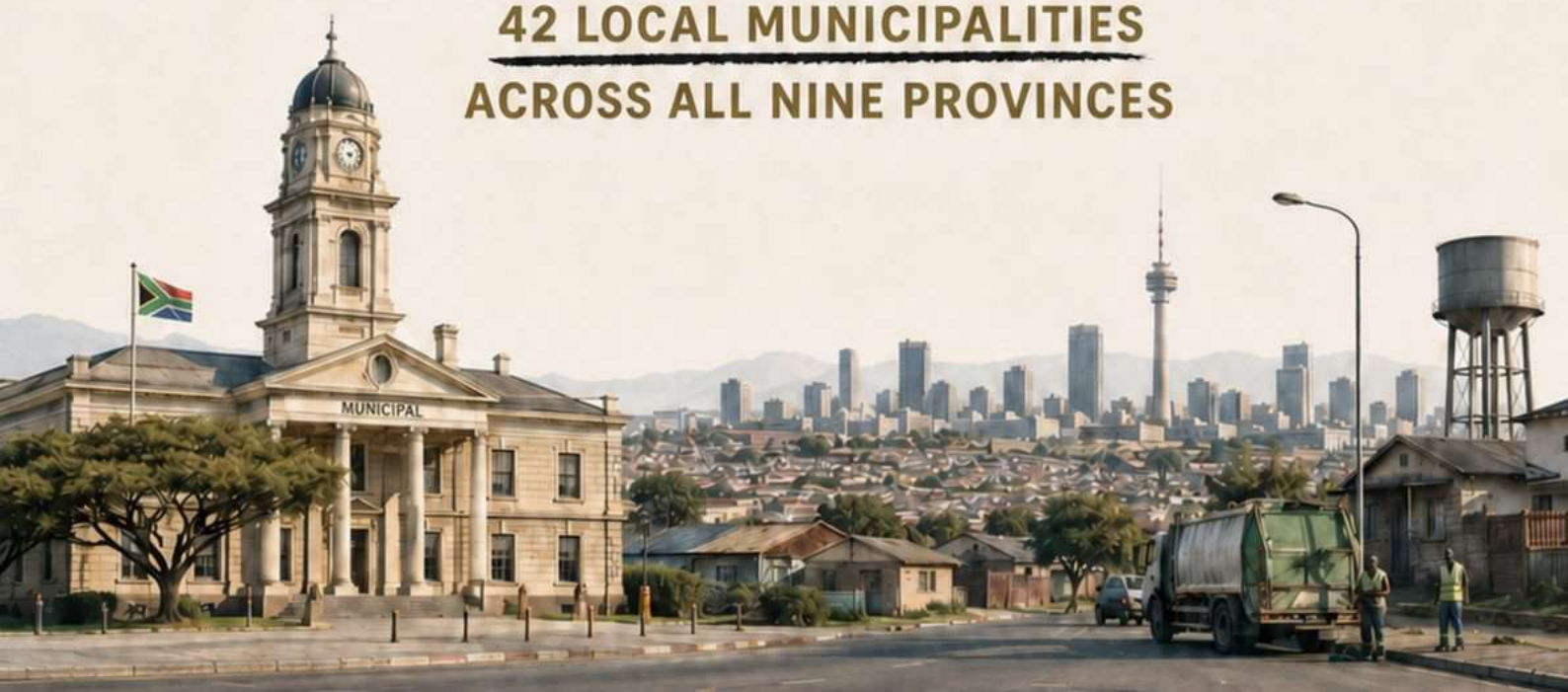


FW de Klerk
FOUNDATION

LOCAL GOVERNMENT REPORT CARD 2026

***WHY DO SOME MUNICIPALITIES PERFORM WELL
WHILE OTHERS FALL BEHIND?***

**AN ASSESSMENT OF ALL
8 METROS AND A STRATIFIED SAMPLE OF
42 LOCAL MUNICIPALITIES
ACROSS ALL NINE PROVINCES**



PUBLICATION INFORMATION

ABOUT THIS PUBLICATION

Research, authorship and publication details

SCOPE AND PURPOSE

50 MUNICIPALITIES ACROSS ALL NINE PROVINCES - NOT A NATIONAL CENSUS

This report assesses all eight metropolitan municipalities and a purposive, stratified sample of 42 local municipalities - not every South African municipality. Its purpose is to identify the conditions behind municipal success and failure: why some municipalities meet their constitutional and service-delivery mandates while others fall short.

TITLE

Local Government Report Card 2026

PUBLISHED BY

FW de Klerk Foundation

RESEARCH CUT-OFF

13 July 2026

ASSESSMENT PERIOD

2024/25 audited period, with relevant 2025/26 information used principally for trajectory.

SCOPE

All eight metropolitan municipalities and a purposive, stratified sample of 42 local municipalities across all nine provinces.

CITATION

FW de Klerk Foundation, Local Government Report Card 2026

IMPORTANT NOTE

The report assesses municipal institutions. Current office-bearers are not presumed personally responsible for the full historical period reviewed.

THE TEAM



DRAFTED BY

Ismail Joosub

Manager, Constitutional Advancement Programme

LLB; LLM (International Law)

ismail@fwdeklerk.org



CONCEPTUALISED BY

Christo van der Rheede

Executive Director

HDE; BA; BAHons (Public & Development Management); MPA; Senior Management Development Programme

cvdrrheede@fwdeklerk.org



RESEARCH ASSISTANCE

Thando Malinga

Intern, Constitutional Advancement Programme

BSocSci; BSocSci (Hons) African Studies; MA African Studies (in progress)



RESEARCH ASSISTANCE

Ava Ludford

Intern, Constitutional Advancement Programme

BA Political Science & International Studies (in progress); pre-law track; minor in Women, Gender & Sexuality Studies

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NATIONAL OVERVIEW

RANKING OF THE 50 MUNICIPALITIES

The ranking orders the 50 municipalities by their final score under this report's methodology. It is not a national league table, and it cannot be used to infer comparative party performance across all municipalities. Equal scores share the same performance position but are listed alphabetically for navigation.

MUNICIPALITY	SCORE	GRADE
Swartland A thirteenth clean audit, exceptional liquidity and stable administration place Swartland first, while wastewater compliance, maintenance and unequal rural outcomes reserve the final ten points.	90.0	A
George A fourth consecutive clean audit, strong liquidity and exceptional capital investment make George one of the strongest local municipalities in the sample.	87.5	A
Stellenbosch Strong liquidity, capital investment, a final clean audit and mature governance sustain an A, while infrastructure pressure and unequal settlement outcomes reserve the remaining points.	86.0	A
Midvaal Sustained clean administration, liquidity and reliable execution make Midvaal a strong benchmark, though water losses, low maintenance and spatial gaps remain.	84.5	A-
City of uMhlathuze Exceptional control maturity and strong collections are offset by worsening water losses, weak wastewater compliance and a thinner financial buffer.	83.0	A-
Kouga Clean financial administration and stable leadership produce a strong result, although poor wastewater performance, low maintenance and unequal service reach prevent an elite score.	82.5	A-
uMngeni Disciplined finance, stable leadership and credible delivery of assigned functions make uMngeni a strong municipality, though liquidity and rural equity still require attention.	81.5	A-
City of Cape Town Scale, liquidity, capital investment and broad service functionality remain exceptional, but audit regression, irregular expenditure and spatial inequality prevent a higher grade.	81.0	A-
Greater Tzaneen Strong cash, capital execution and improving electricity losses support a high score, while debtor growth and procurement-control failures remain material.	75.5	B+
Polokwane A strong balance sheet and improving controls support recovery, but rising network losses and persistent prohibited expenditure limit the grade.	72.0	B

NATIONAL OVERVIEW

RANKING CONTINUED

MUNICIPALITY	SCORE	GRADE
Steve Tshwete A capable municipal platform remains financially and operationally strong, but audit regression is a serious warning against complacency.	72.0	B
Mbhashe An unqualified opinion, exceptional liquidity and improving performance support a B, while rural service reach and function-adjusted comparability remain important limits.	71.0	B
uMhlabuyalingana Strong cash, capital execution and administraction are constrained by very weak own-revenue collection and narrow electricity losses.	68.0	B-
Ray Nkonyeni Excellent target achievement and strong collections are constrained by weak liquidity, a strained waste system and electricity losses.	67.5	B-
Matatiele Strong cash, liquidity and capital investment offset a qualified opinion and uneven rural project and control outcomes.	65.8	B-
Fetakgomo Tubatse A third unqualified opinion, solid capital delivery and growing cash support improvement, while maintenance, procurement and rapid-growth pressures constrain the grade.	64.3	C+
King Sabata Dalindyebo A third unqualified opinion and positive operating cash flow support improvement, but weak liquidity, low capital execution and infrastructure vandalism keep the result at C.	59.5	C
Mogale City Mogale City remains functional and financially governable, but political turnover, weak collections and uneven maintenance keep recovery fragile.	58.5	C
Nama Khoi A second unqualified opinion and sharply strong governable, but political but very large unauthorised expenditure and finance keep recovery fragile. remain decisive constraints.	58.5	C
Buffalo City Broad access and competent capital execution are being undermined by worsening cash pressure, weak collections and critical wastewater performance.	58.0	C

NATIONAL OVERVIEW

RANKING CONTINUED

MUNICIPALITY	SCORE	GRADE
City of Mbombela	57.0	C
A capable capital and governance platform is being overwhelmed by a severe working-capital crisis, rising electricity losses and incomplete infrastructure.		
Dawid Kruiper	57.0	C
Falling network losses and an improved audit outcome are positive, but weak liquidity, a deficit and maintenance constraints keep performance in the middle band.		
JB Marks	57.0	C
Audit improvement and stronger administration are real, but insolvency risk and bulk debt prevent Potchefstroom's municipal platform from becoming a strong performer.		
City of Ekurhuleni	56.0	C
Broad metropolitan capacity and capital execution are being weakened by audit regression, an unfunded budget, low liquidity and slow creditor payment.		
Bushbuckridge	55.5	C
A large rural municipality with credible institutional continuity, but profound sanitation, refuse and road backlogs still shape residents' daily reality.		
Nelson Mandela Bay	55.5	C
A liquid metro with meaningful institutional capacity, but weak collections, senior vacancies, infrastructure losses and poor wastewater compliance keep performance in the middle range.		
Rustenburg	55.0	C
A major mining city retains institutional and revenue capacity, but qualified reporting, working-capital strain and uneven infrastructure outcomes limit performance.		
Gamagara	53.0	C-
Improving target achievement and an unqualified opinion support a C-, but expenditure control, liquidity and mining-town infrastructure pressures remain material.		
City of Tshwane	52.5	C-
A visible financial recovery effort has not yet overcome an unfunded budget, qualified reporting, high network losses and weak target delivery.		
Musina	52.5	C-
A strategic border municipality remains functional, but weak project completion, late payment and unresolved expenditure controls are increasing institutional risk.		

NATIONAL OVERVIEW

RANKING CONTINUED

MUNICIPALITY	SCORE	GRADE
eThekweni Sound metropolitan liquidity cannot compensate for severe water, wastewater, road and integrity failures that continue to reach residents directly.	52.5	C-
Mahikeng The provincial capital remains operational, but qualified reporting, weak liquidity, low refuse coverage and public-realm decline constrain constitutional performance.	52.0	C-
Lephalale An unqualified audit and funded planning base are outweighed by worsening losses, collection below 80%, senior vacancies and weak service execution.	51.0	C-
Beaufort West An improved unqualified opinion and Eskom debt-relief compliance lift the result, but thin cash, recovery-plan dependence and expenditure-control weaknesses remain.	50.5	C-
City of Johannesburg Immense institutional capacity and social reach are being eroded by unfunded budgeting, political churn, infrastructure losses and weak execution.	49.5	D+
Greater Taung An improved unqualified audit lifts assurance, but weak expenditure control and a narrow directly assigned service bundle hold the result to D+.	49.0	D+
Govan Mbeki A better audit opinion sits on top of deep insolvency, bulk debt and wastewater risk in a municipality with a powerful industrial tax base.	48.5	D+
Newcastle A broad urban service platform is being eroded by an unfunded position, short cash, rising losses and weak consequence management.	46.5	D+
Dihlabeng A genuine audit and leadership improvement is visible, but it starts from a base of critical wastewater risk, severe arrears and almost no liquidity buffer.	46.0	D+
Enoch Mgijima Visible work on roads, refuse and indigent support cannot compensate for an electricity system losing more than half its purchases and an institution still in financial distress.	45.5	D+

NATIONAL OVERVIEW

RANKING CONTINUED

MUNICIPALITY	SCORE	GRADE
Metsimaholo A municipality with a workable administrative core and some improving controls, but low collections, bulk arrears and pollution failures keep it financially and constitutionally fragile.	45.5	D+
Mangaung A metro with a restored senior leadership structure and functioning participatory machinery, but still trapped in a severe financial and infrastructure recovery.	43.0	D
Theewaterskloof An unfunded budget, persistent cash-flow stress, qualified audit and mandatory recovery plan outweigh continued service delivery.	42.0	D
Msunduzi An important audit improvement has not yet translated into reliable services, liquidity or completed accountability in KwaZulu-Natal's capital city.	41.5	D
Sol Plaatje Kimberley's broad inherited service networks are being undermined by catastrophic water losses, bulk debt, qualified reporting and weak remediation.	38.5	D-
Matjhabeng Broad inherited service access is being hollowed out by a liquidity crisis, extreme bulk debt, infrastructure loss and weak remediation.	34.5	F
Emfuleni A major urban municipality remains trapped in mutually reinforcing service collapse, bulk debt, overspending and weak institutional consequence.	33.5	F
Makana A municipality with active civic and administrative structures but no credible financial base and critically unsafe wastewater performance.	29.5	F
Renosterberg Prolonged intervention, severe liquidity weakness and rapidly accumulating prohibited expenditure overwhelm limited signs of administrative improvement.	29.0	F
Maluti-a-Phofung One of the country's most severe municipal failures: missing audited accounts, chronic bulk debt, political churn and critical wastewater systems leave residents carrying the institutional cost.	24.0	F

OPENING ARGUMENT

INTRODUCTION

The constitutional standard against which municipal institutions are judged.

"Local government is where the Constitution leaves the page and enters everyday life."

Local government is where the Constitution leaves the page and enters everyday life. Its promises are encountered in the water that reaches a household, the refuse removed from a street, the road that remains passable, the account that can be understood, the neighbourhood that is lit and safe, and the resident who can participate meaningfully in decisions affecting the community.

When a municipality fails, the consequences are neither distant nor theoretical. Failure gathers in public spaces and enters private homes. It appears in a dry tap, an overflowing sewer, an unsafe road, a collapsing electricity network or a community that repeatedly raises its voice without being heard. What may be recorded as a control weakness or deferred maintenance is experienced by residents as diminished dignity, lost opportunity and weakening trust in democratic government.

The Constitution does not treat municipalities as minor administrative outposts, but as a distinct sphere of government with obligations of their own. Section 152 requires democratic and accountable government for local communities; the sustainable provision of services; social and economic development; a safe and healthy environment; and community involvement in local government. Section 153 requires municipal administration, budgeting and planning to prioritise basic needs and promote development. Section 195 adds the disciplines that must govern public administration: efficient, economic and effective use of resources, fairness, responsiveness, accountability and transparency. Together, these provisions establish a demanding standard. Municipalities exist to turn public authority and public money into public value.

The Local Government Report Card 2026 asks how faithfully that standard is being met. It assesses 50 metropolitan and local municipalities as institutions, not mayors as personalities or political parties as brands. It considers whether services and infrastructure function; whether finances are sustainable; whether leadership, administration and oversight are coherent; whether wrongdoing and repeated failure result in consequences; and whether municipal action advances dignity, participation and inclusion.

This distinction matters. A visible mayor may preside over a fragile administration, while a capable official may work within an unstable council. A new leadership may inherit problems created over many years, while an institution with a strong reputation may be living on achievements it has not maintained. Political leadership is relevant where it affects performance, but the present office-bearer is not automatically assigned personal responsibility for the entire period assessed. The object of judgment is the municipality and the evidence of its functioning.

OPENING ARGUMENT

A CONSTITUTIONAL INSTRUMENT

Independent, non-partisan and designed to make public judgment better informed.

The report is independent and non-partisan. The FW de Klerk Foundation is not affiliated with any political party; its point of reference is the Constitution. No party is presumed to govern well, and none is presumed to govern badly. A high score is not a political endorsement, just as a low score is not a campaign statement. Both must follow from the same published criteria and evidentiary standard. Competence, improvement and recovery should be recognised wherever they occur; neglect, instability and failure must be identified with equal clarity.

All eight metropolitan municipalities are included. The remaining 42 form a purposive, stratified case-study sample drawn from every province. They were selected using criteria independent of the eventual scores and party control, including municipal type, geographic spread, population and settlement pattern, economic base, audit and financial position, service-delivery risk, and different performance contexts. District municipalities are not scored alongside them because their functions and accountability structures differ. The sample illuminates the diversity of South African local government; it is not statistically representative and cannot support national conclusions about the comparative performance of political parties.

The report converts a large and technical public record into an accessible score out of 100, supported by five weighted pillars, standardised sub-indicators, scoring anchors, a grade and a trajectory finding. Its principal sources are official and documentary, including Auditor-General findings, National Treasury information, municipal reports and audited financial statements, budgets, oversight records and relevant sector data. Significant findings are linked directly to their source. The aim is not to ask readers to trust the Foundation's judgment, but to show how that judgment was reached.

Plans, promises and policies are considered, but they are not treated as outcomes. A municipality cannot score well because it has acknowledged a problem or adopted an impressive strategy. The test is implementation, institutional response and measurable public benefit. Context is necessary to understand performance, but it is not an undisclosed adjustment to the score and cannot excuse the denial of constitutional rights. Residents in poor, rural or historically neglected municipalities are not entitled to a lesser measure of dignity or accountability.

This report is neither a catalogue of failure nor a celebration of selected success. It is an instrument of constitutional accountability. It seeks to help residents ask sharper questions, journalists test public claims, councils confront institutional weaknesses, officials identify priorities and municipalities learn from credible performance elsewhere. Its conclusions are open to scrutiny, factual correction and reasoned disagreement.

The Constitution belongs to the people, and municipal power is exercised in their name. A report card cannot repair a pipe, stabilise a council or restore a depleted budget. It can, however, make failure harder to disguise, competence easier to recognise and public judgment better informed. That is the purpose of the pages that follow.

KEY FINDINGS

EXECUTIVE SUMMARY

Fifty municipalities. Five weighted pillars. One transparent score out of 100.

The central finding of the Local Government Report Card 2026 is that South African local government is not one story. It is a sharply uneven constitutional landscape. Some municipalities show how disciplined finances, stable administration, credible oversight and reliable delivery reinforce one another. Others are trapped in the opposite cycle: weak revenue collection produces financial distress; maintenance falls behind; infrastructure deteriorates; public confidence declines; and unstable leadership or ineffective accountability prevents recovery. Between these poles lies a broad group that remains functional in important respects but is increasingly vulnerable to financial, institutional or infrastructure pressure.

Municipal performance is constitutional performance. Local government determines whether residents receive basic services, passable roads, environmental protection, responsive administration and a meaningful voice in local decisions. This report therefore asks whether municipal institutions are converting public authority and public resources into sustainable and inclusive public value.

The report assesses 50 municipalities: all eight metros and a purposive, stratified case-study sample of 42 local municipalities drawn from every province. The local sample reflects the diversity of the system across the B1–B4 municipal categories and different populations, settlement patterns, economic bases, audit outcomes, financial-risk levels and service-delivery conditions. The published selection framework relies on municipal characteristics fixed independently of party control and the scores eventually awarded. District municipalities are excluded because their functions are not directly comparable.

The sample is broad, but not statistically representative. It cannot support national claims that one political party governs municipalities better or worse than another. Political control is descriptive information, not a selection or scoring criterion. The unit assessed is the municipal institution—including its council, political executive, administration and oversight structures—not a party brand or mayoral personality. Nor is the current mayor presumed personally responsible for the entire historical period reviewed.

Each municipality receives a score out of 100 across five pillars: service delivery and infrastructure functionality (30 points); financial management and sustainability (25); governance, leadership and administrative coherence (15); integrity, accountability and transparency (15); and constitutional advancement and inclusion (15). The weights recognise that residents experience municipalities most directly through services, but that delivery cannot endure without sustainable finances, capable administration, effective oversight, ethical government and attention to historically neglected communities.

Each pillar contains published sub-indicators governed by common scoring anchors. The same evidence must attract the same points regardless of the municipality, and grades follow automatically from the numeric score. Defined rules address non-applicable functions and unavailable information. Context explains operating conditions; it does not create an undisclosed bonus or penalty.

KEY FINDINGS

WHAT THE EVIDENCE SHOWS

The first four findings explain how institutional strength - or failure - compounds.

Assessment is anchored in the 2024/25 audited period, with relevant 2025/26 information used principally to establish trajectory. Evidence was considered up to 13 July 2026. Primary sources carry the greatest weight, including Auditor-General reports, National Treasury information, audited financial statements, municipal reports, budgets, oversight records and sector data. Material findings are connected to source documents; media reports generally corroborate events rather than determine scores.

First, municipal success is institutional rather than cosmetic. Stronger municipalities tend to combine funded budgets, stronger collections, credible controls, stable senior administration, functioning oversight, effective capital execution, maintained infrastructure and public reporting that permits scrutiny. Their advantage is not the absence of problems, but the capacity to manage them before they become systemic.

Second, serious failure is cumulative. The weakest municipalities seldom fail in only one pillar. Service breakdown, liquidity pressure, creditor and bulk-service arrears, repeated audit findings, leadership instability, weak consequence management and poor transparency compound one another. An intervention or recovery plan earns credit only when implementation produces verifiable improvement.

Third, finance and delivery cannot be separated. Persistent financial disorder eventually reaches the street: weak collections, unpaid creditors and inadequate maintenance diminish the capacity to provide sustainable services. Equally, a favourable audit alone does not prove that services are reliable, equitable or inclusive. Financial discipline is necessary, but never sufficient.

Fourth, scale and economic importance do not guarantee competence. Several metropolitan and major urban municipalities face serious governance, infrastructure and financial pressure despite substantial revenue bases. Smaller and rural municipalities confront dispersed settlements, limited own revenue and historical backlogs, yet some demonstrate credible discipline or improvement. Context affects the difficulty of the task; it does not erase the duty.

KEY FINDINGS

THE CONSTITUTIONAL CONCLUSION

The standard is attainable, but it is not being met consistently.

Fifth, even the strongest-scoring municipalities remain constitutionally unfinished. Strong aggregate performance can coexist with informal-settlement backlogs, spatial inequality, environmental pressure, uneven ward-level services or inadequate participation. A high score means strong performance under this methodology; it does not mean that every resident enjoys an equal standard of municipal government.

Sixth, present condition and direction must be distinguished. Each municipality is classified as improving, stable or deteriorating using comparable evidence across at least two periods. A distressed municipality may be improving while retaining a low current score; a historically strong institution may remain highly rated while showing warning signs.

The report does not conclude that municipal government is uniformly broken, nor that examples of competence excuse systemic weakness. Its conclusion is more demanding: South Africa already possesses evidence of what functional municipal government requires, but those disciplines are distributed far too unevenly. The constitutional standard is attainable; it is not being met consistently.

Publishing these findings serves a practical purpose. Residents should understand why their municipality received its score. Journalists and researchers should be able to reproduce the reasoning. Councils and administrations should identify the decisions and failures that shaped the result. Political parties may contest the findings, but they should not be able to alter the standard. Ultimately, the report asks whether municipal power is being exercised as the Constitution requires: accountably, sustainably, transparently and in service of the people.

READER'S GUIDE

HOW THIS REPORT WORKS

The short explanation comes first; the technical detail remains available for scrutiny.

1

We asked 100 questions

Each question tests a visible part of municipal performance.

2

Each answer earned 1, 0.5 or 0

One point means met; half means mixed or incomplete; zero means not met.

3

The questions form five pillars

Services 30; finance 25; governance 15; integrity 15; inclusion 15.

4

The pillar totals are added

There is no later deduction, ceiling or discretionary adjustment.

5

The total fixes the grade

The exhaustive grade table is applied automatically.

6

Direction is shown separately

Improving, stable or deteriorating describes movement, not current performance.

From evidence to a mark out of 100

A municipality that fully met 44 tests, partly met 28 and did not meet 28 receives **$44 + 14 + 0 = 58$ points**. Where a function legally rests elsewhere, only the affected tests are marked not applicable and that component is reweighted proportionally.

THE SCORING ARCHITECTURE

HOW THE SCORE IS BUILT

Five weighted pillars convert the evidence into one direct score.

Pillar	Maximum	What it asks
Services and infrastructure	30	Do services work, are assets maintained and does investment produce functioning infrastructure?
Financial management and sustainability	25	Can the municipality fund delivery, collect revenue, pay creditors and control expenditure?
Governance, leadership and administrative coherence	15	Are leadership, planning, administration, council and oversight capable of implementation?
Integrity, accountability and transparency	15	Are findings corrected, procurement controlled, consequences completed and information accessible?
Constitutional advancement and inclusion	15	Do support, participation, spatial investment and environmental protection reach those most in need?

The same research process for every municipality

One evidence chain. One cut-off. One published scoring rule.

01 Audited baseline

Official records for 2024/25 anchor the assessment. Relevant 2025/26 material is used principally to establish trajectory and verify material developments up to 13 July 2026.

02 Primary records carry most weight

Audited statements, annual reports, regulatory records and official municipal documents take precedence over reputation, commentary or assertion.

03 Evidence must match the test

A plan earns credit only where the standard asks for a plan. An implementation or outcome test requires evidence of implementation or results.

04 Every award remains traceable

Each award is connected to its source, reporting period and evidentiary status, allowing the same rule to be reproduced across all 50 municipalities.

THE AVAILABILITY RULE

Missing publication is not silently treated as proof of service failure. It is handled as unavailable evidence under the published rule and affects transparency only where publication is itself the standard being tested.

DETAILED SCORING FRAMEWORK

THE 100 TESTS

Services and infrastructure: water, sanitation and electricity.

S1. Water supply

1. Assigned water-supply duties are discharged and access is sustained.
2. Water quality is monitored and materially compliant.
3. Supply reliability and interruption management are stable or improving.
4. Water losses are credibly measured and controlled or declining.
5. Maintenance, demand management and funded renewal improve network resilience.

S2. Sanitation and wastewater

1. Assigned sanitation responsibilities are discharged and access is sustained.
2. Sewer conveyance, pump stations and response to spills operate effectively.
3. Wastewater treatment meets applicable regulatory standards.
4. Environmental and public-health risks are monitored, disclosed and reduced.
5. Funded remediation produces completed, functioning improvements.

S3. Electricity distribution and energy services

1. Applicable distribution, electrification and free-basic-electricity duties are discharged.
2. Network reliability and restoration performance are stable or improving.
3. Technical and non-technical losses are measured credibly and controlled or declining materially.
4. Maintenance, refurbishment, safety work and responses to dangerous connections are implemented.
5. Metering, billing, street-lighting and funded network investment function effectively.

DETAILED SCORING FRAMEWORK

THE 100 TESTS CONTINUED

Services and infrastructure: waste, roads and asset resilience.

S4. Refuse removal, waste management and environmental health

1. Scheduled refuse collection is reliable across the applicable service area.
2. Fleet, staffing, contracting and operational arrangements sustain collection.
3. Landfills, transfer stations and disposal arrangements are licensed, compliant or under verified remediation.
4. Illegal dumping, cleansing, recycling and related environmental-health risks are actively managed.
5. Backlogs, interruptions and complaints show a stable or improving trend and receive documented responses.

S5. Roads, stormwater and community infrastructure

1. Road-condition information, maintenance priorities and backlogs are current and credible.
2. Routine road, pothole and associated maintenance is implemented rather than predominantly crisis-driven.
3. Stormwater systems and flood-risk measures are maintained and material failures are addressed.
4. Public facilities, local lighting and related community infrastructure remain reasonably functional.
5. Reported faults and priority backlogs receive timely, documented responses and show measurable progress.

S6. Asset stewardship, capital execution and resilience

1. A current asset register, condition assessment and management plan guide decisions.
2. Maintenance reaches the 8% benchmark or an evidenced exception produces sound asset outcomes.
3. At least 75% of the adjusted capital budget is executed without material unlawful or wasteful acceleration.
4. At least 85% is executed and conditional grants are substantially used as intended.
5. Completed assets function and renewal, upgrading and resilience investment produce measurable outcomes.

DETAILED SCORING FRAMEWORK

FINANCIAL MANAGEMENT AND SUSTAINABILITY

Twenty-five points across five cumulative five-point components.

F1. Audit outcome and financial reporting

1. Annual financial statements were submitted within the required period.
2. The audit opinion is neither adverse nor disclaimed.
3. The statements received an unqualified audit opinion.
4. The municipality achieved a clean audit under Auditor-General terminology.
5. A clean outcome was sustained, or the opinion improved with verified correction of the underlying cause.

F2. Funded budget, liquidity and cash

1. The adopted budget was assessed as funded.
2. The adjusted budget and latest credible in-year position remained funded and cash-backed.
3. The current ratio ordinarily reaches at least 1.5:1 without reliance on irrecoverable debtors.
4. Unrestricted cash covers at least one month of operating expenditure.
5. Cash coverage is sustained within or above the prudent one-to-three-month range.

F3. Billing, collections and debtors

1. Billing data are credible, reconciled and supported by implemented credit control.
2. The consistently calculated collection rate is at least 80%.
3. The rate is at least 85%.
4. The rate is at least 90%.
5. The rate is at least 95%, with consumer debtors stable or declining relative to billed revenue.

F4. Creditors, bulk accounts and payment discipline

1. Creditor records, ageing and monthly reconciliations are credible.
2. Material supplier invoices are paid within 30 days or substantial compliance is demonstrated.
3. Current bulk accounts are paid, or an approved repayment arrangement is fully honoured.
4. Overdue creditors relative to revenue and cash are stable or declining.
5. There is no material default, attachment, interruption threat or repeated breach of a bulk-service arrangement.

F5. Expenditure control and compliance

1. Operating expenditure remains within the lawful adjusted budget.
2. Unauthorised, irregular, fruitless and wasteful expenditure is completely and credibly recorded.
3. New unauthorised or irregular expenditure is immaterial or declining relative to total expenditure.
4. Material financial, asset-management and procurement-control findings are prevented or corrected.
5. Losses and material irregularities are limited and referred into lawful recovery, condonation or resolution processes.

DETAILED SCORING FRAMEWORK

GOVERNANCE AND ADMINISTRATIVE COHERENCE

Leadership, planning and institutional oversight.

G1. Leadership stability and administrative capability

1. A lawfully appointed permanent municipal manager is in office.
2. A permanent and suitably qualified chief financial officer is in office.
3. Other critical senior and technical posts are substantially filled by qualified personnel.
4. Turnover, acting appointments, suspensions and vacancies have not materially disrupted administration.
5. Political-administrative relations permit lawful implementation without persistent paralysis or improper interference.

G2. Planning, performance management and implementation

1. The Integrated Development Plan, budget and Service Delivery and Budget Implementation Plan were adopted on time and aligned.
2. Performance indicators are specific, measurable and connected to material service risks.
3. Reported performance is reliable and supported by evidence.
4. At least 60% of planned annual targets were achieved, with failures explained and addressed.
5. At least 80% were achieved, or verified corrective implementation produced comparable substantive outcomes.

G3. Council, committees and institutional oversight

1. Council and essential committees meet, remain quorate and discharge statutory business.
2. Internal audit and the audit committee operate effectively.
3. The Municipal Public Accounts Committee or equivalent produces timely and substantive work.
4. Annual reports, oversight reports and statutory submissions are considered on time.
5. Council and committee resolutions are tracked to implementation.

DETAILED SCORING FRAMEWORK

INTEGRITY, ACCOUNTABILITY AND TRANSPARENCY

Correction, procurement integrity and public access to information.

I1. Audit remediation and consequence management

1. The audit action plan identifies root causes, responsible officials and deadlines.
2. Implementation is monitored and supported by documentary evidence.
3. Repeat findings and material misstatements decline.
4. Problem expenditure and material irregularities are investigated timeously by the responsible structures.
5. Disciplinary action, recovery, referral or another lawful consequence follows where responsibility is established.

I2. Procurement integrity, investigations and ethical controls

1. Competitive supply chain management rules and conflict-of-interest controls are applied.
2. Deviations, awards and bid information are recorded and disclosed as required.
3. There are no unresolved material procurement findings, unlawful contracts or court orders demonstrating systemic failure.
4. The municipality cooperates with and acts on lawful investigative and regulatory processes.
5. Ethics, whistleblowing and disciplinary mechanisms are functional and protect lawful reporting.

I3. Public transparency and access to information

1. Mandatory budgets, reports, plans and financial statements are published timeously.
2. Council and committee agendas, minutes, attendance and resolutions are reasonably accessible.
3. Tenders, awards, deviations and material contract information are disclosed as required.
4. Access-to-information requests, enquiries, complaints and performance information are handled through accessible systems.
5. Published data are current, internally consistent and sufficiently complete for meaningful scrutiny.

DETAILED SCORING FRAMEWORK

CONSTITUTIONAL ADVANCEMENT AND INCLUSION

Equitable support, participation and spatial and environmental justice.

C1. Indigent support and equitable access

1. The indigent register is current, credible and regularly reviewed.
2. Qualifying households receive the adopted free-basic-services package.
3. The budget funds the package and reports its reach transparently.
4. Ward- or settlement-level disparities are measured and investment targets underserved areas.
5. Billing, service applications and complaint channels are accessible to poorer, rural and disabled residents.

C2. Public participation and responsiveness

1. Ward committees or equivalent structures are constituted and functioning.
2. Integrated Development Plan, budget and tariff consultation occurs early enough to influence decisions.
3. Participation is geographically, linguistically and practically accessible.
4. Public submissions are recorded and receive reasoned feedback.
5. Petitions, complaints and service requests are tracked against credible response standards.

C3. Spatial inclusion, environmental justice and local development

1. Spatial planning and land-use decisions demonstrably advance integration.
2. Capital investment reaches informal settlements, rural areas or historically neglected communities.
3. Environmental-health risks are identified and reduced, especially where they burden vulnerable communities.
4. Local economic-development, permitting, procurement or infrastructure measures enable livelihoods and investment.
5. Implementation produces measurable inclusive outcomes rather than remaining confined to plans.

RULES AND LIMITS

HOW THE SCORING IS KEPT FAIR

The rules prevent reputation, party control or context from silently changing the result.

01 One standard

The same evidence attracts the same award regardless of province, party control, municipal reputation or eventual grade.

02 No double counting

The same fact is relevant twice only where it proves genuinely different standards. A financial-control finding is not counted again as corruption.

03 Context explains; it does not adjust

Rural distance, poverty, historic backlogs and economic shocks help explain performance but create no hidden bonus or penalty.

04 Legal responsibility matters

A function performed by a district municipality, Eskom or another authority is not scored as though the local municipality controlled it. Retained local duties remain assessable.

05 No score ceilings

The five pillar totals produce the final result. Severe failures reduce points in the relevant tests; there is no later cap or editorial deduction.

06 Precise legal language

Irregular expenditure is not automatically corruption. Allegations, audit findings, civil judgments and criminal convictions are identified according to their actual status.

THE FAIRNESS CHECK

Evidence determines the score. Context explains the score. Neither political control nor reputation changes the rule.

AUTOMATIC GRADE SCALE

WHAT THE GRADES MEAN

The letter grade is a direct translation of the final points.

A+	95.0-100	Exceptional and constitutionally exemplary
A	85.0-94.9	Excellent institutional performance
A–	80.0-84.9	Very strong, with identifiable remaining weaknesses
B+	75.0-79.9	Strong
B	70.0-74.9	Good
B–	65.0-69.9	Generally sound, with material shortcomings
C+	60.0-64.9	Mixed but broadly functional
C	55.0-59.9	Important strengths coexist with serious risks
C–	50.0-54.9	Fragile and under significant pressure
D+	45.0-49.9	Weak
D	40.0-44.9	Very weak
D–	35.0-39.9	Severely distressed
F	0-34.9	Institutional failure or near-failure

A PURPOSIVE, STRATIFIED NATIONAL CASE-STUDY SAMPLE

WHY THESE MUNICIPALITIES WERE SELECTED

All metros are included; the 42 local places were allocated and selected without reference to party control.

All eight metropolitan municipalities were included automatically. The 42 local-municipality places were then allocated across provinces in proportion to each province's share of South Africa's local municipalities, subject to a floor of three and a ceiling of six places. This prevented small provinces from disappearing and large provinces from dominating the report.

Within each provincial allocation, selection used characteristics fixed before the eventual scores: official municipal category; population and settlement pattern; district spread; economic base; audit and financial position; service-delivery and intervention risk; and the need to include stronger, intermediate, distressed and recovering institutions.

The sample is not statistically representative and cannot be used to estimate national party performance. Political control is descriptive context, never a source of points.

Province	Local municipalities	Final places
Eastern Cape	31	6
Free State	18	4
Gauteng	8	3
KwaZulu-Natal	43	6
Limpopo	22	5
Mpumalanga	17	4
North West	18	4
Northern Cape	26	5
Western Cape	24	5
Total	207	42

TRAJECTORY

PRESENT SCORE AND DIRECTION OF TRAVEL

Current performance and movement over time answer different questions.

The score records present institutional performance. Trajectory records whether comparable evidence shows the municipality improving, remaining stable or deteriorating. It requires at least two comparable periods and is not an extra source of points.

Improving

A fixed set of comparable indicators shows material, verified progress.

Stable

No sufficiently material or consistent change is established.

Deteriorating

Comparable indicators show material decline or rising institutional risk.

How to read a municipal chapter

1

DASHBOARD

The opening page gives the final score, automatic grade, trajectory, identity, five pillar results and three practical takeaways.

2

SCORE TRACE

The next page reconciles the 100 tests to the total. Each pillar table shows the component awards and decisive finding; the narrative then connects those awards to the evidence.

3

VERDICT

The constitutional verdict explains what the result means in the language of municipal duty.

PLAIN-LANGUAGE REFERENCE

GLOSSARY

Technical terms used throughout the municipal assessments.

Adjusted budget

The municipality's formally revised budget during the financial year.

Audit opinion

The Auditor-General's conclusion on whether the financial statements can be relied upon.

Clean audit

An unqualified audit opinion without material findings on performance reporting or legal compliance.

Current ratio

Current assets divided by current liabilities; an indicator of the ability to meet short-term obligations.

Funded budget

A budget supported by realistically available revenue and cash, rather than planned expenditure without resources.

Indigent register

The municipality's verified list of households qualifying for means-tested municipal support.

Integrated Development Plan

The municipality's principal five-year strategic plan, reviewed annually.

Irregular expenditure

Expenditure incurred contrary to applicable legal or procedural requirements; it is not automatically corruption.

PLAIN-LANGUAGE REFERENCE

GLOSSARY CONTINUED

Technical terms used throughout the municipal assessments.

Maintenance benchmark

The report uses 8% of the carrying value of property, plant and equipment as a reference point, while checking the denominator and evidenced exceptions.

Material irregularity

A legally defined serious non-compliance identified by the Auditor-General that caused or is likely to cause material financial loss, misuse or harm.

Municipal Public Accounts Committee

The council committee responsible for oversight of financial and performance accountability.

Non-revenue water

Water entering the system that is not converted into billed consumption because of leaks, theft, metering error or authorised unbilled use.

Service Delivery and Budget Implementation Plan

The annual implementation and performance plan connecting the budget to measurable delivery targets.

Supply chain management

The municipal system governing procurement, contracting and management of goods and services.

Unrestricted cash coverage

The number of months of normal operating expenditure that can be covered by cash not legally reserved for another purpose.

Unauthorised expenditure

Spending outside or beyond the budget authority permitted by law.

MUNICIPAL PROFILES

EASTERN CAPE

8 municipalities assessed

Two metros and six local municipalities spanning port cities, stronger and distressed small-town administrations, the OR Tambo regional centre and deeply rural traditional-authority areas.



MUNICIPALITIES IN THIS SECTION

BUFFALO CITY

ENOCH MGIJIMA

NELSON MANDELA BAY

KING SABATA DALINDYEBO

KOUGA

MBHASHE

MAKANA

MATATIELE

BUFFALO CITY METROPOLITAN MUNICIPALITY

OVERALL SCORE

58.0

/ 100

GRADE C

Broad access and competent capital execution are being undermined by worsening cash pressure, weak collections and critical wastewater performance.

PROVINCE

Eastern Cape

CODE

BUF

PRINCIPAL CENTRE

East London

CURRENT LEADER

Executive Mayor Princess Faku

DISTRICT

No district (metropolitan municipality)

CATEGORY

Category A metropolitan municipality

POPULATION

975 255, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

17.5

/30

Access and capital execution are credible; wastewater compliance, losses and maintenance are not.

Financial management

12.0

/25

The funded planning base and current ratio provide some support, but collections and cash are weak.

Governance

10.0

/15

Senior structures function, but target achievement and corrective implementation are inconsistent.

Integrity

7.0

/15

Control frameworks exist, but repeated findings are not matched by completed consequences.

Inclusion

11.5

/15

Support and participation are substantial, but ward-level equality and environmental justice remain incomplete.

WHAT WORKS

A funded support package exists and reaches qualifying households, although ward-level equality requires stronger measurement.

WHAT IS GOING WRONG

Billing systems function, but the 70.11% collection rate failed to reach the first 80% threshold.

FIX FIRST

First priority: Restore safe wastewater treatment and complete verified remediation.

SCORING TRACE

How Buffalo City received 58.0/100

58.0 / 100

GRADE C

Buffalo City was assessed against the same 100 tests used for every municipality. It met 44 standards, partly met 28 and did not meet 28. A full award counted one point and a partial award half a point:

Result	Tests	Calculation	Points
Standard met	44	44×1	44.0
Standard partly met	28	28×0.5	14.0
Standard not met	28	28×0	0.0
Final result	100		58.0/100

The five pillar scores reconcile directly: $17.5 + 12.0 + 10.0 + 7.0 + 11.5 = 58.0$. No deduction or editorial adjustment was made afterwards. The published grade table automatically converts 58.0 into a C.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 4.0; sanitation 1.5; electricity 3.0; refuse 3.0; roads and facilities 2.5; assets and capital 3.5	17.5/30	Access and capital execution are credible; wastewater compliance, losses and maintenance are not.
Financial management	Audit 2.0; liquidity 3.0; collections 1.0; creditors 3.5; expenditure control 2.5	12.0/25	The funded planning base and current ratio provide some support, but collections and cash are weak.
Governance	Leadership 4.0; planning 2.5; council and oversight 3.5	10.0/15	Senior structures function, but target achievement and corrective implementation are inconsistent.
Integrity	Audit remediation 1.5; procurement and ethics 2.5; transparency 3.0	7.0/15	Control frameworks exist, but repeated findings are not matched by completed consequences.
Inclusion	Indigent support 4.5; participation 4.0; spatial and environmental inclusion 3.0	11.5/15	Support and participation are substantial, but ward-level equality and environmental justice remain incomplete.

A metro that still reaches, but is losing resilience

Buffalo City combines East London, Mdantsane, Qonce, Bhisho, Zwelitsha and a substantial rural and peri-urban hinterland. It must maintain dense networks, serve large township communities, support a provincial administrative and industrial centre and extend services across dispersed settlements. Its record is therefore neither one of institutional collapse nor one of secure performance. The metro still reaches most residents and can execute a sizeable capital programme. The concern is that the systems supporting those achievements are becoming less resilient.

Services and infrastructure - 17.5/30

Water access was reported at about 98%, while drinking-water quality compliance was around 99%. The metro spent approximately 92% of its adjusted capital budget and 86% of its capital-grant budget. Electricity distribution, refuse removal, road and stormwater work continued. These facts explain the full or partial awards for access, quality monitoring, capital execution and continued operation. They show an institution with real technical and procurement capacity.

The deductions concern reliability and renewal. Non-revenue water was approximately 37.7%, so the test requiring losses to be controlled or materially declining was not met. Maintenance amounted to about 3.9% of the carrying value of property, plant and equipment - less than half the report's 8% benchmark. Preventive maintenance, backlog reduction and fault-response evidence were therefore awarded only partly. Spending on infrastructure earns credit; it does not prove that networks are being renewed quickly enough.

Wastewater is the decisive weakness. The Department of Water and Sanitation's 2025 Green Drop assessment gave Buffalo City a critical municipal score of 26%, with Bhisho and Breidbach among the systems in the critical range. The metro receives the sanitation-access point and partial credit for monitoring and remedial work. It does not receive the points for compliant treatment, reduced environmental risk or completed remediation that demonstrably removed the danger.

Financial management and sustainability - 12.0/25

Buffalo City submitted its financial statements, received a qualified rather than adverse or disclaimed audit opinion, reported a funded budget and recorded a current ratio of about 1.77. Those measures account for the positive audit and liquidity points. The position is nevertheless fragile. Unrestricted cash covered only about 0.86 months of operating expenditure, below the one-month test, while the actual collection rate of 70.11% failed to reach our methodology's first fixed threshold of 80%. The annual report linked the deterioration to consumer debt, economic pressure, meter tampering and infrastructure theft. Those factors explain the difficulty but do not alter the common standard.

Average creditor payment took about 46 days rather than the statutory 30 days. The audited record identified approximately R646.8 million in unauthorised expenditure and R1.14 billion in irregular expenditure incurred during the year. Buffalo City receives credit for recording those amounts; it loses points because their scale and the recurring control findings do not establish prevention or completed resolution. Irregular expenditure is not treated as corruption. It is treated, correctly, as expenditure incurred contrary to applicable requirements unless a competent process proves more.

Governance, integrity and inclusion

Governance is comparatively stronger. The municipal manager, chief financial officer and principal management structure were substantially in place. Council, internal audit, the audit committee and the Municipal Public Accounts Committee continued to operate and the annual-report and oversight cycle was completed. The score stops at 10.0/15 because only about 55% of key annual targets were achieved and the evidence did not show a performance system consistently converting missed milestones into timely correction.

Integrity scores 7.0/15 because audit-action, supply chain management, fraud-risk and disciplinary systems exist, but repeat findings and large problem-expenditure balances were not matched by equally clear proof of timely investigation, recovery, discipline and systemic correction. Major statutory documents are public; council records, contract information and current data are not uniformly accessible enough for full transparency points.

Inclusion is Buffalo City's strongest proportional pillar. The metro maintains an indigent register and funds free basic water, sanitation, refuse, rates and electricity assistance. Ward committees, mayoral community meetings, service-delivery visits and Integrated Development Plan and budget consultations provide established participatory channels. Capital work reaches townships, informal settlements and rural wards. The remaining deficit is unequal lived experience: high metropolitan averages do not show that a household in Mdantsane, a rural ward or an informal settlement receives the same continuity, environmental safety and response time as one in a better-resourced suburb.

Constitutional assessment and verdict

Broad access, indigent support and functioning participatory structures advance sections 152(1)(a), 152(1)(b) and 152(1)(e), which require accountable local government, sustainable services and community involvement. Capital planning directed to basic needs also advances section 153(a). Critical wastewater performance, however, falls short of section 152(1)(d)'s safe and healthy environment objective and engages the environmental right in section 24. Weak collections, limited cash, low maintenance and repeat findings fall short of section 195(1)(b), 195(1)(f) and 195(1)(g), which require effective use of resources, accountability and transparency. Unequal ward-level outcomes also remain relevant to sections 9 and 10, concerning equality and dignity.

The C grade records a functioning but vulnerable metro. Its route upward is specific: restore lawful wastewater treatment; reduce water losses; fund preventive maintenance; lift collections above 80%; rebuild the cash buffer; and demonstrate completed corrective and consequence processes. The trajectory is deteriorating because worsening wastewater risk, collection weakness and financial pressure outweighed broad access and strong capital execution over the comparable period.

NELSON MANDELA BAY METROPOLITAN MUNICIPALITY

OVERALL SCORE

55.5

/ 100

GRADE C

A liquid metro with meaningful institutional capacity, but weak collections, senior vacancies, infrastructure losses and poor wastewater compliance keep performance in the middle range.

PROVINCE

Eastern Cape

CODE

NMA

PRINCIPAL CENTRE

Gqeberha

CURRENT LEADER

Executive Mayor Babalwa Lobishe

DISTRICT

No district (metropolitan municipality)

CATEGORY

Category A metropolitan municipality

POPULATION

1 190 496, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress-led coalition administration

Services and infrastructure

14.5

/30

Core systems operate, but losses, wastewater and weak renewal materially reduce reliability.

Financial management

13.5

/25

Strong liquidity is offset by a qualified audit, poor collections and slow payment.

Governance

8.5

/15

Permanent top officials were in place, but senior vacancies and instability weakened implementation.

Integrity

7.0

/15

Formal systems exist; repeat findings and incomplete consequences remain.

Inclusion

12.0

/15

Support and participation are extensive, but severe local inequality remains.

WHAT WORKS

A funded position, current ratio of about 1.64 and cash coverage of about 2.87 months satisfy all five tests, notwithstanding the need to protect that liquidity from a weak revenue base.

WHAT IS GOING WRONG

Billing systems are established, but the reported collection rate of about 71.1% falls below the first 80% threshold and consumer debtors were about R18.6 billion.

FIX FIRST

First priority: Strengthen billing and lift collections above the first locked threshold.

SCORING TRACE

How Nelson Mandela Bay received 55.5/100

55.5 / 100

GRADE C

Result	Tests	Calculation	Points
Standard met	34	34×1	34.0
Standard partly met	43	43×0.5	21.5
Standard not met	23	23×0	0.0
Final result	100		55.5/100

The pillar arithmetic is $14.5 + 13.5 + 8.5 + 7.0 + 12.0 = 55.5$. That result converts automatically to a C.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.0; sanitation 2.5; electricity 2.5; refuse 2.0; roads and facilities 2.5; assets and capital 2.0	14.5/30	Core systems operate, but losses, wastewater and weak renewal materially reduce reliability.
Financial management	Audit 2.0; liquidity 5.0; collections 1.0; creditors 2.5; expenditure control 3.0	13.5/25	Strong liquidity is offset by a qualified audit, poor collections and slow payment.
Governance	Leadership 2.5; planning 3.0; council and oversight 3.0	8.5/15	Permanent top officials were in place, but senior vacancies and instability weakened implementation.
Integrity	Audit remediation 2.0; procurement and ethics 2.0; transparency 3.0	7.0/15	Formal systems exist; repeat findings and incomplete consequences remain.
Inclusion	Indigent support 4.5; participation 4.0; spatial and environmental inclusion 3.5	12.0/15	Support and participation are extensive, but severe local inequality remains.

Capacity without consistent conversion into outcomes

Nelson Mandela Bay joins Gqeberha, Kariega, Despatch and surrounding settlements in a large port, industrial and residential economy. It has a substantial revenue base, significant technical depth and a cash position stronger than many large municipalities. Yet repeated changes in political leadership, high vacancies and under-maintained infrastructure have weakened its ability to translate those advantages into consistently reliable government.

Services and infrastructure - 14.5/30

The metro continues to provide all core services and retains the capacity to undertake major works and emergency responses. Water coverage and potable-water quality remain substantial and adjusted capital expenditure of about 75.6% cleared our methodology's first 75% test. These factors explain the access, operation and first capital-execution awards.

The condition of the networks explains the deductions. Water losses were approximately 52.7%, while non-technical electricity losses were around 18.8%. Repairs and maintenance amounted to about 2.8% of property, plant and equipment, far below the 8% benchmark and capital expenditure did not reach the second 85% threshold. The worksheet therefore distinguishes continuing supply from credible loss control, preventive maintenance and renewal.

Wastewater performance is poor. The Department of Water and Sanitation awarded the metro 36% in the 2025 Green Drop assessment. Driftsands and Fishwater Flats were critical, while Cape Recife was reported overloaded and non-compliant. Sanitation access attracts credit and remedial work receives partial awards; sustained treatment compliance and system-wide environmental-risk reduction do not. Refuse collection also continues, but fleet pressure, unlawful or non-compliant disposal facilities and illegal dumping prevent full reliability and environmental-health points.

Financial management and sustainability - 13.5/25

Nelson Mandela Bay's strongest defence is liquidity. Its funded position, current ratio of about 1.64 and cash coverage of approximately 2.87 months met all five budget and liquidity tests this report sets out. That does not make the broader financial system sound. The metro again received a qualified audit opinion, while a collection rate of about 71.1% failed to reach 80% of our methodology. Consumer debtors were approximately R18.6 billion. The methodology consequently awards the billing-system point but none of the four collection-threshold points.

Creditor records and current bulk arrangements attract some credit. The Auditor-General of South Africa's comparable measure nevertheless placed creditor payment at about 189 days. That independent measure is used where municipal and external presentations differ, because consistent calculation matters more than choosing the most favourable number. Repeated financial and procurement findings, together with incomplete recovery and consequence processes, limit expenditure-control awards.

Governance, integrity and inclusion

The municipal manager and chief financial officer positions were filled, but approximately 67% of senior-manager positions were vacant during the period assessed. That vacancy rate directly removes points for critical-post coverage, administrative continuity and coherent implementation. Statutory plans were adopted and more than 60% of targets were reported achieved, but weaknesses in indicators and supporting evidence prevented the reliability and 80% achievement points. Council and the Municipal Public Accounts Committee continued to function, although concerns about internal-audit independence and incomplete resolution tracking constrained oversight.

Integrity earns 7.0/15. Audit-action plans, supply chain management rules and ethics mechanisms exist, but repeat findings, irregular-expenditure investigations and completed consequences were not sufficiently demonstrated. Central reports are available; council, procurement and complaint information is not consistently complete, current and readily traceable.

The metro's indigent programme, free-basic-services support and ward structures across all 60 wards justify a strong inclusion score. Integrated Development Plan and budget consultation is geographically extensive and infrastructure programmes reach disadvantaged communities. The deduction is for outcome: flood exposure, informal-settlement backlogs, wastewater risk and unreliable services fall most heavily on residents with the fewest alternatives. Participation is meaningful only when information, feedback and remedial action complete the loop.

Constitutional assessment and verdict

The metro's participatory structures and indigent support advance sections 152(1)(a), 152(1)(e) and 153(a). Continued metropolitan services advance section 152(1)(b), but extreme water losses, poor wastewater compliance and low maintenance show that sustainability is not secure. Non-compliant treatment and disposal engage section 24 and section 152(1)(d). Senior vacancies, unreliable performance evidence and repeat control findings fall short of section 195(1)(b), 195(1)(f) and 195(1)(g). Unequal exposure to floods, sanitation risk and unreliable services remains relevant to sections 9 and 10.

The C grade therefore reflects a metro with cash and institutional capacity, but insufficient conversion of those advantages into reliable outcomes. The immediate priorities are to strengthen billing and collections, fill critical senior and technical posts, control water and electricity losses, restore wastewater compliance and shift infrastructure spending towards maintenance and renewal. The trajectory is stable: the evidence does not show net institutional collapse, but neither does it establish a decisive recovery.

KOUGA LOCAL MUNICIPALITY

OVERALL SCORE

82.5

/ 100

GRADE A-

Clean financial administration and stable leadership produce a strong result, although poor wastewater performance, low maintenance and unequal service reach prevent an elite score.

PROVINCE

Eastern Cape

CODE

EC108

PRINCIPAL CENTRE

Jeffreys Bay

CURRENT LEADER

Executive Mayor Hattingh Bornman

DISTRICT

Sarah Baartman District Municipality

CATEGORY

Category B3 small-town local municipality

POPULATION

107 014, Statistics South Africa Census 2022

POLITICAL CONTROL

Democratic Alliance majority administration

Services and infrastructure

22.5

/30

Most services are dependable; wastewater and underfunded maintenance are material exceptions.

Financial management

23.0

/25

A second clean audit, funded budgets and disciplined payment support a high score.

Governance

13.5

/15

Stable senior leadership and credible systems convert plans into results.

Integrity

11.5

/15

Controls are strong, but the evidence does not prove every residual case and disclosure test fully.

Inclusion

12.0

/15

Support and investment are substantial, but reach and environmental equality remain incomplete.

WHAT WORKS

Kouga achieved a second consecutive clean audit, satisfying every cumulative audit test.

WHAT IS GOING WRONG

Sanitation coverage is strong, but the municipal Green Drop result was 43% (poor) and Hankey and Humansdorp were critical; projects have not yet produced system-wide compliant outcomes.

FIX FIRST

First priority: Restore safe wastewater treatment and complete verified remediation.

SCORING TRACE

How Kouga received 82.5/100

82.5 / 100

GRADE A-

Result	Tests	Calculation	Points
Standard met	71	71×1	71.0
Standard partly met	23	23×0.5	11.5
Standard not met	6	6×0	0.0
Final result	100		82.5/100

The pillar arithmetic is $22.5 + 23.0 + 13.5 + 11.5 + 12.0 = 82.5$. The grade table converts this automatically to A-.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 4.0; sanitation 2.5; electricity 4.5; refuse 4.5; roads and facilities 4.5; assets and capital 2.5	22.5/30	Most services are dependable; wastewater and underfunded maintenance are material exceptions.
Financial management	Audit 5.0; liquidity 4.0; collections 4.0; creditors 5.0; expenditure control 5.0	23.0/25	A second clean audit, funded budgets and disciplined payment support a high score.
Governance	Leadership 5.0; planning 4.0; council and oversight 4.5	13.5/15	Stable senior leadership and credible systems convert plans into results.
Integrity	Audit remediation 4.0; procurement and ethics 3.5; transparency 4.0	11.5/15	Controls are strong, but the evidence does not prove every residual case and disclosure test fully.
Inclusion	Indigent support 4.0; participation 4.0; spatial and environmental inclusion 4.0	12.0/15	Support and investment are substantial, but reach and environmental equality remain incomplete.

Strong institutions, with one serious environmental exception

Kouga includes Jeffreys Bay, Humansdorp, St Francis Bay, Hankey, Patensie and surrounding rural and coastal settlements. Tourism, agriculture, logistics and residential growth create seasonal demand, drought exposure and marked differences between affluent coastal areas and poorer inland communities. The municipality's strength lies in institutional discipline: stable leadership, sound financial administration and functioning operational systems reinforce one another.

Services and infrastructure - 22.5/30

Electricity distribution, restoration, refurbishment, metering and investment are well evidenced. Refuse collection is reliable, disposal arrangements are substantially controlled and roads and public facilities benefit from a structured maintenance and response programme. Water access and drinking-water quality are strong, while drought-response and augmentation projects demonstrate planning for resilience. These results account for the high electricity, refuse, roads and water awards.

The score is not higher because the method tests outcomes rather than reputation. Non-revenue water of about 36% limits the water-loss award. Adjusted capital expenditure of about 84.5% met our methodology's 75% threshold but missed 85%, while repairs and maintenance were only about 2.5% of property, plant and equipment. The maintenance point is therefore not awarded.

Wastewater is the principal weakness. The 2025 Green Drop municipal score was 43%, classified as poor, with Hankey and Humansdorp in the critical range. Sanitation access and remedial projects earn credit, but poor treatment results prevent the compliance point and limit environmental-risk and completed-remediation awards. A clean audit cannot substitute for safe treatment works.

Financial management and sustainability - 23.0/25

Kouga achieved a second consecutive clean audit, satisfying all five cumulative audit tests for our methodology. Budgets were funded, cash coverage improved to about 1.61 months, suppliers and bulk accounts were paid and there was no material default or interruption threat. Expenditure control and the recording and prevention of problem expenditure were sufficiently credible for full awards.

The two deductions are mechanical. A current ratio of about 1.04 did not reach the 1.5 benchmark of our methodology. A collection rate of approximately 91.4% cleared the 80%, 85% and 90% tests but not 95% in our methodology. The municipality is therefore treated as financially strong, not flawless.

Governance, integrity and inclusion

Permanent senior leadership, stable political-administrative relations and functioning council and assurance structures produce 13.5/15 for governance. Planning and performance evidence are credible and at least 60% achievement is established. The record does not justify the separate 80% performance point in our methodology across all material targets, while public evidence of resolution tracking is strong but not complete enough for a final full award.

Integrity scores 11.5/15. Effective remediation and credible supply chain management systems are visible, but the worksheet does not assume that every investigation, ethics mechanism and residual procurement risk is closed merely because the audit is clean. Mandatory reports and procurement information are accessible; complete council-document access and full consistency of current public data are only partly evidenced. This is deliberate evidentiary restraint, not a penalty for success.

Kouga funds free basic services and maintains accessible consultation and complaint channels.

Infrastructure and local-development programmes reach poorer and rural communities. However, only about 30% of expected beneficiaries had reapplied during the indigent re-registration process at the reporting point. Ward-level equality evidence is incomplete and the wastewater burden is not evenly distributed. Strong outcomes in Jeffreys Bay or St Francis Bay cannot stand in for conditions in Hankey, Patensie or poorer settlements.

Constitutional assessment and verdict

Kouga's accountable administration, funded planning and reliable services strongly advance sections 152(1)(a), 152(1)(b), 153(a) and section 195(1)(b), 195(1)(f) and 195(1)(g). Its consultation systems advance section 152(1)(e). The poor wastewater result, however, falls short of the safe and healthy environment objective in section 152(1)(d) and engages section 24. Incomplete proof that indigent support and service quality reach all settlements equally remains relevant to sections 9 and 10.

The A- grade identifies one of the stronger local institutions under this methodology; it does not declare constitutional completion. The route upward is to restore treatment compliance, deepen maintenance and asset renewal, strengthen the current ratio and demonstrate more equal settlement-level outcomes. The trajectory is stable because financial and governance strength was maintained, while wastewater and maintenance evidence did not establish a net improvement across the full trajectory basket.

MAKANA LOCAL MUNICIPALITY

OVERALL SCORE

29.5

/ 100

GRADE F

Active civic and administrative structures coexist with an untrustworthy financial record and critically unsafe wastewater performance.

PROVINCE

Eastern Cape

CODE

EC104

PRINCIPAL CENTRE

Makhanda

CURRENT LEADER

Executive Mayor Yandiswa Vara

DISTRICT

Sarah Baartman District Municipality

CATEGORY

Category B2 large-town local municipality

POPULATION

97 815, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

6.5

/30

Some access and activity remain, but reliability, treatment, maintenance and asset evidence fail.

Financial management

1.5

/25

A fifth disclaimer, unfunded budget and near-absent cash buffer make the financial record indefensible.

Governance

7.5

/15

Formal structures exist, but performance evidence and corrective effect are weak.

Integrity

4.5

/15

Publication and frameworks remain, but repeated disclaimer conditions show little verified correction.

Inclusion

9.5

/15

Democratic and support systems function, yet unsafe and unequal outcomes persist.

WHAT WORKS

Indigent support and access channels are present, but the budget and ward-level reach cannot be fully verified against the unreliable financial record.

WHAT IS GOING WRONG

No credible capital programme met the execution thresholds; repairs and maintenance were around 1% of property, plant and equipment and the disclaimer prevented reliance on asset information.

FIX FIRST

First priority: Protect maintenance, complete priority capital work and prove that finished assets function.

SCORING TRACE

How Makana received 29.5/100

29.5 / 100

GRADE F

Result	Tests	Calculation	Points
Standard met	16	16×1	16.0
Standard partly met	27	27×0.5	13.5
Standard not met	57	57×0	0.0
Final result	100		29.5/100

The pillar arithmetic is $6.5 + 1.5 + 7.5 + 4.5 + 9.5 = 29.5$. The score falls automatically within the F band.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.0; sanitation 1.0; electricity 0.5; refuse 1.0; roads and facilities 1.0; assets and capital 0.0	6.5/30	Some access and activity remain, but reliability, treatment, maintenance and asset evidence fail.
Financial management	Audit 1.0; liquidity 0.0; collections 0.5; creditors 0.0; expenditure control 0.0	1.5/25	A fifth disclaimer, unfunded budget and near-absent cash buffer make the financial record indefensible.
Governance	Leadership 3.5; planning 1.0; council and oversight 3.0	7.5/15	Formal structures exist, but performance evidence and corrective effect are weak.
Integrity	Audit remediation 0.5; procurement and ethics 1.5; transparency 2.5	4.5/15	Publication and frameworks remain, but repeated disclaimer conditions show little verified correction.
Inclusion	Indigent support 4.0; participation 4.0; spatial and environmental inclusion 1.5	9.5/15	Democratic and support systems function, yet unsafe and unequal outcomes persist.

A municipality still active, but without a credible institutional base

Makana centres on Makhanda and serves smaller towns and rural settlements across a municipality with major educational, cultural and tourism importance. Residents, civic organisations and officials remain active; ward and planning processes continue and basic repairs are undertaken. Those features explain why the municipality receives points. They do not overcome the central finding: the financial and infrastructure systems required for sustainable local government cannot presently be relied upon.

Services and infrastructure - 6.5/30

Makana receives credit for substantial water access and reported drinking-water quality, together with limited operating activity in refuse, roads and electricity. The score is low because access does not establish continuity, controlled losses or a maintained network. Water interruptions remain serious, losses are not shown to be controlled and funded work has not secured dependable supply.

Wastewater presents an acute public-health and environmental risk. The Department of Water and Sanitation scored Makana at 13%, with all three assessed systems critical and Belmont Valley at approximately 12.7%. The sanitation-access test is met as per our methodology; the tests for effective sewer conveyance, compliant treatment, reduced environmental risk and completed functioning remediation are not. Electricity, refuse, roads and public facilities receive only fragments of credit because fleet, disposal, maintenance, metering and backlog outcomes are not credibly established.

No asset-stewardship point is awarded. Repairs and maintenance were around 1% of property, plant and equipment, no credible capital programme met the 75% threshold and the disclaimer prevented reliance on asset information and completed-project outcomes.

Financial management and sustainability - 1.5/25

Makana earns one point as per our methodology for submitting annual financial statements and half a point because billing machinery exists. It earns no other finance point. A fifth consecutive disclaimer means that the Auditor-General of South Africa could not obtain sufficient appropriate evidence for major balances and transactions. This is more serious than a qualification. It prevents the report from treating the published financial position as reliable.

The budget was unfunded, cash coverage was about 0.1 months, the reported collection rate approximately 58% and the debt book more than R1.3 billion. Creditor payment, current bulk accounts, lawful expenditure, complete recording of unauthorised, irregular, fruitless and wasteful expenditure and effective prevention cannot be established. The methodology does not invent missing evidence against Makana, but it cannot award a point that requires credible proof when that proof is absent.

Governance, integrity and inclusion

The municipal manager and chief financial officer posts were filled, council and the Municipal Public Accounts Committee operated and the annual-report cycle continued. These structures justify 7.5/15 for governance. The Auditor-General found performance evidence unreliable, so reported target achievement does not generate the reliability or outcome points. Repeated disclaimer conditions also show that oversight has not yet produced adequate correction.

Integrity scores 4.5/15 because an audit-action framework, disclosure channels and cooperation mechanisms exist. A fifth disclaimer and persistent records failures, however, do not establish

completed remediation, credible investigation, recovery or consequence management. Public plans and the annual report earn transparency credit; the underlying record is too incomplete for a finding that publication permits meaningful scrutiny.

Makana's strongest proportional pillar is inclusion. An indigent programme and civic participation channels remain, while ward committees and Integrated Development Plan and budget consultations allow residents to engage. Some livelihood and capital activity reaches poorer communities. Participation cannot substitute for remedy. Residents may be heard and still face unreliable water, unsafe wastewater and deteriorating roads. Environmental harm and unreliable services also fall disproportionately on communities with fewer alternatives.

Constitutional assessment and verdict

Makana's participatory and indigent systems advance sections 152(1)(a), 152(1)(e) and, in part, section 153(a). The fifth disclaimer, unfunded budget and ineffective financial controls fall markedly short of section 195(1)(b), 195(1)(f) and 195(1)(g). Unreliable water and critical wastewater undermine the sustainable-service objective in section 152(1)(b), the safe-environment objective in section 152(1)(d), the right of access to sufficient water in section 27(1)(b) and the environmental protection in section 24. The lived consequences are also relevant to dignity under section 10.

The F grade does not say that nothing works or that every official has failed. It records that functioning participation and isolated activity have not restored a credible financial base or safe infrastructure. The trajectory is stable only in the technical sense that comparable evidence does not establish a net shift; it is stability at a deeply distressed level. Recovery requires credible financial records, a funded cash position, safe wastewater, dependable water, a realistic maintenance programme and visible consequence management.

ENOCH MGJIMA LOCAL MUNICIPALITY

OVERALL SCORE

45.5

/ 100

GRADE D+

Visible work on roads, refuse and indigent support cannot compensate for extreme electricity losses and continuing financial distress.

PROVINCE

Eastern Cape

CODE

EC139

PRINCIPAL CENTRE

Komani

CURRENT LEADER

Executive Mayor Madoda Papiyana

DISTRICT

Chris Hani District Municipality

CATEGORY

Category B2 large-town local municipality

POPULATION

297 055, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

15.0 /30

Refuse and road work are visible, but electricity losses, landfill compliance and weak capital execution are serious.

Financial management

5.0 /25

The audit remains qualified, the budget unfunded and payment pressure severe.

Governance

8.5 /15

The institution functions, but acting or vacant technical leadership and unreliable performance evidence constrain delivery.

Integrity

5.5 /15

Frameworks exist, but repeat findings and an unresolved material irregularity prevent stronger awards.

Inclusion

11.5 /15

Ward and support systems are substantial, although unequal and environmental outcomes remain mixed.

WHAT WORKS

The indigent register was reviewed, a funded package is reported and ward-based application support exists; district-level service responsibilities complicate complete equity measurement.

WHAT IS GOING WRONG

Billing machinery exists, but a 65% prepaid collection measure and broader under-collection fall below the first threshold.

FIX FIRST

First priority: Strengthen billing and lift collections above the first locked threshold.

SCORING TRACE

How Enoch Mgiijima received 45.5/100

45.5 / 100

GRADE D+

Water and sanitation are assigned to Chris Hani District Municipality. Their ten operational tests were therefore marked not applicable, not failed. The twenty applicable service tests produced 10 raw points and were proportionally reweighted to **15.0/30**. Across the complete function-adjusted worksheet, the equivalent result was 28 standards met, 35 partly met and 37 not met, producing 45.5 points.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water and sanitation not applicable; applicable electricity, refuse, roads and asset tests produced 10.0/20 before proportional reweighting	15.0/30	Refuse and road work are visible, but electricity losses, landfill compliance and weak capital execution are serious.
Financial management	Audit 2.0; liquidity 1.0; collections 0.5; creditors 0.5; expenditure control 1.0	5.0/25	The audit remains qualified, the budget unfunded and payment pressure severe.
Governance	Leadership 2.5; planning 2.5; council and oversight 3.5	8.5/15	The institution functions, but acting or vacant technical leadership and unreliable performance evidence constrain delivery.
Integrity	Audit remediation 0.5; procurement and ethics 2.0; transparency 3.0	5.5/15	Frameworks exist, but repeat findings and an unresolved material irregularity prevent stronger awards.
Inclusion	Indigent support 4.5; participation 4.0; spatial and environmental inclusion 3.0	11.5/15	Ward and support systems are substantial, although unequal and environmental outcomes remain mixed.

The pillar arithmetic is $15.0 + 5.0 + 8.5 + 5.5 + 11.5 = 45.5$. No penalty was imposed for district functions and no deduction was made after scoring.

Delivery activity constrained by an unsustainable electricity and financial system

Enoch Mgijima includes Komani, Molteno, Sterkstroom, Tarkastad and dispersed rural settlements. Its direct responsibilities include electricity in its licensed area, refuse, local roads, stormwater, public facilities and planning. Our report therefore gives credit for work in those functions while separating them from water and sanitation operations legally assigned to the district.

Services and infrastructure - 15.0/30

The municipality sustained weekly refuse collection for more than 41 500 households, completed a landfill site in Ward 9, bladed approximately 292 kilometres of gravel road against a 60-kilometre target and advanced paving in several towns. An asset-management plan existed and capital resources were directed mainly to roads and electricity. These are substantive outputs and explain the positive refuse, roads and project awards.

The service system remains weak. Several landfill licences had expired, were absent or required closure and remediation. The municipality described its road condition as very poor, with extensive stormwater and facility backlogs. Capital execution was approximately 69%, below the first 75% threshold as per our methodology, while maintenance did not reach 8% of property, plant and equipment.

Electricity is the central failure. Approximately 53% of electricity purchased was unrecovered, worse than an already high previous level. The annual report recorded a prepaid collection measure of about 65%, continuing outages and incomplete substation and smart-meter programmes. The Auditor-General of South Africa issued a material irregularity linked to failure to safeguard electricity infrastructure. Continued distribution and some maintenance activity earn points; reliable restoration, controlled losses and proven network resilience do not.

Financial management and sustainability - 5.0/25

The municipality submitted its statements and received a qualified opinion, accounting for two audit points. Cash coverage improved to about 1.1 months, but the budget remained unfunded and the broader liquidity and in-year position were not sustainable. Our method recognises the cash improvement without presenting the municipality as financially secure.

Billing and creditor records receive partial credit, but collection remained below 80% as per our methodology and Eskom and supplier pressure prevented awards for statutory payment, current bulk accounts or absence of default. Problem expenditure was recorded; recurring findings, electricity losses and unresolved material irregularities prevented points for effective prevention and lawful resolution.

Governance, integrity and inclusion

A permanent municipal manager was in office and most other senior functions continued, but the chief financial officer and technical director were acting or vacant. Statutory plans were adopted and reported target achievement exceeded 60%. Because the Auditor-General found weaknesses in supporting evidence, the reliability and 80% performance points were not awarded. Council, 34 active ward committees, the Municipal Public Accounts Committee and the reporting cycle continued, although oversight effect and resolution tracking were only partly demonstrated.

Integrity earns 5.5/15. An audit-action plan, supply chain management rules, disclosure requirements and ethics mechanisms exist. Repeat findings and the electricity material irregularity were not matched by a documented, completed correction and consequence chain. Mandatory documents are public, while council, procurement, enquiry and data-consistency evidence is only partly accessible.

The municipality reviewed its indigent register and reported a funded support package with ward-based application assistance. All 34 ward committees were active and Integrated Development Plan and budget participation extended across the dispersed area. Roads and infrastructure work reached smaller towns and rural settlements. Partial awards reflect incomplete ward-level equality measurement, complaint tracking and evidence of completed environmental and livelihood outcomes.

Constitutional assessment and verdict

Enoch Mgijima's ward structures and indigent support advance sections 152(1)(a), 152(1)(e) and 153(a). Road, refuse and electrification activity advances sections 152(1)(b) and 152(1)(c), but extreme electricity losses, infrastructure vulnerability and low capital execution show that service sustainability is weak. The unfunded budget, payment pressure and repeat audit findings fall short of section 195(1)(b), 195(1)(f) and 195(1)(g). Dangerous electricity infrastructure and inadequately managed disposal risks also engage section 152(1)(d) and section 24. The district's water and sanitation duties remain constitutionally important to residents, but they are not misattributed to the local municipality.

The D+ grade recognises visible delivery and functioning democratic structures while recording severe financial and electricity weakness. The first priorities are to control electricity losses and theft, secure qualified technical leadership, fund the budget, improve collections and convert audit findings into completed correction. The trajectory is stable: recent activity has not yet produced a sufficiently broad improvement to outweigh the continuing structural risks.

KING SABATA DALINDYEBO LOCAL MUNICIPALITY

OVERALL SCORE

59.5

/ 100

GRADE C

A third unqualified audit opinion and positive operating cash flow support improvement, but weak liquidity, low capital execution and infrastructure vandalism keep the result at C.

PROVINCE

Eastern Cape

CODE

EC157

PRINCIPAL CENTRE

Mthatha

CURRENT LEADER

Executive Mayor Mkhanyiseli Dudumayo

DISTRICT

O. R. Tambo District Municipality

CATEGORY

Category B2 large-town local municipality

476 558, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

16.5

/30

Direct services continue, but theft, uneven reliability and capital execution of about 55% limit resilience.

Financial management

14.5

/25

A sustained unqualified opinion and positive cash flow coexist with a current ratio below one and growing debtors.

Governance

11.0

/15

Formal governance is functional, but implementation and control gaps remain.

Integrity

8.0

/15

Audit improvement is meaningful; procurement correction and consequences are incomplete.

Inclusion

9.5

/15

Programmes reach a large rural population, but local service and opportunity gaps remain uneven.

WHAT WORKS

Council, audit, risk and Municipal Public Accounts Committee structures functioned, the Integrated Development Plan was assessed and performance information was audited.

WHAT IS GOING WRONG

The municipality's directly assigned functions include electricity in its licensed area, refuse, local roads, stormwater, public facilities and planning.

FIX FIRST

First priority: Stabilise water supply, reduce losses and prove sustained network renewal.

SCORING TRACE

How King Sabata Dalindyebo received 59.5/100

59.5 / 100

GRADE C

Water and sanitation are operational responsibilities of O. R. Tambo District Municipality. Those tests were marked not applicable and the remaining service tests were proportionally reweighted. The equivalent 100-point worksheet met 44 standards, partly met 31 and did not meet 25:

Result	Equivalent tests	Calculation	Points
Standard met	44	44×1	44.0
Standard partly met	31	31×0.5	15.5
Standard not met	25	25×0	0.0
Final result	100		59.5/100

The pillar arithmetic is $16.5 + 14.5 + 11.0 + 8.0 + 9.5 = 59.5$. No point was removed for a function belonging to the district and the grade table converts 59.5 automatically to C.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water and sanitation not applicable; electricity, refuse, roads, facilities and asset tests proportionally reweighted	16.5/30	Direct services continue, but theft, uneven reliability and capital execution of about 55% limit resilience.
Financial management	Audit 3.0; liquidity 3.0; collections 3.0; creditors 3.0; expenditure control 2.5	14.5/25	A sustained unqualified opinion and positive cash flow coexist with a current ratio below one and growing debtors.
Governance	Leadership 3.5; planning 3.5; council and oversight 4.0	11.0/15	Formal governance is functional, but implementation and control gaps remain.
Integrity	Audit remediation 2.5; procurement and ethics 2.5; transparency 3.0	8.0/15	Audit improvement is meaningful; procurement correction and consequences are incomplete.
Inclusion	Indigent support 3.5; participation 3.0; spatial and environmental inclusion 3.0	9.5/15	Programmes reach a large rural population, but local service and opportunity gaps remain uneven.

A regional centre beginning to recover, but not yet financially secure

King Sabata Dalindyebo combines Mthatha and Mganduli with extensive rural settlements and traditional-authority areas. It is the principal urban and economic centre of the O. R. Tambo region, carrying the demands of a regional transport, retail, education and public-service hub while serving communities with deep infrastructure and livelihood backlogs. That combination gives the municipality substantial economic importance and unusually difficult local roads, waste, electricity and spatial-planning responsibilities.

Services and infrastructure - 16.5/30

The score covers the municipality's own electricity network where licensed, refuse removal, local roads, stormwater, public facilities, planning and asset management. Water treatment, bulk supply, sanitation and wastewater operations are not attributed to the local municipality merely because residents experience them within its boundaries. The municipality must still coordinate lawfully with the district, but the district's exclusive operating tests are excluded.

The annual report records continued delivery in directly assigned functions and identifies vandalism and theft of electricity infrastructure as major causes of outages and cost. That evidence supports points for continued distribution and remedial activity, but not full awards for stable reliability, controlled losses, preventive maintenance and network safety. Refuse, roads and stormwater programmes also function, yet the evidence of uniformly reliable collection, preventive road maintenance and measured backlog reduction is mixed.

Capital expenditure was approximately R121.4 million against an adjusted R220.5 million - about 55%. It therefore failed the first 75% threshold as per our methodology. Asset and project systems receive partial credit, but low execution and incomplete proof that finished projects produced functioning, resilient assets prevent stronger awards. The service score is thus neither a penalty for district failures nor an endorsement of local conditions; it is a function-adjusted judgment on what the local institution controls.

Financial management and sustainability - 14.5/25

King Sabata Dalindyebo received a third consecutive unqualified audit opinion. That sustained result supports three audit points and signals a financial reporting system more credible than that of many comparable municipalities. Cash increased to approximately R67.5 million and operating cash flow remained positive at about R179.9 million.

Liquidity is not yet secure. Current assets of approximately R728.9 million remained below current liabilities of about R770.5 million, leaving the current ratio below one. Growing debtors and incomplete collection evidence prevent the higher revenue points, while irregular expenditure of about R6.1 million and continuing procurement findings limit expenditure-control awards. The municipality receives credit for a credible audit and cash generation; it is not treated as financially resilient until short-term assets, collections and control correction improve.

Governance, integrity and inclusion

Council, audit, risk and Municipal Public Accounts Committee structures functioned. The Integrated Development Plan was assessed, statutory reporting occurred and performance information was audited. Leadership changes after the reporting period are recorded neutrally: the current mayor is not made personally responsible for the entire assessment period. Governance loses points where low capital implementation and control findings show that formal processes did not consistently translate into execution.

The unqualified audit and accessible annual report improve accountability, but they do not automatically resolve integrity questions. Procurement findings, irregular expenditure and incomplete evidence of recovery, discipline and completed audit-action measures hold integrity to 8.0/15. Public reporting attracts credit; fuller council, contract and consequence-management disclosure ^{would be required for methodology} for the upper band as per our methodology.

Indigent relief, electrification, local roads, refuse services and economic-development programmes operate across a municipality with deep rural poverty and rapid informal growth. These measures advance inclusion. The deductions reflect uneven refuse reach, settlement functionality, service-request tracking and measurable local-development outcomes. District water and sanitation conditions remain central to residents' lives, but their operating results are not double-counted against King Sabata Dalindyebo.

Constitutional assessment and verdict

The sustained unqualified audit, functioning council structures and public reporting advance sections 152(1)(a) and 195(1)(f) and 195(1)(g). Direct-service programmes and investment advance sections 152(1)(b), 152(1)(c) and 153(a). Low capital execution, a current ratio below one and incomplete correction fall short of section 195(1)(b)'s effective and economic use of resources. Infrastructure theft, uneven waste and road conditions and environmental-health risks remain relevant to sections 152(1)(d) and 24. Rural and settlement disparities engage sections 9 and 10 and require the municipality to demonstrate that planning and capital decisions advance substantive inclusion.

The C grade captures credible institutional improvement without overstating it. The audit record and operating cash flow are real strengths; liquidity, project execution, infrastructure security and unequal services remain material constraints. The trajectory is improving because the sustained audit result and positive cash generation provide a firmer base than before. The next step is to convert that base into higher capital completion, safer electricity infrastructure, stronger collections and verifiable ward-level outcomes.

MBHASHE LOCAL MUNICIPALITY

OVERALL SCORE

71.0

/ 100

GRADE B

An unqualified audit opinion, exceptional liquidity and improving performance support a B, while rural service reach and function-adjusted comparability remain important limits.

PROVINCE

Eastern Cape

CODE

EC121

PRINCIPAL CENTRE

Dutywa, also known as Idutywa

CURRENT LEADER

Mayor Samkelo Nicholas Janda

DISTRICT

Amathole District Municipality

CATEGORY

Category B4 predominantly rural local municipality

POPULATION

240 020, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

18.0

/30

Local road, refuse and project activity is visible, but reach and completion remain uneven across a dispersed area.

Financial management

20.0

/25

An unqualified opinion and very strong liquidity support the result; grant dependence and residual control issues prevent full marks.

Governance

12.0

/15

Reporting and oversight are credible, although rural project monitoring and capacity constraints persist.

Integrity

10.0

/15

Assurance is sound, but procurement, consequences and contract disclosure are not fully evidenced.

Inclusion

11.0

/15

Programmes target rural need, but severe access gaps require sustained local and district coordination.

WHAT WORKS

A complete audited annual report, functional oversight committees and credible performance reporting support a strong governance score.

WHAT IS GOING WRONG

The local assessment focuses on roads, refuse, stormwater, facilities, planning and coordination.

FIX FIRST

First priority: Stabilise water supply, reduce losses and prove sustained network renewal.

SCORING TRACE

How Mbhashe received 71.0/100

71.0 / 100

GRADE B

Amathole District Municipality performs water and sanitation functions, while Eskom performs most exclusive electricity-network duties. More than 40% of the service tests were therefore marked not applicable. The remaining local tests - principally refuse, roads, stormwater, public facilities, assets, planning and retained coordination or free-basic-service duties - produced 60% of the available raw points and were proportionally reweighted to **18.0/30**.

After that lawful adjustment, the equivalent overall worksheet met 54 standards, partly met 34 and did not meet 12, producing 71.0 points. The pillar arithmetic is **18.0 + 20.0 + 12.0 + 10.0 + 11.0 = 71.0**.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Function-adjusted applicable service tests produced 60% of available raw points	18.0/30	Local road, refuse and project activity is visible, but reach and completion remain uneven across a dispersed area.
Financial management	Audit 4.0; liquidity 4.0; collections 4.0; creditors 4.0; expenditure control 4.0	20.0/25	An unqualified opinion and very strong liquidity support the result; grant dependence and residual control issues prevent full marks.
Governance	Leadership 3.5; planning 4.0; council and oversight 4.5	12.0/15	Reporting and oversight are credible, although rural project monitoring and capacity constraints persist.
Integrity	Audit remediation 3.5; procurement and ethics 3.0; transparency 3.5	10.0/15	Assurance is sound, but procurement, consequences and contract disclosure are not fully evidenced.
Inclusion	Indigent support 4.0; participation 3.5; spatial and environmental inclusion 3.5	11.0/15	Programmes target rural need, but severe access gaps require sustained local and district coordination.

A capable local administration in a difficult rural division of functions

Mbhashe covers Dutywa, Willowvale, Elliotdale and a large, dispersed traditional-authority area. Its residents experience serious water, sanitation, road and livelihood constraints, but the constitutional allocation of functions matters to fair scoring. Mbhashe cannot be awarded or denied points for treatment plants and networks legally operated by Amathole District Municipality or Eskom. It is assessed on its own functions and on the coordination duties it lawfully retains.

Services and infrastructure - 18.0/30

The audited annual report records active road, refuse, stormwater, public-facility and capital programmes. The local administration plans projects, deploys grants and continues basic operations across long service distances. These features justify a service score above the midpoint. Census 2022 nevertheless confirms major historical access gaps, while the municipal evidence shows uneven refuse reach, road maintenance, project completion and rural response.

The 18.0/30 result should therefore be read carefully. It means Mbhashe earned 60% of the available points, as per our methodology for functions it performs; it does not mean that residents enjoy 60% of every basic service. Water and sanitation outcomes remain part of the community's lived constitutional reality and should be assessed against the district, while Mbhashe must still plan settlements, coordinate projects, support indigent registration and use its intergovernmental role effectively.

Financial management and sustainability - 20.0/25

Mbhashe retained an unqualified audit opinion for 2024/25. Reported current assets of approximately R499.4 million substantially exceeded current liabilities of about R19.7 million, while cash stood at approximately R72.1 million. The resulting liquidity and surplus position provides a substantial buffer and supports strong budget, cash and payment-discipline awards.

The score stops at 20.0 as per ^{methodology} our methodology because a strong balance sheet does not erase grant dependence, audit corrections, collection limitations and residual expenditure-control matters. Rural municipalities with narrow own-revenue bases must distinguish cash held for specific grants from unrestricted operational resilience. Mbhashe receives strong credit for the position shown in the audited record, while the final points are withheld where sustained own-revenue performance and complete control closure are not demonstrated.

Governance, integrity and inclusion

A complete audited annual report, functioning oversight committees and credible selected-performance reporting support 12.0/15 for governance. Council and the Municipal Public Accounts Committee operate and statutory reporting is completed. The deductions concern vacancy or capacity pressure and the difficulty of monitoring projects across a wide rural area. Administrative form is not enough; implementation must remain visible at the project and ward level.

Integrity scores 10.0/15. The unqualified opinion and absence of material findings on selected performance information are important strengths. Points are withheld because procurement correction, consequence management, detailed contract disclosure and the closure of every residual control issue are not fully demonstrated in the evidence pack. This is a conservative reading of a favourable record.

Mbhashe's rural roads, refuse, public facilities, indigent support and local economic programmes operate in a high-poverty, high-dependency context. The inclusion score recognises targeted reach and community structures, while withholding full points for feedback, complaint tracking, spatial outcomes and the persistence of severe household service gaps. Those district-level gaps are not charged to Mbhashe as operational failures, but the municipality's planning and coordination cannot be indifferent to them.

Constitutional assessment and verdict

Mbhashe's audited administration, oversight processes and targeted programmes advance sections 152(1)(a), 152(1)(c), 152(1)(e), 153(a) and section 195's accountability and transparency standards. Its strong liquidity supports section 195(1)(b). Uneven road, refuse and rural project outcomes show that the sustainable-service objective in section 152(1)(b) remains incomplete. The scale of rural poverty and household service disparity engages sections 9 and 10, while section 41's cooperative-government duties are particularly important because water, sanitation and electricity responsibilities are divided among institutions.

The B grade is a judgment on the functions Mbhashe controls, not a declaration that the municipality's residents receive uniformly strong local government. The trajectory is improving because audit, liquidity and reporting evidence strengthened. Progress now depends on converting financial capacity into completed rural assets, wider refuse and road reach, stronger public feedback and more effective coordination with Amathole District Municipality and Eskom.

MATATIELE LOCAL MUNICIPALITY

OVERALL SCORE

65.8

/ 100

GRADE B-

Strong cash, liquidity and capital investment offset a qualified audit opinion and uneven rural project and control outcomes.

PROVINCE

Eastern Cape

CODE

EC441

PRINCIPAL CENTRE

Matatiele

CURRENT LEADER

Mayor Patrick Stuurman

DISTRICT

Alfred Nzo District Municipality

CATEGORY

Category B3 small-town local municipality

225 562, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

15.8 /30

Local investment continues, but electricity, refuse and rural road outcomes are uneven.

Financial management

18.5 /25

Strong liquidity and a surplus are offset by a qualified audit and residual control weaknesses.

Governance

11.5 /15

Permanent leadership and statutory processes are credible, but target and project implementation are not uniformly strong.

Integrity

9.0 /15

Reporting is public, while qualification, procurement and completed-consequence matters remain.

Inclusion

11.0 /15

Rural and vulnerable communities receive support and investment, but settlement backlogs remain extensive.

WHAT WORKS

The municipality received a qualified opinion, which caps the audit component below an unqualified or clean result.

WHAT IS GOING WRONG

Local functions include electricity in the municipal area, refuse, roads, stormwater, facilities and planning.

FIX FIRST

First priority: Reduce electricity losses and fund reliable, safe network maintenance.

SCORING TRACE

How Matatiele received 65.8/100

65.8 / 100

GRADE B-

Alfred Nzo District Municipality holds the operational water and sanitation functions. Those ten tests were marked not applicable. The remaining twenty service tests produced 10.5 raw points; proportional reweighting gives 15.75 out of 30, reported to one decimal place as **15.8/30**.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water and sanitation not applicable; 10.5/20 across electricity, refuse, roads, facilities, assets and capital, proportionally reweighted	15.8/30	Local investment continues, but electricity, refuse and rural road outcomes are uneven.
Financial management	Audit 4.0; liquidity 4.0; collections 3.5; creditors 3.5; expenditure control 3.5	18.5/25	Strong liquidity and a surplus are offset by a qualified audit and residual control weaknesses.
Governance	Leadership 4.0; planning 3.5; council and oversight 4.0	11.5/15	Permanent leadership and statutory processes are credible, but target and project implementation are not uniformly strong.
Integrity	Audit remediation 3.0; procurement and ethics 2.5; transparency 3.5	9.0/15	Reporting is public, while qualification, procurement and completed-consequence matters remain.
Inclusion	Indigent support 4.0; participation 3.5; spatial and environmental inclusion 3.5	11.0/15	Rural and vulnerable communities receive support and investment, but settlement backlogs remain extensive.

The five pillar totals produce $15.8 + 18.5 + 11.5 + 9.0 + 11.0 = 65.8$. No further adjustment was made; 65.8 converts automatically to B-.

Financial resilience supporting, but not yet transforming, rural delivery

Matatiele is a rural service centre on the borders of KwaZulu-Natal and Lesotho, serving a large population spread across towns, villages and traditional settlements. Distance, terrain, poverty and a divided allocation of functions make project planning and community access demanding. The municipality has built a comparatively strong cash position and continues capital work. Its principal challenge is to turn that financial capacity into consistent, completed and maintained rural outcomes.

Services and infrastructure - 15.8/30

The local score covers electricity in the municipal area, refuse removal, roads, stormwater, public facilities, planning and asset management. Audited additions to work in progress were approximately R112.0 million and electricity, road and community projects continued. Those investments earn credit for implementation and asset activity.

The deductions concern reliability, reach and completion. Rural road and refuse services remain uneven; electricity losses, maintenance and safety require stronger evidence; and project expenditure does not always demonstrate that a completed asset is functioning as intended. The raw result of 10.5 points from twenty applicable service tests as per our methodology reflects this mixed picture. Low household water and sanitation access remains constitutionally serious, but treatment and network operations are assessed against Alfred Nzo District Municipality rather than assigned incorrectly to Matatiele.

Financial management and sustainability - 18.5/25

Current assets were approximately R398.0 million against current liabilities of R157.6 million. Cash stood at about R269.9 million and the year ended with a surplus of approximately R74.3 million. These measures support strong budget, liquidity and payment-discipline awards.

The municipality received a qualified audit opinion, so it cannot obtain the unqualified or clean-audit points. Procurement, reporting and problem-expenditure controls also prevented a higher score. The result is financially favourable but not institutionally complete: cash provides room to act, while the qualification shows that parts of the reporting and control environment still require correction.

Governance, integrity and inclusion

Permanent senior leadership, council committees and a completed annual-report cycle support 11.5/15 for governance. The mayoral transition during 2024/25 is recorded without being treated as institutional failure. Deductions arise instead from uneven target completion, project follow-through and matters underlying the audit qualification.

Integrity earns 9.0/15. The audit report and core financial material are public and formal remediation, supply chain management and ethics systems operate. The qualification, procurement compliance concerns and incomplete proof of investigation, recovery and disciplinary consequences prevent upper-band awards. Transparency receives stronger credit than consequence management because publication is more clearly established than closure.

Rural roads, electrification, refuse, social programmes and indigent support are central to Matatiele's inclusion score. Community participation and complaint channels operate, although feedback, response tracking and settlement-level outcomes are not comprehensively demonstrated. Severe poverty and

dispersed backlogs require close coordination with the district; they explain the difficulty of delivery but do not lower the constitutional standard.

Constitutional assessment and verdict

Matatiele's participation, indigent support and rural investment advance [sections 152\(1\)\(c\), 152\(1\)\(e\) and 153\(a\)](#). Strong cash and a functioning administration support [section 195\(1\)\(b\), 195\(1\)\(f\) and 195\(1\)\(g\)](#), while the qualified opinion and residual procurement concerns show incomplete compliance with those standards. Uneven roads, refuse and electricity outcomes limit fulfilment of [section 152\(1\)\(b\)](#). [Sections 9 and 10](#) require attention to the unequal effect of distance, poverty and disability on access. [Section 41's cooperative-government obligations](#) are central where Alfred Nzo District Municipality performs water and sanitation functions.

The B- grade records financial resilience and functional governance, tempered by a qualified audit and uneven rural results. The trajectory is stable: the cash and investment base remains sound, but the evidence does not yet show a broad, sustained improvement in delivery and control. The priorities are to clear the audit qualification, reduce electricity losses, complete and verify capital projects, strengthen maintenance and demonstrate wider rural service reach.

MUNICIPAL PROFILES

FREE STATE

5 municipalities assessed

The provincial metro and four local municipalities covering regional agriculture and tourism, industry, mining decline and one of the country’s most acute municipal distress cases.



MUNICIPALITIES IN THIS SECTION

MANGAUNG

MALUTI-A-PHOFUNG

DIHLABENG

MATJHABENG

METSIMAHOLO

MANGAUNG METROPOLITAN MUNICIPALITY

OVERALL SCORE

43.0

/ 100

GRADE D

A restored senior leadership structure and functioning participatory machinery have not yet released Mangaung from severe financial and infrastructure distress.

PROVINCE

Free State

CODE

MAN

PRINCIPAL CENTRE

Bloemfontein

CURRENT LEADER

Executive Mayor Gregory Nthatsi

DISTRICT

No district (metropolitan municipality)

CATEGORY

Category A metropolitan municipality

POPULATION

811 431, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

12.0 /30

Core services continue, but wastewater, losses, maintenance and capital delivery are weak.

Financial management

5.5 /25

An unfunded position, negligible cash and large overdue bulk debt dominate the result.

Governance

10.5 /15

Senior structures have been rebuilt, but intervention and weak implementation continue.

Integrity

6.5 /15

Recovery frameworks exist, but repeat findings and incomplete consequences remain.

Inclusion

8.5 /15

Participation remains active; indigent reach and measured inclusive outcomes are weak.

WHAT WORKS

The municipal manager, chief financial officer and section 56 structure were substantially filled, but intervention, vacancy pressure and political-administrative friction still disrupted execution.

WHAT IS GOING WRONG

The budget and in-year position were unfunded, the current ratio was about 1.04 and cash coverage about 0.1 months, failing all five tests.

FIX FIRST

First priority: Protect maintenance, complete priority capital work and prove that finished assets function.

SCORING TRACE

How Mangaung received 43.0/100

43.0 / 100

GRADE D

Result	Tests	Calculation	Points
Standard met	20	20×1	20.0
Standard partly met	46	46×0.5	23.0
Standard not met	34	34×0	0.0
Final result	100		43.0/100

The pillar arithmetic is $12.0 + 5.5 + 10.5 + 6.5 + 8.5 = 43.0$. No post-scoring adjustment was made; the grade table converts 43.0 automatically to D.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 2.5; sanitation 1.5; electricity 2.5; refuse 2.0; roads and facilities 2.5; assets and capital 1.0	12.0/30	Core services continue, but wastewater, losses, maintenance and capital delivery are weak.
Financial management	Audit 2.0; liquidity 0.0; collections 1.5; creditors 0.5; expenditure control 1.5	5.5/25	An unfunded position, negligible cash and large overdue bulk debt dominate the result.
Governance	Leadership 4.0; planning 3.0; council and oversight 3.5	10.5/15	Senior structures have been rebuilt, but intervention and weak implementation continue.
Integrity	Audit remediation 1.5; procurement and ethics 2.0; transparency 3.0	6.5/15	Recovery frameworks exist, but repeat findings and incomplete consequences remain.
Inclusion	Indigent support 3.0; participation 4.0; spatial and environmental inclusion 1.5	8.5/15	Participation remains active; indigent reach and measured inclusive outcomes are weak.

A functioning metro still governed by the terms of recovery

Mangaung spans Bloemfontein, Botshabelo, Thaba Nchu, Dewetsdorp, Wepener and Van Stadensrus. It combines a provincial capital and economic centre with large township, rural and small-town communities. Its problem is not the total absence of service or administration. It is that core systems continue from a base of financial distress, under-maintained infrastructure and prolonged intervention.

Services and infrastructure - 12.0/30

Water, electricity and refuse systems remain operational, road and stormwater programmes continue and some remedial projects reach townships and outlying towns. These activities, together with substantial household access, prevent a finding of total service collapse.

Reliability and sustainability are weak. Water losses and interruptions remain material; electricity losses and outages are not controlled; waste collection and disposal face fleet, licensing and illegal-dumping pressure; and roads and facilities are maintained predominantly against backlogs. Capital execution was approximately 61%, below the 75% threshold as per our methodology, while repairs and maintenance were around 2% of property, plant and equipment.

Wastewater is particularly serious. The Department of Water and Sanitation scored Mangaung at 43%, classified as poor. Dewetsdorp and Thaba Nchu were critical, while major works including North East, Sterkwater and Welvaart were overloaded or non-compliant. The Auditor-General also identified failures to safeguard treatment works and environmental licensing weaknesses. Access and limited remedial activity earn points; compliant treatment, reduced risk and completed functioning remediation do not.

Financial management and sustainability - 5.5/25

The municipality submitted annual financial statements, but the audit opinion regressed to qualified. The Auditor-General described a going-concern pattern extending over nine years and identified Mangaung among the most financially distressed municipalities. The budget and in-year position were unfunded, the current ratio was about 1.04 and cash coverage approximately 0.1 months. All five liquidity tests therefore failed as per our methodology.

A reported collection rate of about 81.4% earned the first 80% threshold point as per our methodology. The quality of the debt book was much worse: approximately 84% of receivables were assessed as uncollectable. Creditor payment averaged about 165 days, while overdue exposure included roughly R642 million owed to the water board and R1.60 billion to Eskom. Approximately R1.36 billion in unauthorised expenditure and R324 million in irregular expenditure were recorded, but prevention, correction and completed lawful resolution were not established.

Governance, integrity and inclusion

Mangaung rebuilt much of its senior structure. The municipal manager, chief financial officer and senior managers appointed under section 56 of the Municipal Systems Act of 2000 were substantially in place. Statutory plans were adopted and more than 60% of targets were reported achieved. These facts explain why governance scores substantially better than finance.

The administration remains constrained by intervention, vacancy pressure, political-administrative friction and weaknesses in performance evidence, internal audit, Municipal Public Accounts Committee effectiveness and resolution tracking. A filled structure earns credit only where it supports implementation.

Integrity scores 6.5/15. A financial recovery plan and audit-action framework exist, but the relevant recovery phase was only about 58% implemented. Repeat findings, procurement failures and unresolved problem expenditure did not demonstrate timely investigation and completed consequences. Major reports are public; council, procurement, complaint and data-consistency records are less complete.

Ward and public-participation machinery continues across the metro and some township and infrastructure programmes advance inclusion. The indigent framework exists, but only about 41% of identified households received roughly 45% of the available allocation. Spatial separation between Bloemfontein, Botshabelo, Thaba Nchu and smaller towns compounds inequality, while wastewater risks burden communities with fewer alternatives.

Constitutional assessment and verdict

Mangaung's functioning council, consultation and senior structure advance sections 152(1)(a), 152(1)(e) and aspects of section 195. Continuing services and township investment partly advance sections 152(1)(b), 152(1)(c) and 153(a). The unfunded budget, negligible cash, prolonged creditor payment and large overdue bulk accounts fall sharply short of section 195(1)(b) and the section 153(a) duty to align administration, budgeting and planning with basic needs. Poor wastewater, disposal and environmental control engage sections 152(1)(d) and 24. Uneven indigent reach and spatial service disparities remain relevant to sections 9 and 10.

The D grade records a metro that remains operational but whose recovery is not yet financially or infrastructurally secure. The trajectory is deteriorating because financial and environmental pressures outweighed leadership reconstruction. The first priorities are to fund and cash-back the budget, stabilise bulk payments, improve collectable revenue, restore wastewater compliance, protect maintenance and complete priority capital work that can be shown to function.

DIHLABENG LOCAL MUNICIPALITY

OVERALL SCORE

46.0

/ 100

GRADE D+

A genuine audit and leadership improvement is visible, but it begins from a base of critical wastewater risk, severe arrears and almost no liquidity buffer.

PROVINCE

Free State

CODE

FS192

PRINCIPAL CENTRE

Bethlehem

CURRENT LEADER

Executive Mayor Tseki Tseki

DISTRICT

Thabo Mofutsanyana District Municipality

CATEGORY

Category B2 large-town local municipality

POPULATION

130 434, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

13.0

/30

Service activity continues, but wastewater, losses, maintenance and backlogs are severe.

Financial management

8.0

/25

A major audit improvement is outweighed by weak liquidity and very large creditor and bulk debt.

Governance

9.0

/15

Permanent leadership provides a centre of responsibility, while performance evidence remains unreliable.

Integrity

7.5

/15

Remediation is visible, but consequences and public evidence are incomplete.

Inclusion

8.5

/15

Participation functions, but environmental and settlement outcomes remain weak.

WHAT WORKS

The municipality improved from seven years of qualified opinions to an unqualified opinion with findings; the verified improvement earns the fifth point but not a clean-audit point.

WHAT IS GOING WRONG

The assessment-period budget was not sustainably funded, the current ratio was about 0.36 and unrestricted cash of about R31.9 million was below one month.

FIX FIRST

First priority: Restore safe wastewater treatment and complete verified remediation.

SCORING TRACE

How Dihlabeng received 46.0/100

46.0 / 100

GRADE D+

Result	Tests	Calculation	Points
Standard met	18	18×1	18.0
Standard partly met	56	56×0.5	28.0
Standard not met	26	26×0	0.0
Final result	100		46.0/100

The pillar arithmetic is $13.0 + 8.0 + 9.0 + 7.5 + 8.5 = 46.0$. The grade table converts the score automatically to D+.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 2.0; sanitation 1.5; electricity 2.5; refuse 2.5; roads and facilities 2.5; assets and capital 2.0	13.0/30	Service activity continues, but wastewater, losses, maintenance and backlogs are severe.
Financial management	Audit 4.0; liquidity 0.0; collections 0.5; creditors 0.5; expenditure control 3.0	8.0/25	A major audit improvement is outweighed by weak liquidity and very large creditor and bulk debt.
Governance	Leadership 3.5; planning 2.0; council and oversight 3.5	9.0/15	Permanent leadership provides a centre of responsibility, while performance evidence remains unreliable.
Integrity	Audit remediation 3.0; procurement and ethics 2.0; transparency 2.5	7.5/15	Remediation is visible, but consequences and public evidence are incomplete.
Inclusion	Indigent support 3.0; participation 4.0; spatial and environmental inclusion 1.5	8.5/15	Participation functions, but environmental and settlement outcomes remain weak.

A recovery that deserves recognition, but not yet confidence

Dihlabeng serves Bethlehem, Clarens, Fouriesburg, Paul Roux and Rosendal, combining a regional service centre, tourism, agriculture and smaller settlements. Its 2024/25 record contains a meaningful institutional improvement: the audit opinion moved from seven consecutive qualified opinions to an unqualified opinion with findings, supported by permanent senior leadership. That progress is real. It does not erase a deeply distressed cash position or unsafe wastewater systems.

Services and infrastructure - 13.0/30

The municipality continues to provide water, electricity, refuse, roads and community services. Capital and grant projects cleared the first 75% execution threshold as per our methodology and documented road, electrical and facility work earns partial awards. Access, some potable-water evidence and treatment monitoring also generate points.

The service base is not secure. Water and electricity losses remain material, road and stormwater maintenance is backlog-driven and repairs and maintenance did not reach 8% of property, plant and equipment. The Department of Water and Sanitation scored Dihlabeng at 34%, classified as poor, with four systems in the critical range. Monitoring and remedial projects receive limited credit; effective sewer conveyance, compliant treatment and demonstrably completed risk reduction do not.

Financial management and sustainability - 8.0/25

The movement to an unqualified audit opinion with findings accounts for four of the five audit points: timely submission, a non-adverse opinion, an unqualified result and verified improvement. Dihlabeng does not receive the clean-audit point. This is an important distinction. The audit improvement shows that the statements are now materially more credible; it does not prove that the municipality is liquid or sustainable.

The assessment-period budget was not sustainably funded. The current ratio was about 0.36, unrestricted cash of approximately R31.9 million covered less than one month and debtor days were around 865. Creditors were approximately R1.57 billion, including about R1.29 billion owed to Eskom. The liquidity tests therefore fail, while billing and creditor records receive only partial credit.

Problem expenditure was recorded and the audit movement supports some correction credit. Approximately R233 million in unauthorised expenditure, R165 million in irregular expenditure and R53 million in fruitless and wasteful expenditure still required prevention, investigation and lawful closure. Recording is necessary; it is not the same as resolution.

Governance, integrity and inclusion

Permanent municipal-manager and chief-financial-officer appointments helped establish a clearer centre of responsibility and contributed to the audit improvement. Statutory plans, council and annual-report processes continued. Technical gaps, accumulated instability and significant discrepancies in reported performance evidence prevent the reliability and higher target-achievement points.

Integrity scores 7.5/15 because the audit improvement demonstrates that some remediation worked and repeat financial-reporting failures declined. The method separates that success from consequence management. Investigations, recovery and discipline concerning unauthorised, irregular, fruitless and

wasteful expenditure were not fully completed. Formal supply chain management and ethics systems exist, but compliance findings remain. Core information is available, although the public evidence trail is not consistently complete across council, procurement, complaints and performance.

Free basic services, ward structures and geographically accessible consultation continue. Township, rural and local-development projects receive some credit. Indigent-register currency, funded reach, geographic equality and accessible channels are only partly demonstrated. Critical wastewater risk sharply reduces the environmental-justice result because vulnerable communities bear the greatest cost of failed treatment and polluted surroundings.

Constitutional assessment and verdict

The improved audit, permanent leadership and continued participation advance sections 152(1)(a), 152(1)(e) and section 195's accountability requirements. Service and development projects partly advance sections 152(1)(b), 152(1)(c) and 153(a). The current ratio, cash shortage, extreme debtor period and Eskom arrears fall short of section 195(1)(b)'s effective and economic use of resources. Critical wastewater systems fall short of section 152(1)(d), engage section 24 and undermine the dignity protected by section 10. Uneven indigent and settlement outcomes remain relevant to section 9.

The D+ grade captures the tension accurately: present performance is weak, but the direction of some core institutions is positive. The trajectory is improving because the audit opinion and senior leadership changed materially. A move into the C range requires that Dihlabeng convert better reporting into a funded cash position, current bulk payments, reliable performance information, safe wastewater and demonstrably stronger maintenance.

METSIMAHOLO LOCAL MUNICIPALITY

OVERALL SCORE

45.5
/ 100

GRADE D+

Metsimaholo retains a workable administrative core and has reduced some financial-control exposures, but low collections, bulk-service arrears and serious pollution failures leave it financially and constitutionally fragile.

PROVINCE

Free State

CODE

FS204

PRINCIPAL CENTRE

Sasolburg

CURRENT LEADER

Executive Mayor Jack Malindi

DISTRICT

Fezile Dabi District Municipality

CATEGORY

Category B2 large-town local municipality

POPULATION

158 391, Statistics South Africa Census 2022

POLITICAL CONTROL

African Independent Congress-led coalition administration

Services and infrastructure

12.0 /30

Core services continue, but wastewater, waste compliance, maintenance and capital execution are materially weak.

Financial management

9.0 /25

Some expenditure exposures declined, but weak cash, 61.9% collections and bulk arrears undermine sustainability.

Governance

9.5 /15

Permanent top officials and functioning plans provide a base, although oversight and implementation remain uneven.

Integrity

5.5 /15

Formal controls exist, but repeated findings and incomplete consequence processes remain unresolved.

Inclusion

9.5 /15

Social support is comparatively strong; environmental justice and measured inclusive outcomes are not.

WHAT WORKS

A reviewed indigent programme, funded services and access channels are established; ward-level inequality measurement remains incomplete.

WHAT IS GOING WRONG

Deneysville and Oranjeville were critical and material pollution concerns persisted; projects warrant limited credit but not compliance or risk-management points.

FIX FIRST

First priority: Restore safe wastewater treatment and complete verified remediation.

SCORING TRACE

How Metsimaholo received 45.5/100

45.5 / 100

GRADE D+

Metsimaholo was assessed against the same 100 tests used for every municipality. It met 19 standards, partly met 53 and did not meet 28. A full award counted one point and a partial award half a point:

Result	Tests	Calculation	Points
Standard met	19	19×1	19.0
Standard partly met	53	53×0.5	26.5
Standard not met	28	28×0	0.0
Final result	100		45.5/100

The pillar scores reconcile directly: $12.0 + 9.0 + 9.5 + 5.5 + 9.5 = 45.5$. No deduction or editorial adjustment was made afterwards. The published grade table automatically converts 45.5 into a D+.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 2.5; sanitation 1.0; electricity 3.0; refuse 2.0; roads and facilities 2.5; assets and capital 1.0	12.0/30	Core services continue, but wastewater, waste compliance, maintenance and capital execution are materially weak.
Financial management	Audit 2.0; liquidity 1.5; collections 1.0; creditors 1.0; expenditure control 3.5	9.0/25	Some expenditure exposures declined, but weak cash, 61.9% collections and bulk arrears undermine sustainability.
Governance	Leadership 3.5; planning 3.0; council and oversight 3.0	9.5/15	Permanent top officials and functioning plans provide a base, although oversight and implementation remain uneven.
Integrity	Audit remediation 1.0; procurement and ethics 2.0; transparency 2.5	5.5/15	Formal controls exist, but repeated findings and incomplete consequence processes remain unresolved.
Inclusion	Indigent support 4.5; participation 3.5; spatial and environmental inclusion 1.5	9.5/15	Social support is comparatively strong; environmental justice and measured inclusive outcomes are not.

An operating core without a secure foundation

Metsimaholo joins Sasolburg and Zamdela with Deneysville, Oranjeville, Refengkgotso and surrounding agricultural and industrial areas. Sasolburg's petrochemical economy gives the municipality a stronger revenue base than many Free State councils, but it also creates demanding environmental, infrastructure and regulatory responsibilities. The municipality has not ceased to function. Water, electricity, refuse, roads and public facilities continue to operate, permanent senior leadership is substantially in place and parts of the financial-control record improved. The central question is whether those systems are becoming more reliable and sustainable. The evidence supports only a qualified answer.

Services and infrastructure - 12.0/30

Water provision continues and losses of about 31% are at least measured. Electricity losses improved to roughly 25%, while distribution, electrification and metering work continued. Those facts explain the baseline and partial awards: the municipality is performing the assigned functions and can identify important weaknesses. They do not satisfy the separate tests, as per our methodology, requiring reliable continuity, controlled losses and funded network renewal. A loss level of 25% remains serious even when it is better than the previous position.

Wastewater is the decisive service failure. Deneysville and Oranjeville were classified as critical in the Department of Water and Sanitation's 2025 Green Drop assessment. The Auditor-General of South Africa also recorded material-irregularity and environmental-compliance concerns connected to wastewater and landfill management. Projects and remedial activity justify limited partial credit, as per our methodology; they do not establish compliant treatment, reduced environmental risk or completed remediation that is demonstrably working.

Refuse collection, road maintenance, stormwater work and facility upkeep continue, but the evidence is not strong enough to show uniformly reliable schedules, compliant disposal, preventive maintenance or timely complaint closure. Capital execution was approximately 58.8%, below the first fixed threshold of 75%, as per our grading. Repairs and maintenance were about 1.5% of the carrying value of property, plant and equipment, far below the report's 8% benchmark, as per our grading. Metsimaholo therefore earns credit for activity and existing systems, but not for capital and maintenance outcomes that the evidence does not prove.

Financial management and sustainability - 9.0/25

The municipality submitted its financial statements and received a qualified rather than adverse or disclaimed audit opinion. That earns the first two audit points, but not the unqualified, clean-audit or verified-improvement points, as per our grading. The current ratio was about 1.15, below the ordinary 1.5 benchmark as per our grading, and cash of roughly R78.8 million did not provide a full month of operating cover. The adopted budget had some funded basis, but the available in-year evidence did not establish a securely cash-backed position.

Revenue collection is the principal financial weakness. The rate of about 61.9% was below the first fixed threshold of 80% as per our grading, so only the baseline point for an operating billing and credit-control system is awarded. Bulk current liabilities included approximately R62 million owed to Eskom and R90 million for water, while payment arrangements remained under pressure. Creditor records earn a point as per our grading; payment within 30 days, current bulk accounts, declining arrears and freedom from material default do not.

There is a genuine improvement in expenditure reporting. Irregular expenditure declined from approximately R140.4 million to R89.2 million, unauthorised expenditure from about R84 million to R29.5 million and fruitless and wasteful expenditure from roughly R4.5 million to R3.4 million. Those movements support points for recording and declining exposure. They do not, without further proof, establish corrected controls, recovery or completed disciplinary action.

Governance, integrity and inclusion

A permanent municipal manager and chief financial officer give the administration a more stable centre.

Planning instruments were adopted, more than 60% performance was reported and council and statutory structures continued to operate. Earlier turnover, technical gaps and coalition volatility nevertheless remain relevant to continuity. Some ward committees did not meet quarterly and the annual report available during the evidence period remained a draft, limiting the awards for timely oversight and complete public reporting.

Integrity is weaker than governance. Audit-action, supply chain management, ethics and monitoring structures exist, but repeat findings and unresolved material irregularities were not matched by sufficiently clear evidence of timely investigation, recovery, discipline and systemic correction. Public material is available without being uniformly final, current and complete. The score therefore recognises the presence of control institutions while withholding points for outcomes that remain unfinished.

The municipality maintains a reviewed indigent programme, funds free basic services and conducts public consultation across Sasolburg, Zamdela and the smaller settlements. These measures account for 9.5/15 in inclusion. The deficit is environmental and distributive: pollution and critical wastewater conditions burden communities directly, ward-level service inequality is not comprehensively measured and public feedback and complaint tracking remain incomplete. Industrial opportunity cannot compensate for unsafe environmental conditions.

Constitutional assessment and verdict

The indigent programme, continued services and participatory processes advance sections 152(1)(b) and 152(1)(e), which concern sustainable services and community involvement, and section 153(a), which requires administration and budgeting to prioritise basic needs. The permanent senior-management core also supports section 195(1)(d)'s requirement for services to be provided impartially, fairly and without bias.

Critical wastewater and pollution conditions fall short of the safe and healthy environment objective in section 152(1)(d) and engage the environmental right in section 24. Low collections, weak cash coverage, bulk arrears and low capital and maintenance execution fall short of section 195(1)(b), 195(1)(f) and 195(1)(g), which require effective use of resources, accountability and transparency. Where unreliable services fall most heavily on residents without private alternatives, sections 9 and 10 - equality and dignity - remain directly relevant.

The D+ grade records a municipality that still has an administrative platform from which to recover, but whose finances and environmental performance are too fragile for dependable constitutional government. Its first priority is to restore compliant wastewater treatment and complete independently verifiable remediation. The trajectory is stable: selected financial controls improved, but revenue, bulk-payment and pollution risks did not improve enough to justify an upward classification.

MALUTI-A-PHOFUNG LOCAL MUNICIPALITY

OVERALL SCORE

24.0
/ 100
GRADE F

Missing audited accounts, chronic bulk-service debt, political churn and universally critical wastewater systems make Maluti-a-Phofung one of the most severe cases of cumulative municipal failure in the report.

PROVINCE

Free State

CODE

FS194

PRINCIPAL CENTRE

Phuthaditjhaba

CURRENT LEADER

Executive Mayor Tumelo Thebe

DISTRICT

Thabo Mofutsanyana District Municipality

CATEGORY

Category B3 local municipality

POPULATION

398 459, Statistics South Africa Census 2022

POLITICAL CONTROL

multiparty coalition administration

Services and infrastructure

5.5 /30

Some activity continues, but system reliability, maintenance and wastewater compliance are overwhelmingly unproved or failed.

Financial management

0.5 /25

Missing consolidated statements, an unfunded budget, poor collections and chronic bulk arrears leave almost no positive standard established.

Governance

5.5 /15

Senior posts and plans exist, but political turnover and the broken reporting cycle prevent coherent administration.

Integrity

4.5 /15

Formal systems exist, but the absence of audited reporting and completed consequences defeats stronger awards.

Inclusion

8.0 /15

A social-support framework and participation remain, but their reach and effectiveness cannot be fully verified.

WHAT WORKS

The draft report identifies about 25,885 indigent households and a support package, but funding, reach, equity and access cannot be fully verified.

WHAT IS GOING WRONG

The 2024/25 consolidated financial statements were not available for audit within the required process, so no audit test can be awarded.

FIX FIRST

First priority: Restore safe wastewater treatment and complete verified remediation.

SCORING TRACE

How Maluti-a-Phofung received 24.0/100

24.0 / 100

GRADE F

Maluti-a-Phofung was assessed against 100 tests. It met eight standards, partly met 32 and did not meet 60:

Result	Tests	Calculation	Points
Standard met	8	8×1	8.0
Standard partly met	32	32×0.5	16.0
Standard not met	60	60×0	0.0
Final result	100		24.0/100

The pillar arithmetic is $5.5 + 0.5 + 5.5 + 4.5 + 8.0 = 24.0$. No further penalty was applied. Under the fixed grade table, 24.0 is an F.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 1.0; sanitation 0.5; electricity 1.0; refuse 0.5; roads and facilities 1.0; assets and capital 1.5	5.5/30	Some activity continues, but system reliability, maintenance and wastewater compliance are overwhelmingly unproved or failed.
Financial management	Audit 0.0; liquidity 0.0; collections 0.5; creditors 0.0; expenditure control 0.0	0.5/25	Missing consolidated statements, an unfunded budget, poor collections and chronic bulk arrears leave almost no positive standard established.
Governance	Leadership 2.5; planning 2.0; council and oversight 1.0	5.5/15	Senior posts and plans exist, but political turnover and the broken reporting cycle prevent coherent administration.
Integrity	Audit remediation 0.5; procurement and ethics 2.0; transparency 2.0	4.5/15	Formal systems exist, but the absence of audited reporting and completed consequences defeats stronger awards.
Inclusion	Indigent support 3.5; participation 3.0; spatial and environmental inclusion 1.5	8.0/15	A social-support framework and participation remain, but their reach and effectiveness cannot be fully verified.

A large municipality whose basic systems no longer reinforce one another

Maluti-a-Phofung is centred on Phuthaditjhaba and includes Harrismith, Kestell, QwaQwa settlements and extensive traditional-authority areas. Its population is large, its settlements dispersed and its own-revenue base constrained by poverty and unemployment. These conditions make municipal government unusually difficult. They do not reduce the standard for safe water, lawful wastewater treatment, credible accounts or accountable administration.

Services and infrastructure - 5.5/30

The municipality receives limited credit because some water, electricity, road, facility and capital activity continues. Reported capital execution of about 82% clears the first 75% threshold as per our grading. Because the consolidated financial statements were not available for audit, the report does not award the second capital threshold or infer that projects were completed and functional without adequate assurance.

The wider service record is one of acute distress. Prolonged water interruptions, network losses and inadequate maintenance prevent points for reliable continuity, controlled losses and funded renewal. Electricity distribution activity continues, but severe network failures, illegal connections, losses and instability connected to Eskom obligations prevent the tests for reliability, maintenance and effective metering from being met. Refuse removal, road and stormwater work remain intermittent and predominantly reactive, with inadequate proof of compliant disposal or systematic complaint closure.

Wastewater is the clearest objective failure. Every one of the seven systems assessed by the Department of Water and Sanitation was classified as critical. The municipality receives only half a point for limited evidence of operating and remedial activity, as per our grading. It receives no points for effective sewer conveyance, compliant treatment, reduced environmental and public-health risk, or completed remediation. That result follows directly from the regulatory evidence rather than from editorial description.

Financial management and sustainability - 0.5/25

The financial score is almost nil because the positive standards could not be established. The 2024/25 consolidated financial statements were not available for audit within the required process. Accordingly, there is no point for timely submission, a non-adverse opinion, an unqualified opinion, a clean audit or verified improvement. This does not assume that every unverified transaction was unlawful; it records that the municipality failed to produce the evidence necessary for public assurance.

Available records point to an unfunded budget, severely weak liquidity, collection far below 80% as per our grading, chronic Eskom and water-board arrears and breached payment arrangements. Billing activity exists, which earns the only half point in the pillar, as per our grading. The evidence does not establish credible reconciled billing, any numerical collection threshold, current bulk accounts or a fully honoured repayment arrangement. Without audited statements, the report also cannot award points for complete recording, prevention or lawful resolution of unauthorised, irregular, fruitless and wasteful expenditure. The method does not invent ratios or assume compliance to fill an evidentiary gap.

Governance, integrity and inclusion

The municipal manager and chief financial officer posts were reported as filled and formal planning and consultation continued. Those facts explain the governance points, as per our grading. They coexist with profound political churn: the municipality had its fifth mayor in roughly four years by the evidence cut-off. Repeated leadership change, intervention-related disruption, weak internal assurance and the broken audited-reporting cycle prevent points for stability, reliable performance reporting and effective oversight.

Recovery plans, procurement rules, ethical controls and some public material exist. They provide a basis for partial integrity points. Yet repeat failures, incomplete records and weak evidence of investigation, recovery and discipline do not establish effective remediation. The language is deliberately restrained: audit and control failure are not converted into untested allegations of criminal conduct.

The municipality's draft record identified approximately 36 821 indigent households and a free-basic-services framework. Integrated Development Plan and budget participation occurred across the dispersed area, and some livelihood and spatial initiatives continued. These measures prevent a lower inclusion score. Their funding, reach and ward-level fairness could not be fully verified, while critical wastewater and unreliable basic services impose the greatest burden on communities that cannot purchase alternatives.

Constitutional assessment and verdict

The indigent framework and continued consultation advance the community-participation objective in section 152(1)(e) and, to a limited extent, the basic-needs priority in section 153(a). Those formal gains are overwhelmed by the failure to secure sustainable services under section 152(1)(b), social and economic development under section 152(1)(c), and a safe and healthy environment under section 152(1)(d).

Universal critical wastewater status engages section 24's environmental right and undermines dignity under section 10. Prolonged water insecurity also bears directly on section 27(1)(b), which recognises the right of access to sufficient water. Missing audited statements, an unfunded budget, chronic default and weak oversight fall far short of section 195(1)(b), 195(1)(f) and 195(1)(g), concerning effective use of resources, accountability and transparency. Where procurement and public spending cannot be adequately verified, the constitutional principles in section 217(1) - fairness, equity, transparency, competitiveness and cost-effectiveness - also remain insufficiently assured.

The F grade is not a finding that recovery is impossible or that the current mayor caused the accumulated crisis. It is the direct result of 60 failed tests and only eight fully met standards. A credible route upward begins with audited statements submitted on time, a funded and cash-backed budget, honoured bulk-payment arrangements, measurable collection improvement, stable leadership and independently verified wastewater recovery. The trajectory is deteriorating because the reporting failure, political turnover and critical service conditions persisted.

MATJHABENG LOCAL MUNICIPALITY

OVERALL SCORE

34.5

/ 100

GRADE F

Matjhabeng's broad inherited service network is being hollowed out by extreme water losses, a liquidity crisis, enormous bulk-service debt and incomplete remediation.

PROVINCE

Free State

CODE

FS184

PRINCIPAL CENTRE

Welkom

CURRENT LEADER

Executive Mayor Thanduxolo Khalipha

DISTRICT

Lejweleputswa District Municipality

CATEGORY

Category B1 secondary-city local municipality

POPULATION

439 034, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

8.5 /30

Formal access remains broad, but losses, pollution, reactive maintenance and weak renewal are eroding functionality.

Financial management

5.0 /25

Qualified reporting, 51% collections and multibillion-rand bulk arrears reveal an unsustainable institution.

Governance

7.0 /15

Plans and oversight structures exist, but acting posts and weak implementation prevent coherence.

Integrity

7.0 /15

Findings are disclosed, but long-running financial and compliance failures have not been durably corrected.

Inclusion

7.0 /15

Support and consultation continue, while unreliable services and pollution undermine fair outcomes.

WHAT WORKS

Core reports and financial information are public, but council, procurement, complaint and current performance material is not consistently complete and easily traceable.

WHAT IS GOING WRONG

Material going-concern uncertainty, current liabilities far above current assets and negligible cash backing fail every locked budget and liquidity test.

FIX FIRST

First priority: Move roads and stormwater work from crisis response to measured preventive maintenance.

SCORING TRACE

How Matjhabeng received 34.5/100

34.5 / 100

GRADE F

Matjhabeng met 16 of the common 100 standards, partly met 37 and did not meet 47:

Result	Tests	Calculation	Points
Standard met	16	16×1	16.0
Standard partly met	37	37×0.5	18.5
Standard not met	47	47×0	0.0
Final result	100		34.5/100

The pillar totals are $8.5 + 5.0 + 7.0 + 7.0 + 7.0 = 34.5$. No deduction or discretionary adjustment follows. A score of 34.5 falls automatically in the F band.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 1.5; sanitation 1.5; electricity 2.0; refuse 1.5; roads and facilities 1.0; assets and capital 1.0	8.5/30	Formal access remains broad, but losses, pollution, reactive maintenance and weak renewal are eroding functionality.
Financial management	Audit 2.0; liquidity 0.0; collections 0.5; creditors 1.0; expenditure control 1.5	5.0/25	Qualified reporting, 51% collections and multibillion-rand bulk arrears reveal an unsustainable institution.
Governance	Leadership 2.0; planning 2.5; council and oversight 2.5	7.0/15	Plans and oversight structures exist, but acting posts and weak implementation prevent coherence.
Integrity	Audit remediation 2.0; procurement and ethics 2.0; transparency 3.0	7.0/15	Findings are disclosed, but long-running financial and compliance failures have not been durably corrected.
Inclusion	Indigent support 3.0; participation 2.5; spatial and environmental inclusion 1.5	7.0/15	Support and consultation continue, while unreliable services and pollution undermine fair outcomes.

Access inherited from the past, resilience consumed in the present

Matjhabeng is centred on Welkom and includes Virginia, Odendaalsrus, Allanridge, Hennenman, Ventersburg and their townships and settlements. Gold mining shaped its economy, urban form and revenue base; the industry's long contraction weakened employment, affordability and commercial demand. That history explains some of the pressure. It does not lower the uniform thresholds for reliable networks, funded budgets or accountable administration.

Services and infrastructure - 8.5/30

Matjhabeng still operates an extensive network. Formal water, sanitation and electricity access remains broad and the municipality continues treatment, distribution, refuse, road and facility work. New refuse vehicles and work on pump stations and wastewater infrastructure show that the administration is not inactive. Post-year refurbishment of the Thabong wastewater system is a relevant sign of remedial effort, but it does not retrospectively convert the audited period into a compliant one.

The severity lies in system loss and deterioration. Water distribution losses reached approximately 64%, up from 57%, with an estimated value above R500 million. About 43% of service-charge revenue was associated with estimated consumption. Matjhabeng receives the access point and limited credit for measuring the problem, but it does not meet the tests for reliable continuity, controlled losses or funded network renewal. Electricity losses, faulty meters and illegal connections create the same damaging connection between service failure and revenue weakness.

Wastewater blockages, pollution and slow remediation prevent points for compliant conveyance, treatment and environmental risk reduction. Refuse coverage is uneven, while road and stormwater maintenance remains predominantly reactive. Repairs and maintenance were only about R15.3 million - far below the 8% property, plant and equipment benchmark as per our grading - and capital and grant execution did not demonstrate renewal sufficient to arrest deterioration. Project activity earns partial credit; a project list is not treated as proof of a functioning asset.

Financial management and sustainability - 5.0/25

The municipality submitted statements and received a qualified rather than adverse or disclaimed opinion, earning two audit points. Almost every sustainability test then fails. Current liabilities of approximately R13.15 billion exceeded current assets of about R6.10 billion. Total liabilities exceeded total assets, cash backing was negligible and material uncertainty existed about the municipality's ability to continue as a going concern. None of the five budget, current-ratio or cash-coverage standards is met as per our grading.

Collections were approximately 51%, far below the first 80% threshold as per our grading. Billing activity earns half a point, but estimated consumption and impaired debt prevent a full credibility award. Creditor records are available, yet the scale of default is exceptional: approximately R1.59 billion was owed to Eskom outside the debt-relief portion, while arrears to Vaal Central Water were about R6.84 billion. Participation in debt-relief and payment initiatives may support recovery, but it is not equivalent to keeping current accounts paid.

Unauthorised expenditure was approximately R946.3 million. Current irregular expenditure was about R95.8 million, with a closing balance above R1 billion after write-offs. Matjhabeng receives credit for recording and limited referral. It does not receive points for prevention, completed investigation,

recovery or another lawful consequence without documentary proof. Irregular expenditure is treated as a compliance category, not as automatic evidence of corruption.

Governance, integrity and inclusion

Council, planning, internal audit, the audit committee and the Municipal Public Accounts Committee continue to function. A permanent chief financial officer and parts of the senior team provide an administrative base. Acting and vacant posts - including instability around the municipal-manager function - weak target delivery and recurring failures prevent a finding of coherent leadership. Formal adoption of an Integrated Development Plan and Service Delivery and Budget Implementation Plan earns credit; implementation remains the test that matters.

Audit-action, supply chain management, ethical and disclosure systems exist, and core reports are public. Their effect is limited by repeat qualifications, unresolved expenditure, court-linked service non-compliance and a long-running inability to stabilise the finances. Transparency earns points in its own right, but it is not counted a second time as remediation or consequence management.

The municipality funds indigent support and free basic services and maintains ward and planning consultations. Those arrangements explain the inclusion points. Their constitutional value is weakened by estimated billing, unequal refuse coverage, wastewater pollution and unreliable infrastructure. Residents without the means to buy tanks, generators or private sanitation alternatives carry the greatest share of the failure.

Constitutional assessment and verdict

The continued indigent programme and participatory structures advance sections 152(1)(a), 152(1)(e) and 153(a), concerning accountable government, community involvement and basic-needs prioritisation. The continued operation of formal services provides limited support for section 152(1)(b), but the evidence does not establish sustainability.

Severe water loss, wastewater pollution and unreliable infrastructure fall short of the sustainable-service and safe-environment objectives in sections 152(1)(b) and 152(1)(d). Pollution engages section 24, while unreliable access implicates dignity under section 10 and sufficient water under section 27(1)(b). The liquidity crisis, bulk default and weak control record fall short of section 195(1)(b), 195(1)(f) and 195(1)(g). Persistent procurement and contract-control concerns also weaken assurance that section 217(1)'s standards are being realised.

The F grade does not deny the presence of staff, plans or projects. It records that 47 standards were not met and that the municipality's service and financial systems are consuming resilience faster than they are restoring it. The first priority is to convert crisis-driven road, stormwater and wastewater interventions into measured preventive maintenance, while rebuilding collections and honouring bulk obligations. The trajectory is deteriorating because the financial and infrastructure pressures outweighed isolated remedial activity.

MUNICIPAL PROFILES

GAUTENG

6 municipalities assessed

All three metros and three local municipalities, including a controlled Sedibeng comparison and an urban-rural growth municipality on the metropolitan edge.



MUNICIPALITIES IN THIS SECTION

CITY OF JOHANNESBURG

MIDVAAL

CITY OF TSHWANE

EMFULENI

CITY OF EKURHULENI

MOGALE CITY

CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY

OVERALL SCORE

49.5

/ 100

GRADE D+

Johannesburg retains immense institutional capacity and social reach, but unfunded budgeting, political churn, infrastructure losses and weak execution are eroding the value that capacity produces.

PROVINCE

Gauteng

CODE

JHB

PRINCIPAL CENTRE

Johannesburg

CURRENT LEADER

Executive Mayor Sello "Dada" Morero

DISTRICT

No district (metropolitan municipality)

CATEGORY

Category A metropolitan municipality

POPULATION

4 803 262, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress-led Government of Local Unity

Services and infrastructure

14.0

/30

Broad access and large operating systems coexist with severe losses, backlogs and weak preventive maintenance.

Financial management

9.5

/25

Collections clear 85% as per our grading, but an unfunded budget, 17 days of cash and large problem expenditure dominate.

Governance

9.0

/15

Permanent administrative anchors remain, while political churn and poor target achievement weaken execution.

Integrity

7.0

/15

The City discloses extensively, but repeat findings and incomplete consequences remain.

Inclusion

10.0

/15

The social programme is large, but its reach and the equality of lived outcomes remain incomplete.

WHAT WORKS

A permanent city manager and chief financial officer are in place, but senior vacancies, municipal-entity fragmentation and prolonged political churn have disrupted administrative coherence.

WHAT IS GOING WRONG

The adjusted budget was unfunded, current liabilities exceeded current assets and cash coverage was about 17 days; all five locked funding and liquidity tests therefore fail.

FIX FIRST

First priority: Move roads and stormwater work from crisis response to measured preventive maintenance.

SCORING TRACE

How Johannesburg received 49.5/100

49.5 / 100

GRADE D+

Johannesburg met 25 of the common 100 standards, partly met 49 and did not meet 26:

Result	Tests	Calculation	Points
Standard met	25	25×1	25.0
Standard partly met	49	49×0.5	24.5
Standard not met	26	26×0	0.0
Final result	100		49.5/100

The pillar scores reconcile directly: $14.0 + 9.5 + 9.0 + 7.0 + 10.0 = 49.5$. No deduction or editorial adjustment was applied. The fixed grade table converts 49.5 into a D+.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 2.0; sanitation 3.0; electricity 2.0; refuse 3.0; roads and facilities 1.5; assets and capital 2.5	14.0/30	Broad access and large operating systems coexist with severe losses, backlogs and weak preventive maintenance.
Financial management	Audit 2.5; liquidity 0.0; collections 2.5; creditors 3.0; expenditure control 1.5	9.5/25	Collections clear 85% as per our grading, but an unfunded budget, 17 days of cash and large problem expenditure dominate.
Governance	Leadership 3.5; planning 2.0; council and oversight 3.5	9.0/15	Permanent administrative anchors remain, while political churn and poor target achievement weaken execution.
Integrity	Audit remediation 2.0; procurement and ethics 2.0; transparency 3.0	7.0/15	The City discloses extensively, but repeat findings and incomplete consequences remain.
Inclusion	Indigent support 3.5; participation 3.5; spatial and environmental inclusion 3.0	10.0/15	The social programme is large, but its reach and the equality of lived outcomes remain incomplete.

A city of deep capacity and diminishing resilience

Johannesburg is South Africa's largest municipal economy and a dense system of residential areas, townships, informal settlements, industrial nodes and commercial centres. Its municipal entities give it technical depth that few councils can match. The City can repair tens of thousands of faults, finance large projects and administer one of the country's largest social packages. The score is nevertheless below 50 because the methodology asks not only whether activity occurs, but whether networks are reliable, finances cash-backed and plans converted into completed outcomes.

Services and infrastructure - 14.0/30

Household access to water, sanitation, electricity and refuse remains broad. Johannesburg Water repaired 23 521 bursts within 48 hours during the reporting period, the municipal group spent more than R8 billion on capital purchases and major programmes continued through Johannesburg Water, City Power, Pikitup and the Johannesburg Roads Agency. These facts earn the access, continued-operation and first capital-execution points.

The condition of the systems is much weaker. Non-revenue water was approximately 44.8%, valued at about R3.84 billion. Only about 70.4% of bursts were restored within the 48-hour standard against an 85% target as per our grading and the Auditor-General of South Africa issued a material-irregularity notification concerning inadequate proactive maintenance. The estimated asset-renewal backlog was R26.61 billion. Johannesburg therefore receives credit for measurement and active repairs, but not for controlled losses, stable reliability or a preventive maintenance system capable of reversing deterioration.

Electricity losses were approximately 29.8% of purchases. Technical losses were around 9%, with much of the balance connected to theft, illegal connections, metering and other non-technical causes. City Power continues to distribute electricity and undertake electrification; that earns baseline credit. The loss, reliability and metering tests are not met. Sanitation and refuse display a similar contrast: large systems continue, but sewer spills, constrained treatment capacity, fleet and labour disruption, illegal dumping and uneven complaint response prevent high awards.

Road and stormwater work continues, yet pothole and flooding backlogs remain visible and the evidence does not establish timely citywide closure. Capital expenditure clears the first threshold, but about R14.1 billion in work in progress and weak completion of the infrastructure performance basket reduce the asset-outcome score. Expenditure becomes delivery only when an asset is completed, functional and reducing an identified risk.

Financial management and sustainability - 9.5/25

The consolidated municipal group received an unqualified opinion with findings, while the core municipality was qualified on sundry debtors and expenditure cut-off. The mixed result earns submission and non-adverse points, plus half of the unqualified test. It does not permit the group's opinion to be presented as though the core City were also unqualified.

Liquidity is the decisive weakness. Current liabilities were approximately R30.06 billion against current assets of about R22.04 billion. Cash covered roughly 17 days of operating expenditure and the adjusted budget was unfunded. Every test in the budget and liquidity component therefore fails, as per our grading. A reported group surplus of approximately R1.64 billion does not substitute for cash, a funded budget or a current ratio of at least 1.5.

Collections of approximately 85.9% clear the 80% and 85% thresholds as per our grading, but not 90% or 95%. Qualification and impairment concerns reduce the billing-credibility award. Creditor information and bulk arrangements are recorded, and no material interruption threat was established, but supplier payment did not meet the statutory 30-day standard and pressure relative to available cash did not clearly decline.

The group recorded approximately R2.37 billion in irregular expenditure and R2.38 billion in unauthorised expenditure. Recording and lawful processing earn limited points; write-off is not treated as recovery or consequence unless investigation and responsibility are established. Nor is irregular expenditure described as corruption without a competent finding.

Governance, integrity and inclusion

Repeated mayoral changes since 2016 disrupted priorities and the continuity needed for maintenance and revenue reform. Coalition government is not penalised as a form; the documented effects of turnover are. Mayor Morero's administration and the Government of Local Unity have provided a more stable centre, while a permanent city manager and chief financial officer are important administrative anchors.

The City retains sophisticated plans and entities, but results remain poor. About 40% of sustainable-delivery targets and 36% of infrastructure and refurbishment targets were achieved. Only 1 059 of a planned 2 000 informal-settlement electricity connections were completed. Those outcomes fail both cumulative target-achievement tests. Council and assurance structures continued, although delayed audit finalisation and incomplete resolution tracking reduced the oversight awards.

Johannesburg publishes budgets, annual reports, financial statements and extensive performance and investor information. Disclosure earns points; it does not prove remediation. Repeat findings, large unresolved expenditure balances and incomplete investigation and recovery prevent higher integrity awards. Supply chain management, ethics and audit-action systems exist, but recurring procurement, contract and entity-control findings remain.

The expanded social package supports indigent households, and clinics, libraries, emergency services, housing and informal-settlement programmes have wide reach. Ward committees and Integrated Development Plan and budget consultations provide broad participatory channels. Approximately 83 325 indigent households were registered against a target of 100 000, while spatial inequality, housing backlogs and uneven service reliability remain pronounced. Scale is recognised, but it does not prove equal urban citizenship.

Constitutional assessment and verdict

Broad access, the social package and participatory institutions advance sections 152(1)(a), 152(1)(b) and 152(1)(e). Investment in historically neglected areas supports section 153(a), which requires planning and budgeting to prioritise basic needs and development.

Severe water and electricity losses, unreliable infrastructure and reactive maintenance fall short of sustainable service provision under section 152(1)(b) and efficient resource use under section 195(1)(b). Flooding, sewage and environmental-health risks engage section 24 and section 152(1)(d). An unfunded budget, limited cash and repeat findings fall short of accountability and transparency under sections 195(1)(f) and 195(1)(g). Unequal ward-level outcomes remain relevant to equality and dignity in sections 9 and 10.

The D+ grade records neither a failed state in miniature nor an institution performing at the level its resources require. Johannesburg's first priority is to restore a funded, cash-backed financial base and protect preventive maintenance from short-term political and fiscal disruption. The trajectory is deteriorating because network losses, liquidity pressure and weak target execution outweighed the City's considerable capacity and social reach.



CITY OF TSHWANE METROPOLITAN MUNICIPALITY

OVERALL SCORE

52.5

/ 100

GRADE C-

Tshwane's visible recovery effort has strengthened cash generation and political direction, but an unfunded budget, qualified reporting, high network losses and weak target delivery remain formidable constraints.

PROVINCE

Gauteng

CODE

TSH

PRINCIPAL CENTRE

Pretoria

CURRENT LEADER

Executive Mayor Nasiphi Moya

DISTRICT

No district (metropolitan municipality)

CATEGORY

Category A metropolitan municipality

POPULATION

4 040 315, Statistics South Africa Census 2022

POLITICAL CONTROL

ActionSA-led multiparty coalition

Services and infrastructure

15.5 /30

All major systems operate, but losses, outages, backlogs and insufficient renewal reduce reliability.

Financial management

10.0 /25

Recovery is visible, but the adjusted budget remained unfunded and cash and current assets were inadequate.

Governance

9.0 /15

A functioning executive and plans exist, while weak target achievement and assurance limit implementation.

Integrity

7.5 /15

Detailed reporting supports scrutiny, but repeat qualifications and incomplete consequences persist.

Inclusion

10.5 /15

Social support and investment are substantial, but unequal safety and reliability remain visible.

WHAT WORKS

A funded social package reaches indigent households, while northern and peripheral backlogs and accessibility constraints prevent full equity and access points.

WHAT IS GOING WRONG

The City adopted an unfunded adjusted budget for a fourth year, current liabilities exceeded current assets and unrestricted cash did not reach one month of operating expenditure.

FIX FIRST

First priority: Restore a funded, cash-backed budget and rebuild a genuine operating buffer.

SCORING TRACE

How Tshwane received 52.5/100

52.5 / 100

GRADE C-

Tshwane met 26 of the 100 standards, partly met 53 and did not meet 21:

Result	Tests	Calculation	Points
Standard met	26	26×1	26.0
Standard partly met	53	53×0.5	26.5
Standard not met	21	21×0	0.0
Final result	100		52.5/100

The five pillar totals are $15.5 + 10.0 + 9.0 + 7.5 + 10.5 = 52.5$. No subsequent deduction was made. The fixed table converts 52.5 automatically into a C-.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 2.5; sanitation 2.5; electricity 2.5; refuse 3.0; roads and facilities 2.5; assets and capital 2.5	15.5/30	All major systems operate, but losses, outages, backlogs and insufficient renewal reduce reliability.
Financial management	Audit 2.0; liquidity 0.0; collections 1.5; creditors 3.5; expenditure control 3.0	10.0/25	Recovery is visible, but the adjusted budget remained unfunded and cash and current assets were inadequate.
Governance	Leadership 3.5; planning 2.0; council and oversight 3.5	9.0/15	A functioning executive and plans exist, while weak target achievement and assurance limit implementation.
Integrity	Audit remediation 2.0; procurement and ethics 2.0; transparency 3.5	7.5/15	Detailed reporting supports scrutiny, but repeat qualifications and incomplete consequences persist.
Inclusion	Indigent support 4.0; participation 3.5; spatial and environmental inclusion 3.0	10.5/15	Social support and investment are substantial, but unequal safety and reliability remain visible.

Recovery is visible, but not yet embedded

Tshwane is South Africa's administrative capital and one of its most geographically extensive metros. It combines Pretoria and Centurion with Mamelodi, Atteridgeville, Soshanguve, Hammanskraal, Bronkhorstspuit and extensive peri-urban and rural areas. The institution must maintain ageing central networks while extending reliable services across rapidly growing settlements. Its score recognises a municipality that has begun to improve important financial and political conditions, but has not yet converted that effort into a funded budget or consistently reliable delivery.

Services and infrastructure - 15.5/30

Tshwane operates all core metropolitan systems and continues large water, sanitation, electricity, road, refuse and public-facility programmes. Access and monitoring remain substantial. Capital execution cleared the first 75% threshold as per our grading, while the response to Hammanskraal produced intergovernmental water and infrastructure work. These capacities prevent a low service score.

The networks remain under severe strain. Non-revenue water was approximately 39.1%. Electricity losses were about 21%, valued at roughly R1.87 billion; around R1.26 billion was non-technical. Burst pipes, ageing assets, theft, illegal connections and meter tampering weaken reliability and revenue at the same time. The municipality receives credit for measuring these losses and undertaking work, but not the separate control points because material decline and stable reliability were not established.

Sanitation backlogs are material. In the Auditor-General's audited priority basket, the City delivered none of 950 planned sewer connections. Monitoring and operating systems earn partial points as per our grading; the evidence does not support full awards for conveyance, treatment, environmental-risk reduction or completed remediation.

Road, stormwater, lighting and facility programmes receive partial credit because work occurs across the metro, while backlogs and response times remain uneven. Maintenance was below the 8% property as per our grading, plant and equipment benchmark. Tshwane is therefore functional but insufficiently resilient: it can act, yet has not demonstrated a renewal rate capable of stabilising the whole system.

Financial management and sustainability - 10.0/25

The City reported improved operating cash generation, a municipal-group surplus of roughly R2.27 billion and cash and equivalents of about R2.36 billion. Debt restructuring supported the result. These changes are real and inform the improving trajectory. They do not satisfy the fixed liquidity tests.

Current liabilities of approximately R22.92 billion exceeded current assets of about R16.51 billion. Unrestricted cash did not cover one month of operating expenditure, and the adjusted budget was unfunded for a fourth year. All five funding and liquidity points are therefore withheld. The distinction matters: an accrual surplus is not the same as a cash-backed budget or the capacity to meet current obligations.

The audit opinion remained qualified. Infrastructure assets were misstated through an inappropriate methodology, contingencies were understated by approximately R4.32 billion and material compliance findings continued. Submission and a non-adverse opinion earn two points; unqualified and clean-audit points do not.

Collections cleared 80% on the consistent measure used, as per our grading. Creditor records and current bulk arrangements attract credit, while payment within 30 days was not established and overdue pressure remained. Operating spending and unauthorised, irregular, fruitless and wasteful expenditure

were recorded, but material asset, procurement and compliance findings prevented stronger control awards.

Governance, integrity and inclusion

Mayor Moya took office in October 2024 after another coalition realignment. A functioning executive, permanent top leadership, adopted plans and an operational council provide an institutional base. Coalition status itself is neutral; only turnover, disputes and disruption affect the score.

Performance is the main constraint. The audited priority basket showed only about 20% achievement, including the failure to deliver planned sewer connections. The Auditor-General found internal audit and audit-committee effectiveness incomplete and management's monitoring of the audit action plan inadequate. Statutory structures and oversight reports earn points, but the evidence does not show a consistently closed loop from resolution to implementation.

Tshwane publishes detailed audited reports, financial statements and an oversight report and maintains enquiry and complaint channels. This transparency makes recovery claims testable. Repeat qualification areas, inadequate action-plan monitoring, procurement and contract-management findings and incomplete consequences prevent higher integrity scores.

The City maintains an indigent register, a funded social package and extensive ward and public-participation structures. Capital programmes reach townships and peripheral settlements. The sharpest test is whether residents in Hammanskraal, informal settlements and fast-growing northern communities receive the same safety and continuity as the established core. Continued emergency arrangements, sewer backlogs and unequal response show that they do not.

Constitutional assessment and verdict

The social package, participatory channels and capital investment advance sections 152(1)(b), 152(1)(e) and 153(a). The recovery programme and continued institutional functioning also support the accountable-government objective in section 152(1)(a).

Unreliable water and sanitation - most acutely in Hammanskraal - fall short of sustainable service delivery under section 152(1)(b), engage the safe-environment objective in section 152(1)(d) and bear on sections 24, 10 and 27(1)(b). An unfunded budget, weak cash position and repeat qualification findings fall short of section 195(1)(b), 195(1)(f) and 195(1)(g). Incomplete contract controls weaken assurance under section 217(1).

The C- grade records early recovery without completed recovery. Tshwane's first priority is to restore a funded, cash-backed budget and rebuild a genuine operating buffer while directing renewal to the highest service risks. The trajectory is improving because cash generation, political direction and recovery activity strengthened, but the current score remains constrained by the audited baseline.

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY

OVERALL SCORE

56.0

/ 100

GRADE C

Ekurhuleni retains broad metropolitan capacity and comparatively credible capital execution, but audit regression, an unfunded budget, low liquidity and very slow creditor payment weaken its resilience.

PROVINCE

Gauteng

CODE

EKU

PRINCIPAL CENTRE

Germiston

CURRENT LEADER

Executive Mayor Nkosindiphile Xhakaza

DISTRICT

No district (metropolitan municipality)

CATEGORY

Category A metropolitan municipality

POPULATION

4 066 691, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress-led multiparty administration

Services and infrastructure

18.0

/30

Broad systems and capital delivery continue, but reliability, treatment, losses and maintenance remain uneven.

Financial management

9.5

/25

Collections clear 85% as per our grading, but the qualified audit, unfunded budget, weak cash and 175-day payment period dominate.

Governance

10.5

/15

Permanent leadership and credible performance reporting support a functioning institution.

Integrity

7.5

/15

Disclosure is substantial, but audit regression and recurring procurement findings show incomplete correction.

Inclusion

10.5

/15

Social support and township investment are significant; control weaknesses and unequal reliability remain.

WHAT WORKS

A large indigent and free-basic-services programme is funded, but the audit identified excess or weakly controlled support and ward-level equity is only partly established.

WHAT IS GOING WRONG

The adjusted budget was unfunded, the current ratio was below 1.5 and unrestricted cash coverage was below one month; Auditor-General of South Africa also reported going-concern uncertainty.

FIX FIRST

First priority: Restore a funded, cash-backed budget and rebuild a genuine operating buffer.

SCORING TRACE

How Ekurhuleni received 56.0/100

56.0 / 100

GRADE C

Ekurhuleni met 31 standards, partly met 50 and did not meet 19:

Result	Tests	Calculation	Points
Standard met	31	31×1	31.0
Standard partly met	50	50×0.5	25.0
Standard not met	19	19×0	0.0
Final result	100		56.0/100

The pillar totals are $18.0 + 9.5 + 10.5 + 7.5 + 10.5 = 56.0$. The grade is an automatic C; no later adjustment was applied.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.0; sanitation 3.0; electricity 3.0; refuse 3.0; roads and facilities 2.5; assets and capital 3.5	18.0/30	Broad systems and capital delivery continue, but reliability, treatment, losses and maintenance remain uneven.
Financial management	Audit 2.0; liquidity 0.0; collections 2.5; creditors 3.0; expenditure control 2.0	9.5/25	Collections clear 85% as per our grading, but the qualified audit, unfunded budget, weak cash and 175-day payment period dominate.
Governance	Leadership 3.5; planning 3.5; council and oversight 3.5	10.5/15	Permanent leadership and credible performance reporting support a functioning institution.
Integrity	Audit remediation 2.0; procurement and ethics 2.0; transparency 3.5	7.5/15	Disclosure is substantial, but audit regression and recurring procurement findings show incomplete correction.
Inclusion	Indigent support 4.0; participation 3.5; spatial and environmental inclusion 3.0	10.5/15	Social support and township investment are significant; control weaknesses and unequal reliability remain.

Capacity across many towns, pressure across one balance sheet

Ekurhuleni is a polycentric industrial metro encompassing Germiston, Alberton, Benoni, Boksburg, Brakpan, Kempton Park, Edenvale, Springs and Nigel, together with large township communities including Thembisa, Katlehong, Vosloorus, KwaThema, Daveyton and Tsakane. The airport, manufacturing and logistics sectors give it a substantial economic platform. Its challenge is to maintain several inherited town systems while equalising service quality across a large and unequal urban region.

Services and infrastructure - 18.0/30

Ekurhuleni retains broad access and significant operating capacity across all core functions. Water losses of about 25.4% were credibly reported and lower than in several metros. Electricity, sanitation, refuse, roads and public facilities continue at scale. The City spent approximately 86.2% of grant-funded capital, clearing both the 75% and 85% capital-execution thresholds, as per our grading.

These strengths give Ekurhuleni the strongest service score of the three Gauteng metros in this batch. They do not establish uniformly reliable delivery. Water interruptions, ageing treatment and sewer assets, electricity outages and losses, illegal connections, waste disruptions and large road and stormwater backlogs remain. The worksheet therefore gives partial rather than full awards for continuity, loss control, treatment compliance, fleet sustainability and complaint response.

Asset stewardship illustrates the balance. Repairs and maintenance were approximately 6.41% of property, plant and equipment - a meaningful level, but below the fixed 8% benchmark. Renewal was approximately 34.4% of depreciation, below the 40% outcome test, as per our grading scheme. Ekurhuleni earns points for current asset systems, capital execution and completed projects; it does not receive the separate points for the maintenance and renewal standards.

Financial management and sustainability - 9.5/25

The audit regressed to a qualified opinion because of material weaknesses in consumer receivables and related information-technology controls. Financial statements were submitted and the opinion was not adverse or disclaimed, earning two points. It was neither unqualified nor clean

The adjusted budget was unfunded. Current liabilities of approximately R19.64 billion exceeded current assets of about R16.69 billion, payables rose to roughly R16.12 billion and unrestricted cash of approximately R1.42 billion did not cover one month of operating expenditure. The Auditor-General identified material uncertainty about the City's ability to continue as a going concern. All five budget and liquidity points are therefore withheld.

Collections of approximately 86.7% earn the 80% and 85% points, but not 90%, as per our grading. Billing receives only half a point because the audit qualification directly concerned debtor integrity. Creditor and bulk records exist and no current interruption default was established, but comparable creditor payment took approximately 175 days and pressure relative to cash was not declining. The City moved from a prior surplus to a municipal-group deficit of roughly R154 million.

Material unauthorised, irregular, fruitless and wasteful expenditure and procurement exposures were recorded. Recording and formal processing earn limited credit, while recurring compliance findings prevent the prevention and correction points. The method recognises the difference between knowing the scale of a problem and controlling it.

Governance, integrity and inclusion

Ekurhuleni's governance machinery remains comparatively capable. Permanent top leadership, most senior posts, a detailed performance system and functioning council structures support continuity. The Auditor-General did not identify material findings on the annual performance report, which supports the points for indicator quality and evidence reliability. Higher cumulative target-achievement awards were not fully established, while coalition tension and acting appointments limited the stability score. The 2026 State of the City Address confirms the continuity of the current executive and its stated recovery programme, but prospective commitments are not scored as completed outcomes.

Audit-action, supply chain management, ethics and disclosure systems exist. The City publishes detailed reports, financial statements and substantial council information. The audit regression is nevertheless decisive: an action plan coexisting with weaker assurance cannot earn the point for declining repeat findings. Recurring procurement and contract weaknesses and incomplete consequences also constrain integrity. A material-irregularity process concerning the underused Ekurhuleni Fresh Produce Market is treated as an audit matter, not as a criminal finding.

The City funds a large indigent and free-basic-services programme and directs capital investment to townships and informal settlements. Ward and Integrated Development Plan consultation occurs at scale. The audited record also included approximately R397 million in unauthorised expenditure connected to excess or weakly controlled indigent support. This does not negate the programme, but it reduces assurance that assistance was accurately targeted and controlled. Uneven waste and electricity performance, housing delay and spatial inequality further limit the inclusion outcome.

Constitutional assessment and verdict

Broad service access, township investment, indigent support and participatory structures advance sections 152(1)(b), 152(1)(c), 152(1)(e) and 153(a). A functioning performance and reporting system also supports accountability under sections 152(1)(a) and 195(1)(f).

Audit regression, an unfunded budget, limited cash and very slow creditor payment fall short of efficient resource use and accountability under sections 195(1)(b) and 195(1)(f). Uneven water, sanitation, electricity and refuse reliability weakens the sustainable-service objective in section 152(1)(b), while environmental and settlement disparities engage sections 24, 9 and 10. Recurring procurement-control findings reduce assurance under section 217(1).

The C grade records substantial institutional capacity under increasing financial strain. Ekurhuleni's immediate priority is to restore a funded, cash-backed budget, rebuild an operating buffer and shorten payment times without sacrificing preventive maintenance. The trajectory is deteriorating because audit assurance, liquidity and creditor discipline weakened despite credible capital execution and administrative depth.

MIDVAAL LOCAL MUNICIPALITY

OVERALL SCORE

84.5

/ 100

GRADE A-

Sustained clean administration, strong liquidity and reliable execution make Midvaal a credible benchmark, although water losses, maintenance below the fixed benchmark and spatial disparities prevent an unqualified verdict.

PROVINCE

Gauteng

CODE

GT422

PRINCIPAL CENTRE

Meyerton

CURRENT LEADER

Executive Mayor Peter Teixeira

DISTRICT

Sedibeng District Municipality

CATEGORY

Category B2 large-town local municipality

POPULATION

112 254, Statistics South Africa Census 2022

POLITICAL CONTROL

Democratic Alliance majority administration

Services and infrastructure

23.0

/30

Core systems are comparatively reliable, but water loss, rural reach, landfill remediation and maintenance remain incomplete.

Financial management

23.5

/25

Clean reporting, strong cash and disciplined payment produce an exceptional financial result.

Governance

13.5

/15

Stable professional leadership and functioning oversight translate plans into credible execution.

Integrity

13.0

/15

Controls are strong and findings limited, though public proof is not complete in every area.

Inclusion

11.5

/15

Support and participation are credible; equal rural and settlement-level outcomes remain unfinished.

WHAT WORKS

Electricity functions, reliability, losses of about 7.3%, maintenance, metering and investment satisfy the five tests.

WHAT IS GOING WRONG

Investment reaches rural and poorer areas, but spatial integration, environmental equity, livelihood impact and independently measured outcomes remain incomplete.

FIX FIRST

First priority: Direct investment and environmental protection towards historically underserved communities.

SCORING TRACE

How Midvaal received 84.5/100

84.5 / 100

GRADE A-

Midvaal met 73 standards, partly met 23 and did not meet four:

Result	Tests	Calculation	Points
Standard met	73	73×1	73.0
Standard partly met	23	23×0.5	11.5
Standard not met	4	4×0	0.0
Final result	100		84.5/100

The pillar scores are $23.0 + 23.5 + 13.5 + 13.0 + 11.5 = 84.5$. No bonus or discretionary adjustment followed. Under the fixed table, 84.5 is an A-.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.5; sanitation 4.0; electricity 5.0; refuse 3.5; roads and facilities 3.5; assets and capital 3.5	23.0/30	Core systems are comparatively reliable, but water loss, rural reach, landfill remediation and maintenance remain incomplete.
Financial management	Audit 5.0; liquidity 5.0; collections 4.0; creditors 5.0; expenditure control 4.5	23.5/25	Clean reporting, strong cash and disciplined payment produce an exceptional financial result.
Governance	Leadership 5.0; planning 4.0; council and oversight 4.5	13.5/15	Stable professional leadership and functioning oversight translate plans into credible execution.
Integrity	Audit remediation 4.5; procurement and ethics 4.5; transparency 4.0	13.0/15	Controls are strong and findings limited, though public proof is not complete in every area.
Inclusion	Indigent support 4.0; participation 4.5; spatial and environmental inclusion 3.0	11.5/15	Support and participation are credible; equal rural and settlement-level outcomes remain unfinished.

A strong institution, not a finished constitutional project

Midvaal covers Meyerton, Henley on Klip, Walkerville and a substantial rural and peri-urban area. It is smaller than the neighbouring secondary-city municipalities and has a different service geography. That context is relevant, but the score is not a reward for size. Midvaal performs strongly because its audited finances, leadership stability, payment discipline, planning and operating evidence satisfy the same tests applied elsewhere.

Services and infrastructure - 23.0/30

Electricity is the strongest service component. Distribution, reliability, maintenance, metering and investment were credibly established, while losses of approximately 7.3% had declined materially. Water, sanitation, refuse, roads, stormwater and public facilities also function comparatively reliably. Pipe replacement, reservoir and sewer work, road and pothole programmes and the Sicelo substation demonstrate an administration capable of turning budgets into visible implementation.

The deductions are material rather than cosmetic. Water losses were approximately 34.8%. Midvaal receives credit for access, quality and continuity, and partial credit for corrective work; it does not receive the separate loss-control point. Refuse collection is reliable in the principal service area, but universal weekly reach across every rural settlement was not established. Landfill remediation, complaint trends and complete flood-risk evidence remain partial.

Asset and capital systems are credible, and capital execution cleared both the 75% and 85% thresholds, as per our grading. Repairs and maintenance did not reach 8% of the carrying value of property, plant and equipment, so that point is withheld, as per our grading. The final completed-renewal test earns only half a point. The service score therefore captures an institution that manages its networks well without assuming that current performance eliminates future asset risk.

Financial management and sustainability - 23.5/25

Finance is Midvaal's strongest pillar. The municipality achieved a twelfth consecutive clean audit, satisfying all five cumulative audit tests. The budget and in-year position were funded, the current ratio was approximately 2.84 and unrestricted cash covered about 3.83 months of operating expenditure. All five liquidity points are therefore awarded.

The collection rate was approximately 90.4%, clearing the 80%, 85% and 90% thresholds but not 95%, as per our grading. Creditor records were credible, supplier payment averaged about 30 days, bulk obligations were current and no material default or interruption threat was established. The municipality recorded a surplus of approximately R64.6 million.

Small irregular and fruitless and wasteful expenditure balances were disclosed, including a landfill-licence matter considered through the Municipal Public Accounts Committee. Their presence prevents an automatic full award for immaterial or declining exposure. The clean audit and formal resolution support the remaining expenditure-control points. A clean audit is not counted as proof that every service is equal or reliable; it is evidence that reporting and key controls met the Auditor-General's standard.

Governance, integrity and inclusion

Permanent qualified senior leadership, low disruption and stable political-administrative relations satisfy all five leadership tests. The planning and performance system is credible, while the evidence does not justify assuming that every material target met the final cumulative outcome standard. Council, internal audit, the audit committee and the Municipal Public Accounts Committee function, with only complete public proof that all resolutions were closed remaining partial.

Repeated clean audits support the finding that remediation is effective and repeat findings limited. Supply chain management, conflict-of-interest and ethical controls are comparatively strong, and no unresolved systemic procurement failure is established. The deductions reflect incomplete public evidence of every investigation or consequence, council records that are not uniformly searchable and current data distributed across several portals.

Midvaal funds indigent support, maintains accessible participation and complaint channels, and directs investment to rural roads, poorer settlements and public facilities. The remaining weakness is distributive. Rural households and informal or lower-income communities do not always receive the same refuse reach, road quality or digital access as the strongest rate-paying areas. Ward-level measurement and independently verified inclusive outcomes are not comprehensive enough for full marks.

Constitutional assessment and verdict

Midvaal's reliable services, funded budgets, participation and professional administration give substantial effect to sections 152(1)(a), 152(1)(b) and 152(1)(e), section 153(a), and section 195(1)(b), 195(1)(f) and 195(1)(g). Its procurement record also provides comparatively strong assurance under section 217(1).

The constitutional assessment is not complete merely because the aggregate result is strong. Water losses reduce efficient resource use under section 195(1)(b). Uneven rural and settlement-level access remains relevant to equality and dignity under sections 9 and 10, while landfill and environmental remediation engage section 24 and the safe-environment objective in section 152(1)(d).

The A- grade means strong performance under this methodology, not that every resident receives an equal standard of municipal government. Midvaal's first priority is to reduce water losses, deepen preventive maintenance and direct infrastructure and environmental protection towards historically underserved communities. The trajectory is stable because strong finance and governance were maintained, while the unresolved service and inclusion gaps showed no decisive change.

EMFULENI LOCAL MUNICIPALITY

OVERALL SCORE

33.5

/ 100

GRADE F

Emfuleni remains trapped in a cycle in which failing services weaken revenue, financial disorder constrains maintenance and incomplete accountability prevents durable recovery.

PROVINCE

Gauteng

CODE

GT421

PRINCIPAL CENTRE

Vanderbijlpark

CURRENT LEADER

Executive Mayor Hassan Mosola Mako

DISTRICT

Sedibeng District Municipality

CATEGORY

Category B1 secondary-city local municipality

POPULATION

945 650, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress-led coalition administration

Services and infrastructure

6.5 /30

Water quality earns credit, but wastewater, electricity, refuse, roads and asset renewal remain in severe distress.

Financial management

5.0 /25

An unfunded position, weak collections, overspending and multibillion-rand bulk debt overwhelm the limited positives.

Governance

7.0 /15

Senior administrative anchors remain, but implementation and institutional stability are weak.

Integrity

8.0 /15

Specific disciplinary action earns credit, although repeat failures and systemic procurement risks persist.

Inclusion

7.0 /15

Support and participation continue, but service collapse denies many communities an equal lived outcome.

WHAT WORKS

Ward and Integrated Development Plan participation continue, while feedback and service-request closure are incompletely evidenced.

WHAT IS GOING WRONG

Going-concern uncertainty, an unfunded position, negative liquidity and inability to cash-back obligations fail every funding and liquidity test.

FIX FIRST

First priority: Reduce electricity losses and fund reliable, safe network maintenance.

SCORING TRACE

How Emfuleni received 33.5/100

33.5 / 100

GRADE F

Emfuleni met 18 standards, partly met 31 and did not meet 51:

Result	Tests	Calculation	Points
Standard met	18	18×1	18.0
Standard partly met	31	31×0.5	15.5
Standard not met	51	51×0	0.0
Final result	100		33.5/100

The five pillar totals are $6.5 + 5.0 + 7.0 + 8.0 + 7.0 = 33.5$. No later deduction was applied. The grade is automatically F.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 2.5; sanitation 1.5; electricity 0.5; refuse 0.5; roads and facilities 1.0; assets and capital 0.5	6.5/30	Water quality earns credit, but wastewater, electricity, refuse, roads and asset renewal remain in severe distress.
Financial management	Audit 2.0; liquidity 0.0; collections 0.5; creditors 1.0; expenditure control 1.5	5.0/25	An unfunded position, weak collections, overspending and multibillion-rand bulk debt overwhelm the limited positives.
Governance	Leadership 3.0; planning 1.5; council and oversight 2.5	7.0/15	Senior administrative anchors remain, but implementation and institutional stability are weak.
Integrity	Audit remediation 3.0; procurement and ethics 2.0; transparency 3.0	8.0/15	Specific disciplinary action earns credit, although repeat failures and systemic procurement risks persist.
Inclusion	Indigent support 3.0; participation 3.5; spatial and environmental inclusion 0.5	7.0/15	Support and participation continue, but service collapse denies many communities an equal lived outcome.

When service failure and financial failure become the same problem

Emfuleni includes Vanderbijlpark, Vereeniging, Sebokeng, Evaton, Sharpeville, Boipatong, Bophelong and other communities in the Vaal Triangle. Its population and industrial, commercial and residential base should provide substantial own-revenue capacity. Years of intervention, debt, bank-account attachment, infrastructure failure and leadership disruption have instead produced a mutually reinforcing crisis. Hassan Mosola Mako became executive mayor in June 2026; the score assesses the institution over the full evidence period, not his short tenure personally.

Services and infrastructure - 6.5/30

Emfuleni still operates networks and retains broad inherited access. The 2024/25 record reports a strong drinking-water-quality result. That earns the water access and quality points, while limited operating activity earns partial credit elsewhere.

Reliability and environmental safety are the constitutional problem. Repeated sewage spills and treatment and conveyance failures caused sustained harm in the Vaal system and surrounding communities. Remedial intervention earns half a point where completed work is documented, but the continuing failure removes the points for reliable conveyance, compliant treatment and reduced environmental risk.

The municipality retains electricity responsibilities, yet ageing assets, theft, illegal connections, outages and financial attachments undermine the system. Refuse collection was reliably weekly for only about 51% on the reported measure. Fleet, disposal, illegal-dumping and complaint-response standards were not met. Roads and stormwater were severely backlogged and predominantly crisis-driven.

Asset information itself remained incomplete or contested. Maintenance and capital execution failed the fixed thresholds, and completed renewal had not arrested deterioration. Emfuleni receives half a point for the existence of asset information; it does not receive the 75%, 85%, as per our grading, maintenance or functional-renewal points. The strong water-quality result is recognised once and cannot compensate for failures in other systems.

Financial management and sustainability - 5.0/25

The municipality submitted statements and received a qualified rather than adverse or disclaimed opinion, earning two audit points. The outcome had regressed over the administrative term.

Going-concern uncertainty, an unfunded position and obligations far beyond available cash fail all five budget and liquidity tests.

Billing machinery exists, but collections and debtor quality do not reach the first 80% threshold, as per our grading. At the end of 2025, creditor exposure was reported at approximately R11.8 billion, including roughly R7.7 billion owed to Eskom and about R2 billion to water boards. Creditor balances are recorded, which earns one point. Payment within 30 days, current bulk accounts, declining arrears and freedom from attachment or interruption risk are not established.

The Auditor-General reported approximately R3.04 billion in overspending. Large unauthorised, irregular, fruitless and wasteful expenditure balances, grant underspending and returned funds further weaken control. Emfuleni receives credit for recording exposure and limited lawful processing, but not for prevention, completed correction or recovery.

Governance, integrity and inclusion

A permanent municipal manager and chief financial officer provide an administrative base, while council, planning and oversight structures continue. The June 2026 mayoral change, senior vacancies and persistent operational disruption prevent stronger stability points. Plans exist, but evidence reliability and delivery against material targets are weak. A new administration's intention to improve cannot be scored as an achieved outcome.

Integrity is proportionally the strongest pillar because the public record contains core reports and evidence of a specific completed consequence. The Auditor-General recorded that long-outstanding disciplinary processes were finalised and implicated employees dismissed. That earns the consequence point. It does not erase repeat findings, slow investigations or systemic supply chain management weakness. Budgets and reports are available, although current and searchable council and contract information remains uneven.

Indigent support, free basic services and ward and Integrated Development Plan participation continue. Their effectiveness is compromised by the financial and service crisis. The Auditor-General raised concern about whether indigent funding reached all qualifying households. Sewage exposure, refuse failure, electricity insecurity and deteriorated roads impose the greatest burden on communities with the fewest private alternatives. Some projects reach poorer settlements, but the evidence does not establish spatial integration or reduced environmental harm.

Constitutional assessment and verdict

The continuing indigent programme and participation processes provide limited advancement of sections 152(1)(e) and 153(a). The persistent failure of sanitation, electricity, refuse, roads and asset maintenance falls far short of sustainable service delivery under section 152(1)(b) and a safe and healthy environment under section 152(1)(d).

Sewage pollution engages section 24, while unequal exposure and unreliable basic services bear directly on equality and dignity under sections 9 and 10 and access to sufficient water under section 27(1)(b). An unfunded position, overspending, bulk default and weak collections fall short of section 195(1)(b) and 195(1)(f). Repeated procurement findings weaken assurance under section 217(1).

The F grade records cumulative institutional distress, not the absence of every capable official or corrective act. Emfuleni's first priority is to protect reliable and safe electricity, sanitation and water operations from financial attachment and to fund preventive maintenance through a credible collection and bulk-payment plan. The trajectory is deteriorating because service reliability, debt and financial control weakened despite isolated disciplinary progress.

MOGALE CITY LOCAL MUNICIPALITY

OVERALL SCORE

58.5

/ 100

GRADE C

Mogale City remains functional and financially governable, but political turnover, collections below the first fixed threshold and uneven maintenance keep its recovery fragile.

PROVINCE

Gauteng

CODE

GT481

PRINCIPAL CENTRE

Krugersdorp

CURRENT LEADER

Executive Mayor Lucky Godfrey Sele

DISTRICT

West Rand District Municipality

CATEGORY

Category B1 secondary-city local municipality

POPULATION

438 216, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress-led multiparty administration

Services and infrastructure

17.0 /30

All core functions operate, but reliability, maintenance, environmental risk and renewal remain uneven.

Financial management

13.0 /25

Unqualified reporting and expenditure control are strengths; weak collections and liquidity prevent a stronger result.

Governance

9.5 /15

Permanent administration supports continuity, while three mayors in three years weakened stability.

Integrity

8.5 /15

Control systems and an unqualified opinion provide a base, but completed consequences and disclosure remain incomplete.

Inclusion

10.5 /15

Participation is extensive and investment broad, although equal outcomes are not fully demonstrated.

WHAT WORKS

Expenditure and unauthorised, irregular, fruitless and wasteful expenditure exposure are recorded, a zero opening unauthorised, irregular, fruitless and wasteful expenditure balance and formal resolution activity support credit, while new and recurring findings prevent full control points.

WHAT IS GOING WRONG

Billing and collection processes operate, but the consistent collection measure did not securely clear 80% and debtor impairment remains material.

FIX FIRST

First priority: Strengthen billing and lift collections above the first locked threshold.

SCORING TRACE

How Mogale City received 58.5/100

58.5 / 100

GRADE C

Mogale City met 28 standards, partly met 61 and did not meet 11:

Result	Tests	Calculation	Points
Standard met	28	28×1	28.0
Standard partly met	61	61×0.5	30.5
Standard not met	11	11×0	0.0
Final result	100		58.5/100

The pillar totals are $17.0 + 13.0 + 9.5 + 8.5 + 10.5 = 58.5$. No further adjustment was made. The fixed table converts the result automatically into a C.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.0; sanitation 3.0; electricity 3.0; refuse 3.0; roads and facilities 2.5; assets and capital 2.5	17.0/30	All core functions operate, but reliability, maintenance, environmental risk and renewal remain uneven.
Financial management	Audit 3.5; liquidity 1.5; collections 0.5; creditors 3.5; expenditure control 4.0	13.0/25	Unqualified reporting and expenditure control are strengths; weak collections and liquidity prevent a stronger result.
Governance	Leadership 3.5; planning 2.5; council and oversight 3.5	9.5/15	Permanent administration supports continuity, while three mayors in three years weakened stability.
Integrity	Audit remediation 3.0; procurement and ethics 2.5; transparency 3.0	8.5/15	Control systems and an unqualified opinion provide a base, but completed consequences and disclosure remain incomplete.
Inclusion	Indigent support 3.5; participation 4.0; spatial and environmental inclusion 3.0	10.5/15	Participation is extensive and investment broad, although equal outcomes are not fully demonstrated.

Functional government under persistent pressure

Mogale City combines Krugersdorp, Kagiso, Munsieville, Muldersdrift, Magaliesburg and extensive rural and peri-urban areas. Its economy includes manufacturing, mining, tourism, agriculture and fast-growing residential development. These different places create a demanding service geography: performance in the Krugersdorp core cannot stand in for rural settlements or peripheral communities.

Services and infrastructure - 17.0/30

The municipality remains functional across water, sanitation, electricity, refuse, roads and public facilities. Coverage is broad, projects continue and the administration can respond to faults and extend networks. Each service component therefore receives at least baseline and partial credit.

The evidence does not establish consistently good performance. Water interruptions and losses, sanitation and spill risks, electricity outages and illegal connections, waste-fleet and dumping pressure, and road and stormwater backlogs remain unevenly controlled. Measurement and active programmes earn partial points; stable reliability and completed citywide remediation do not.

Asset and capital systems exist and at least 75% of the adjusted capital programme was executed. The evidence did not securely establish the higher 85% threshold, repairs and maintenance at 8% of property, plant and equipment, or renewal above the 40% outcome standard. Mogale receives credit for continued implementation without allowing expenditure alone to stand in for sustainable assets.

Financial management and sustainability - 13.0/25

Mogale retained an unqualified audit opinion with findings. It earns the unqualified point and half a point for sustaining the result, but not a clean-audit point. The adopted budget was reported as funded; the in-year cash backing, current ratio and unrestricted cash evidence did not meet the higher cumulative liquidity tests.

Billing and collection processes operate, but the consistent collection measure did not securely clear 80% and debtor impairment remained material. Only half a point is therefore awarded for the underlying system. Creditor records and bulk accounts were available and no material interruption threat was established. Payment within 30 days was not shown and creditor pressure only partly stabilised.

Expenditure control is a relative strength. The municipality entered the period with a zero opening unauthorised, irregular, fruitless and wasteful expenditure balance and continued formal investigation and resolution processes. New exposure, a reported deficit and recurring findings prevent a full award. The result is a municipality that remains financially governable, but has too little collection and cash resilience for comfort.

Governance, integrity and inclusion

Permanent top administration, adopted plans and operating council and oversight structures support 9.5/15 in governance. Political turnover is the principal weakness. Lucky Sele, elected executive mayor in October 2024, was the third mayor in three years. The coalition label is not penalised; the documented turnover and continuity risk are.

Planning and performance reports exist, but reliability, target achievement and corrective outcomes support only partial awards beyond formal adoption. Council, internal audit, the audit committee and the Municipal Public Accounts Committee operate, although public proof that resolutions are consistently implemented remains incomplete.

Audit-action, supply chain management and ethical systems exist, and the unqualified opinion was maintained. Investigations, completed consequences and procurement disclosure are only partly evidenced. The annual report available during the evidence period remained marked as draft, reducing public-document completeness even though audited financial statements were available.

Indigent support, free basic services and extensive ward and sector consultation are documented. Participation includes youth, business, disability, tourism, religious and community organisations. Capital and development activity reaches Kagiso, Munsieville and rural communities. The deductions concern outcomes: current register quality, reasoned feedback, service-request closure, spatial integration and reduced environmental risk are not fully demonstrated.

Constitutional assessment and verdict

Continued service provision, extensive participation and investment in disadvantaged areas advance sections 152(1)(b), 152(1)(c), 152(1)(e) and 153(a). The retained unqualified opinion and functioning oversight provide meaningful, though incomplete, support for accountability under sections 152(1)(a) and 195(1)(f).

Weak collections, limited cash and uneven maintenance fall short of effective resource use under section 195(1)(b) and threaten the sustainability required by section 152(1)(b). Uneven environmental and service outcomes engage sections 24, 9 and 10. Recurring procurement findings and incomplete disclosure prevent full assurance under sections 195(1)(q) and 217(1).

The C grade records a functioning institution with real strengths, not a secure one. The first priority is to strengthen billing and lift collections, then convert the added cash into preventive maintenance and completed renewal. The trajectory is stable because the municipality remained governable and retained its audit position, while collection, political continuity and service-reliability weaknesses persisted.

MUNICIPAL PROFILES

KWAZULU-NATAL

7 municipalities assessed



The eThekweni metro and six locals covering the provincial capital, strong and distressed comparators, secondary industry, a port economy, tourism and a remote rural border municipality.

MUNICIPALITIES IN THIS SECTION

ETHEKWINI

CITY OF UMHLATHUZE

UMNGENI

RAY NKONYENI

MSUNDUZI

UMHLABUYALINGANA

NEWCASTLE

ETHEKWINI METROPOLITAN MUNICIPALITY

OVERALL SCORE

52.5

/ 100

GRADE C-

Sound metropolitan liquidity cannot compensate for severe water, wastewater, road and integrity failures that continue to reach residents directly.

PROVINCE

KwaZulu-Natal

CODE

ETH

PRINCIPAL CENTRE

Durban

CURRENT LEADER

Mayor Cyril Xaba

DISTRICT

No district (metropolitan municipality)

CATEGORY

Category A metropolitan municipality

POPULATION

4 239 901, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress-led multiparty administration

Services and infrastructure

11.0

/30

Critical water, wastewater, waste and road failures outweigh broad access and large programmes.

Financial management

15.5

/25

Funded finances and strong liquidity are offset by metering failures, irregular expenditure and control findings.

Governance

9.0

/15

A more stable political centre and permanent leadership remain constrained by weak implementation.

Integrity

7.0

/15

Extensive reporting exists, but recurring material irregularities and incomplete consequences persist.

Inclusion

10.0

/15

Social programmes are extensive; unequal exposure to environmental and service failure reduces the outcome.

WHAT WORKS

Auditor-General of South Africa assessed eThekwin as one of only two metros with good financial health; the budget, liquidity and cash measures satisfy the five tests.

WHAT IS GOING WRONG

Auditor-General of South Africa identified severely deteriorated roads, poor drainage and delayed responses; some facility activity continues, but the system remains predominantly reactive.

FIX FIRST

First priority: Move roads and stormwater work from crisis response to measured preventive maintenance.

SCORING TRACE

How eThekweni received 52.5/100

52.5 / 100

GRADE C-

eThekweni met 30 standards, partly met 45 and did not meet 25:

Result	Tests	Calculation	Points
Standard met	30	30×1	30.0
Standard partly met	45	45×0.5	22.5
Standard not met	25	25×0	0.0
Final result	100		52.5/100

The pillar arithmetic is $11.0 + 15.5 + 9.0 + 7.0 + 10.0 = 52.5$. No deduction or editorial adjustment followed. The fixed grade table produces a C-.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 1.5; sanitation 1.5; electricity 3.0; refuse 1.5; roads and facilities 1.0; assets and capital 2.5	11.0/30	Critical water, wastewater, waste and road failures outweigh broad access and large programmes.
Financial management	Audit 3.5; liquidity 5.0; collections 1.5; creditors 4.0; expenditure control 1.5	15.5/25	Funded finances and strong liquidity are offset by metering failures, irregular expenditure and control findings.
Governance	Leadership 3.5; planning 2.0; council and oversight 3.5	9.0/15	A more stable political centre and permanent leadership remain constrained by weak implementation.
Integrity	Audit remediation 2.0; procurement and ethics 2.0; transparency 3.0	7.0/15	Extensive reporting exists, but recurring material irregularities and incomplete consequences persist.
Inclusion	Indigent support 4.0; participation 3.5; spatial and environmental inclusion 2.5	10.0/15	Social programmes are extensive; unequal exposure to environmental and service failure reduces the outcome.

A strong balance sheet confronting weak physical systems

eThekweni combines Durban's dense urban and industrial core with townships, informal settlements, coastal communities and extensive peri-urban and traditional-authority areas. Its port, tourism, manufacturing and commercial base give it one of the country's strongest municipal revenue platforms. That makes the contrast at the centre of the score especially important: the metro's financial health is comparatively sound, but several physical systems are not producing safe and reliable outcomes.

Services and infrastructure - 11.0/30

The City continues to distribute water and electricity, collect waste, operate sanitation systems and fund large capital programmes. Broad access and active institutions earn baseline points. The low service score follows because critical failures affect systems that should be supported by considerable technical and fiscal capacity.

Water reliability remained unacceptable in many communities. Severe interruptions, high losses, non-functional meters and tanker dependence undermined continuity and revenue. The Auditor-General found that non-functional meters caused approximately R659.7 million in unbilled water consumption and issued a material-irregularity notification. The Auditor-General also found that the City lacked an adequate water-infrastructure maintenance plan. Access and partial monitoring credit remain; reliability, loss-control and funded-renewal points do not.

Wastewater is the defining constitutional failure. Treatment works continued to discharge non-compliant effluent, sewer spills persisted and earlier material-irregularity action was escalated. The Department of Water and Sanitation's regulatory evidence confirmed serious treatment risk. Remedial projects justify partial credit, but not the tests for compliant treatment, reduced environmental harm or completed remediation.

Waste collection continues, but landfill non-compliance, illegal dumping and environmental risk prevent most waste-management points. The Auditor-General identified severely deteriorated roads, inadequate drainage and delayed responses to defects. Some road and facility activity continues, but the system remained predominantly reactive. Capital execution cleared the first 75% threshold, as per our grading, while project delays, maintenance below the asset benchmark and weak completed renewal prevented stronger awards. Electricity performed comparatively better: distribution and investment continued, although outages, illegal connections, losses and metering weaknesses limited the result.

Financial management and sustainability - 15.5/25

Finance is eThekweni's strongest defence. The metro retained an unqualified opinion with findings, and the Auditor-General assessed it - together with Cape Town - as one of only two metros in good financial health. The budget and in-year position were funded, the current ratio and unrestricted cash satisfied all fixed thresholds and no material bulk-service default was established. All five liquidity points are awarded.

The audit was not clean. Limited progress towards a clean outcome over a decade supports only half of the verified-improvement point. Collections cleared 80%, as per our grading, but non-functional meters and unbilled consumption weakened billing credibility and prevented the higher thresholds from being securely established. Creditor and bulk records were credible, while 30-day payment and declining creditor pressure were only partly demonstrated.

The largest financial deduction concerns expenditure control. eThekweni recorded approximately R4.48 billion in irregular expenditure - about 57% of the KwaZulu-Natal municipal total. The Auditor-General also issued a material-irregularity notification concerning water-tanker procurement, including an inability to validate services and concerns about equipment and value. These are audit findings, not criminal convictions. They earn credit for recording and cooperation with external processes, but not for prevention or completed resolution.

Governance, integrity and inclusion

Cyril Xaba's election in July 2024 created a more stable political centre after earlier turbulence. Permanent top leadership, established planning systems and functioning council structures provide real capacity. Coalition dependence and vacancies limit the stability award, while the form of government itself remains neutral.

Implementation is the main weakness. The Auditor-General identified material performance and project-tracking failures. The Etafuleni housing project had been delayed for approximately 132 months, and the metro lacked effective systems for monitoring infrastructure projects. Plans therefore earn points, but the 60% and 80% cumulative target-achievement standards do not.

eThekweni publishes extensive budgets, financial statements and reports, and maintains public and ward channels. Audit-action, supply chain management and ethical frameworks exist. Repeat findings, the scale of irregular expenditure, the water-tanker matter and incomplete investigations prevent higher integrity awards. Disclosure is recognised without being confused with consequence management.

The municipality funds a large indigent and free-basic-services programme and invests in townships, informal settlements and peri-urban communities. Ward and Integrated Development Plan consultation occurs across a linguistically and geographically diverse area. Water interruptions, tanker dependence, sewage spills, landfill risk, flood exposure and housing delay, however, fall hardest on residents without private alternatives. The Auditor-General also identified unfair allocation of completed houses and interim housing without acceptable safety and basic services.

Constitutional assessment and verdict

The funded social package, broad access, participation and capital investment advance sections 152(1)(b), 152(1)(c), 152(1)(e) and 153(a). Financial health supports efficient resource management under section 195(1)(b), although it is not sufficient on its own.

Persistent water and wastewater failure falls short of sections 152(1)(b) and 152(1)(d), engages section 24 and bears on dignity and sufficient water under sections 10 and 27(1)(b). Unequal housing and service outcomes remain relevant to section 9. Large irregular expenditure, recurring procurement findings and incomplete consequences weaken accountability and transparency under sections 195(1)(f) and 195(1)(g), and assurance under section 217(1).

The C- grade records a metro with the financial means to recover but service and integrity systems that have not yet done so. The first priority is a verified water and wastewater recovery programme tied to preventive maintenance, functioning meters and transparent project milestones. The trajectory is stable because financial health was maintained while severe service and accountability failures persisted without decisive system-wide improvement.

UMNGENI LOCAL MUNICIPALITY

OVERALL SCORE

81.5
/ 100
GRADE A-

Disciplined finances, stable leadership and credible delivery of assigned functions place uMngeni among the report’s strongest municipalities, although cash, maintenance and rural equality still require attention.

PROVINCE	DISTRICT
KwaZulu-Natal	uMgungundlovu District Municipality
CODE	CATEGORY
KZN222	Category B2 large-town local municipality
PRINCIPAL CENTRE	POPULATION
Howick	105 069, Statistics South Africa Census 2022
CURRENT LEADER	POLITICAL CONTROL
Mayor Chris Pappas	Democratic Alliance majority administration

Services and infrastructure

24.0 /30

The municipality performs strongly on its assigned functions, with specific deductions for loss evidence, maintenance and complete backlog reporting.

Financial management

19.5 /25

Strong collections and exemplary payment discipline are moderated by an audit with findings and less than one month of unrestricted cash.

Governance

13.5 /15

Permanent leadership and functioning oversight convert plans into comparatively reliable execution.

Integrity

12.0 /15

Control and disclosure systems work, but not every investigation, consequence or council record is proved complete.

Inclusion

12.5 /15

Support and participation reach township and rural communities, while equal outcomes are not yet fully measured.

WHAT WORKS

Creditor records, timely payment, current Eskom obligations, stable pressure and the absence of default satisfy all five tests.

WHAT IS GOING WRONG

The budget and in-year position were funded and the current ratio cleared 1.5, but unrestricted cash of about R29.5 million was below one month of operating expenditure.

FIX FIRST

First priority: Restore a funded, cash-backed budget and rebuild a genuine operating buffer.

SCORING TRACE

How uMngeni received 81.5/100

81.5 / 100

GRADE A-

uMngeni met 68 standards, partly met 27 and did not meet five:

Result	Tests	Calculation	Points
Standard met	68	68×1	68.0
Standard partly met	27	27×0.5	13.5
Standard not met	5	5×0	0.0
Final result	100		81.5/100

The pillar arithmetic is $24.0 + 19.5 + 13.5 + 12.0 + 12.5 = 81.5$. No deduction or editorial adjustment followed. The fixed grade table produces an A-.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.5; sanitation 4.0; electricity 4.0; refuse 4.0; roads and facilities 4.0; assets and capital 4.5	24.0/30	The municipality performs strongly on its assigned functions, with specific deductions for loss evidence, maintenance and complete backlog reporting.
Financial management	Audit 3.5; liquidity 3.0; collections 4.0; creditors 5.0; expenditure control 4.0	19.5/25	Strong collections and exemplary payment discipline are moderated by an audit with findings and less than one month of unrestricted cash.
Governance	Leadership 5.0; planning 4.0; council and oversight 4.5	13.5/15	Permanent leadership and functioning oversight convert plans into comparatively reliable execution.
Integrity	Audit remediation 4.0; procurement and ethics 4.0; transparency 4.0	12.0/15	Control and disclosure systems work, but not every investigation, consequence or council record is proved complete.
Inclusion	Indigent support 4.5; participation 4.5; spatial and environmental inclusion 3.5	12.5/15	Support and participation reach township and rural communities, while equal outcomes are not yet fully measured.

Strong institutions, tested by growth and uneven geography

uMngeni joins Howick, Mpophomeni, Hilton, Merrivale, Nottingham Road and extensive farming and rural areas. Its economy benefits from agriculture, forestry, tourism, education, logistics and the national road corridor. That base gives the municipality advantages that many rural councils do not possess. The score does not reward those advantages by themselves; it asks whether the municipality converts them into sound administration and public value.

Water and sanitation are district functions, while the local municipality retains duties including electricity distribution in its licensed area, refuse, roads, stormwater, public facilities, local planning and the administration of free basic services. Function allocation matters because uMngeni cannot fairly be given or denied points for infrastructure operated exclusively by another sphere or authority. Residents' experience of district water remains relevant to the narrative and to the municipality's coordination duties, but the local score follows the functions it can lawfully control.

Services and infrastructure - 24.0/30

Electricity distribution remained operational, but the loss-control result was weak. Electricity losses increased from 31% to 34%, representing approximately 30.19 million kilowatt-hours valued at R45.89 million. The AFS identifies illegal connections, meter inaccuracies, faulty meters, tampering, unmetered energy, ageing infrastructure, network overloading and weaknesses in billing information as contributing factors. The municipality can retain credit for operating the network and undertaking investment, but it should not receive the loss-reduction test for 2024/25.

uMngeni spent approximately R82.27 million against a final adjusted PPE acquisition budget of R109.44 million, or 75.18%. This narrowly clears the 75% execution threshold but not 85%, as per our grading. PPE maintenance was R32.08 million, approximately 3.10% of the R1.036 billion carrying value, and all maintenance disclosed in the relevant AFS table was corrective rather than preventative. Work in progress increased from R56.77 million to R75.30 million, while R53.94 million was transferred to completed assets. Stalled and delayed projects mean that capital expenditure alone cannot establish completed renewal or reduced long-term infrastructure risk.

Financial management and sustainability - 19.5/25

Finance is a material strength. uMngeni received an unqualified audit opinion with findings and improved over the current administrative term. It earns points for timely statements, a non-adverse opinion, an unqualified result and verified improvement. It does not earn the clean-audit point because material findings remained.

The budget and credible in-year position were funded and the current ratio exceeded 1.35. Collections cleared the 80%, 85% and 90% thresholds, although the evidence did not securely establish the final 95% standard together with stable or declining debtors, as per our grading. Creditor records, timely payment, current Eskom obligations, stable pressure and the absence of default satisfied all five payment-discipline tests. That full 5.0/5 is one of the clearest distinctions between uMngeni and financially distressed municipalities.

Cash is the principal weakness. Unrestricted cash of approximately R29.5 million, measured against annual expenditure of roughly R566 million, represented less than one month of operations. The municipality therefore did not receive either cash-coverage point, despite recording a surplus of about R48.5 million and an accumulated surplus above R1 billion. Expenditure remained controlled and

problem expenditure was recorded and processed, but residual compliance findings kept prevention and correction below full marks.

Governance, integrity and inclusion

Permanent senior leadership and stable political-administrative relations support the full 5.0/5 leadership result. The Integrated Development Plan, budget and Service Delivery and Budget Implementation Plan were aligned; performance reporting was credible; and council, internal audit, the audit committee and the Municipal Public Accounts Committee functioned. The upper planning and oversight points remain partial because the evidence does not establish complete target achievement and closure of every resolution.

The integrity mark is intentionally conservative. Audit remediation improved the opinion, supply chain management and ethical controls operated and major statutory and procurement information was accessible. Yet a favourable reputation is not evidence that every investigation, recovery, disciplinary step, external process or council record was complete. Those final tests receive half-points rather than assumed credit.

Indigent arrangements and free basic services are funded for assigned functions. Participation reaches urban, township and rural communities, while investment in Mpophomeni, rural roads, trading facilities and public spaces supports inclusion. The remaining weakness is proof of equal outcomes: ward-level disparity measurement, published feedback and independently measurable spatial and environmental improvement remain incomplete.

Constitutional assessment and verdict

uMngeni's democratic structures and public participation advance sections 152(1)(a) and 152(1)(e) of the Constitution. Reliable delivery of assigned functions advances section 152(1)(b), while funded planning and investment in basic needs are consistent with section 153(a). Stable administration, strong payment discipline and accessible reporting align with the efficiency, accountability and transparency requirements in sections 195(1)(b), 195(1)(f) and 195(1)(g).

The municipality is not constitutionally complete. Uneven conditions between stronger urban areas and rural or township communities remain relevant to equality and dignity under sections 9 and 10. Incomplete environmental-outcome evidence limits assurance under section 152(1)(d) and section 24. Cash below one month and maintenance below the benchmark are warnings that presently reliable services may become less sustainable.

The A- records a strong institution, not a declaration of perfection and not an endorsement of a political party. The first priorities are to rebuild unrestricted cash above one month, improve maintenance and renewal, publish fuller ward-level and complaint outcomes and make intergovernmental accountability for water and sanitation easier for residents to follow. The trajectory is improving because audit, financial and service evidence moved positively across comparable periods, while the remaining risks are identifiable and manageable.

MSUNDUZI LOCAL MUNICIPALITY

OVERALL SCORE

41.5

/ 100

GRADE D

An important audit improvement shows that correction is possible, but unsafe infrastructure, weak liquidity and incomplete accountability still define residents' daily experience.

PROVINCE

KwaZulu-Natal

CODE

KZN225

PRINCIPAL CENTRE

Pietermaritzburg

CURRENT LEADER

Mayor Mzimkhulu Thebolla

DISTRICT

uMgungundlovu District Municipality

CATEGORY

Category B1 secondary-city local municipality

POPULATION

817 725, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress-led minority administration

Services and infrastructure

9.0 /30

Broad activity continues, but recurring sewage, road, drainage, electricity and waste failures defeat reliability and maintenance tests.

Financial management

7.5 /25

The audit improved, yet the budget, cash, collections and creditor position remain severely strained.

Governance

9.0 /15

The institutional framework survives, but weak implementation prevents plans and committees from producing reliable outcomes.

Integrity

7.5 /15

Remediation yielded a better opinion, while investigations, consequences and procurement correction remain incomplete.

Inclusion

8.5 /15

Support and participation continue, but service failure falls most heavily on poorer communities.

WHAT WORKS

Msunduzi improved to an unqualified opinion with findings for the first time in four years, earning the full verified-improvement point but not a clean-audit point.

WHAT IS GOING WRONG

The municipality remained financially strained and cash coverage was below one month; the evidence does not meet the funded, current-ratio or cash-backing tests.

FIX FIRST

First priority: Move roads and stormwater work from crisis response to measured preventive maintenance.

SCORING TRACE

How Msunduzi received 41.5/100

41.5 / 100

GRADE D

Msunduzi met 21 standards, partly met 41 and did not meet 38:

Result	Tests	Calculation	Points
Standard met	21	21×1	21.0
Standard partly met	41	41×0.5	20.5
Standard not met	38	38×0	0.0
Final result	100		41.5/100

The pillar arithmetic is $9.0 + 7.5 + 9.0 + 7.5 + 8.5 = 41.5$. No deduction or editorial adjustment followed. The fixed grade table produces a D.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 2.0; sanitation 1.5; electricity 1.5; refuse 1.5; roads and facilities 1.0; assets and capital 1.5	9.0/30	Broad activity continues, but recurring sewage, road, drainage, electricity and waste failures defeat reliability and maintenance tests.
Financial management	Audit 4.0; liquidity 0.0; collections 0.5; creditors 1.0; expenditure control 2.0	7.5/25	The audit improved, yet the budget, cash, collections and creditor position remain severely strained.
Governance	Leadership 3.5; planning 2.0; council and oversight 3.5	9.0/15	The institutional framework survives, but weak implementation prevents plans and committees from producing reliable outcomes.
Integrity	Audit remediation 2.5; procurement and ethics 2.0; transparency 3.0	7.5/15	Remediation yielded a better opinion, while investigations, consequences and procurement correction remain incomplete.
Inclusion	Indigent support 3.0; participation 3.5; spatial and environmental inclusion 2.0	8.5/15	Support and participation continue, but service failure falls most heavily on poorer communities.

A capital city in which institutional improvement has not yet reached the street

Msunduzi governs Pietermaritzburg and surrounding township, peri-urban and rural communities. It is the administrative capital of KwaZulu-Natal and a major education, health, commerce and transport centre. Its responsibilities and revenue base are substantial. The low score does not arise because the municipality has stopped functioning; it arises because the systems that remain in place are not delivering safe, reliable and financially sustainable outcomes.

Mayor Mzimkhulu Thebolla provides current political continuity, but this is an institutional assessment of council, administration and oversight across the evidence period. The mayor's identity and party neither add nor remove a point.

Services and infrastructure - 9.0/30

Msunduzi continues to operate water, sanitation, electricity, refuse, roads and public facilities. Formal access, municipal teams and active projects earn baseline or partial credit. The test is not whether activity exists, however; it is whether access is reliable, infrastructure is maintained, environmental risks are reduced and funded remediation produces functioning results.

The Auditor-General identified severely deteriorated roads, inadequate drainage, sewage spillages, deficient routine maintenance and delayed responses to defects. Those findings withhold the points for preventive road maintenance, maintained stormwater systems and timely, documented closure of faults. Recurrent sewage spills prevent full awards for sewer conveyance, compliant treatment, reduced environmental risk and completed remediation.

Electricity distribution continues, but outages, losses, unsafe connections and an estimated 25 000 illegal connections weaken reliability, safety, metering and revenue protection. Refuse activity also continues, while landfill non-compliance, illegal dumping and fleet pressure prevent the tests for system-wide reliability and compliant disposal. Asset and capital systems receive limited credit, but maintenance, execution and completed renewal do not satisfy the locked thresholds. A household connection therefore earns credit; a connection repeatedly undermined by breakdown, spill or unsafe infrastructure does not earn a reliability point.

Financial management and sustainability - 7.5/25

The most important positive result is the audit. Msunduzi improved to an unqualified opinion with findings for the first time in four years. The municipality earns points for submission, a non-adverse opinion, an unqualified result and verified correction of the earlier outcome. It does not earn the clean-audit point because material findings remained.

That improvement cannot be counted again as liquidity. The evidence did not establish a funded, cash-backed position, a current ratio of at least 1.5 or one month of unrestricted cash. Billing arrangements existed, but collection and debtor quality did not securely clear the first 80% threshold, as per our grading. Only half of the billing test is therefore awarded.

Msunduzi's audit outcome improved, but liquidity remained weak. Current assets of approximately R3.121 billion were below current liabilities of R3.356 billion, producing a current ratio of about 0.93. Cash and cash equivalents increased from R495.99 million to R746.66 million. Gross cash was roughly equivalent to one month of annual expenditure, but the AFS did not establish that the full amount was

unrestricted and continued to identify below-norm cash-cost coverage, worsening creditor days and adverse liquidity ratios.

Governance, integrity and inclusion

Permanent senior leadership, mayoral continuity, statutory plans, council, internal assurance and the Municipal Public Accounts Committee provide an institutional base. That base explains why governance scores materially above services and finance. Vacancies, intervention history, weak target achievement and operational disruption prevent the upper awards. The municipality can adopt a plan and complete a reporting cycle while still failing to convert missed milestones into service correction.

Audit remediation deserves credit because it produced a better opinion. Supply chain management and ethical frameworks exist, the municipality engages external processes and substantial reports are publicly available. The Auditor-General nevertheless reported incomplete investigation of material irregularities, while procurement and compliance findings remained. The available record did not establish completed recovery, discipline or referral across material cases.

The report describes the approximately R27 million Royal AM sponsorship according to its legal status: a court finding of invalidity or unlawfulness is not a criminal conviction and is not presented as one. That precision protects both fairness and accountability.

Indigent support, free basic services, ward structures and public consultation continue. Capital and community programmes reach disadvantaged areas. Yet sewage, unsafe electricity, road and drainage failure and unreliable waste removal burden poorer households most severely because they have fewer private alternatives. The inclusion score therefore recognises programmes but withholds stronger outcome points where ward-level disparity measurement, reasoned feedback and complaint closure are incomplete.

Constitutional assessment and verdict

Msunduzi's functioning council, participation structures and indigent support advance sections 152(1)(a), 152(1)(e) and 153(a). The improved audit advances accountability under section 195(1)(f) and demonstrates that corrective administration is possible.

The present condition nevertheless falls short of the sustainable-service duty in section 152(1)(b). Sewage, refuse, drainage and unsafe infrastructure engage the safe and healthy environment objective in section 152(1)(d), the environmental right in section 24 and dignity under section 10. Acute creditor, cash and collection weakness is inconsistent with efficient and economical administration under section 195(1)(b). Incomplete investigations and consequences weaken sections 195(1)(f) and 195(1)(g), while unresolved procurement findings require assurance against the standards in section 217(1).

The D grade records serious institutional weakness, not total collapse. The trajectory is improving because the audit and parts of governance improved across comparable periods, but the present condition remains poor. The next stage of recovery must move beyond reporting: preserve the unqualified audit, restore wastewater, roads, drainage and waste systems, bring bulk obligations current, rebuild cash and complete lawful investigation, recovery and disciplinary processes. The first operational priority is a measured preventive-maintenance programme for roads, stormwater and sewage rather than repeated crisis response.

NEWCASTLE LOCAL MUNICIPALITY

OVERALL SCORE

46.5

/ 100

GRADE D+

Newcastle retains a broad urban service platform, but an unfunded position, short cash, rising network losses and incomplete consequences are steadily eroding it.

PROVINCE

KwaZulu-Natal

CODE

KZN252

PRINCIPAL CENTRE

Newcastle, including Madadeni and Osizweni

CURRENT LEADER

Mayor Xolani Dube

DISTRICT

Amajuba District Municipality

CATEGORY

Category B1 secondary-city local municipality

POPULATION

507 710, Statistics South Africa Census 2022

POLITICAL CONTROL

Inkatha Freedom Party-led coalition in a hung council

Services and infrastructure

16.5

/30

Broad access and continuing projects earn credit, while rising losses and incomplete infrastructure weaken reliability and resilience.

Financial management

6.5

/25

An unqualified opinion cannot offset an unfunded budget, a current-liability gap, very short cash and mounting payables.

Governance

8.5

/15

Council and administration function, but weak targets, controls and monitoring reduce implementation credit.

Integrity

5.0

/15

Reports are published, but required investigations and completed consequence processes remain deficient.

Inclusion

10.0

/15

Support and investment reach poorer wards, although unequal reliability and unfinished projects remain.

WHAT WORKS

The municipality retains indigent support, public-participation structures and investment across Newcastle, Madadeni, Osizweni and poorer peripheral wards.

WHAT IS GOING WRONG

Payables rose to about R1.24 billion, the municipality did not pay all creditors within 30 days, and the audit states that cost containment did not maintain a funded budget.

FIX FIRST

First priority: Restore a funded, cash-backed budget and rebuild a genuine operating buffer.

SCORING TRACE

How Newcastle received 46.5/100

46.5 / 100

GRADE D+

Newcastle met 31 standards, partly met 31 and did not meet 38:

Result	Tests	Calculation	Points
Standard met	31	31×1	31.0
Standard partly met	31	31×0.5	15.5
Standard not met	38	38×0	0.0
Final result	100		46.5/100

The pillar arithmetic is $16.5 + 6.5 + 8.5 + 5.0 + 10.0 = 46.5$. No deduction or editorial adjustment followed. The fixed grade table produces a D+.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 2.5; sanitation 3.0; electricity 2.5; refuse 3.0; roads and facilities 3.0; assets and capital 2.5	16.5/30	Broad access and continuing projects earn credit, while rising losses and incomplete infrastructure weaken reliability and resilience.
Financial management	Audit 2.0; liquidity 1.0; collections 1.5; creditors 1.0; expenditure control 1.0	6.5/25	An unqualified opinion cannot offset an unfunded budget, a current-liability gap, very short cash and mounting payables.
Governance	Leadership 2.5; planning 3.0; council and oversight 3.0	8.5/15	Council and administration function, but weak targets, controls and monitoring reduce implementation credit.
Integrity	Audit remediation 1.5; procurement and ethics 1.5; transparency 2.0	5.0/15	Reports are published, but required investigations and completed consequence processes remain deficient.
Inclusion	Indigent support 3.5; participation 3.0; spatial and environmental inclusion 3.5	10.0/15	Support and investment reach poorer wards, although unequal reliability and unfinished projects remain.

A functioning secondary city with diminishing financial room

Newcastle serves a substantial industrial and commercial centre, the large township communities of Madadeni and Osizweni and outlying settlements. Its manufacturing base and strategic road connections give the municipality economic weight beyond its provincial location. That scale is reflected in a service platform which remains operational. The central question is whether the municipality can finance and renew that platform before the balance sheet and ageing networks become more restrictive.

Services and infrastructure - 16.5/30

Newcastle still provides water, sanitation, electricity, refuse, roads and community facilities at secondary-city scale. It spent 94% of the budget attached to the audited basic-service programme, achieved 61% of those targets and completed parts of the water, roads, electricity and housing programme. Wastewater quality reached 85%, while implementation of the water-maintenance plan was reported at 86%. These facts earn access, activity and partial reliability points.

The deductions reveal a system losing resilience. Water losses rose to approximately R74.65 million and 37% of purchased water, from 36% a year earlier. Electricity losses increased to approximately R61.25 million and 11%. Both were measured, which earns evidence credit, but neither satisfied the test for controlled or materially declining losses.

A major gravity-main project delivered only 0.18 kilometres of a planned 8.5 kilometres. Electricity-network work was incomplete; public-lighting complaint performance narrowly missed target; preparatory work for a new landfill was unfinished; and housing-grant underspending reached approximately R65.97 million. Newcastle therefore receives partial points for programmes and planning, but not full marks for functioning completion, reduced backlogs or proven resilience. Capital activity is visible; its effect is not yet secure.

Financial management and sustainability - 6.5/25

Newcastle submitted its statements and ultimately received an unqualified audit opinion. It did not achieve a clean audit: material financial misstatements were corrected during the audit, performance information retained a material finding and compliance failures remained. The component therefore receives credit for submission and a non-adverse outcome, with only partial credit for the quality and improvement tests.

The balance sheet is the decisive weakness. Current liabilities exceeded current assets by approximately R499.78 million. Cash of about R85.47 million represented roughly one third of one month of operating expenditure above R3.1 billion. The municipality recorded a deficit of approximately R361.51 million. Those figures do not satisfy the current-ratio or cash thresholds and leave little buffer for breakdowns, delayed revenue or emergency maintenance.

Payables rose to approximately R1.24 billion and creditors were not consistently paid within 30 days. Billing and credit control existed, but debtor recoverability and the consistently calculated collection rate did not securely cross the upper thresholds. Expenditure control was also weak: the audited record disclosed approximately R467.79 million in unauthorised expenditure and R71.58 million in fruitless and wasteful expenditure, much of it linked to late payment. Recording earns limited credit; prevention and completed resolution do not.

Governance, integrity and inclusion

Newcastle's council and administration continued to function, senior finance and administrative posts were substantially occupied and statutory reports were produced. These facts keep governance in the middle range. Only 61% of the audited basic-service programme was achieved, one indicator was not measurable and submitted performance information required correction. Weak monitoring of procurement and budget controls also limited the planning and oversight tests.

Integrity is the lowest non-financial pillar. The Auditor-General found that fruitless and irregular expenditure was certified as irrecoverable without the investigations required to determine recoverability. External investigations into financial misconduct and supply chain management matters were still in progress. These are reported as audit findings and investigations, not as proof of criminal conduct. Newcastle publishes budgets, reports and procurement material, but incomplete data quality, investigation and consequence processes prevent stronger transparency and remediation awards.

The municipality maintains indigent support, ward structures and capital investment across Newcastle, Madadeni, Osizweni and poorer peripheral wards. Broad household service access carries real constitutional value. Unfinished pipelines, roads, housing and landfill projects, together with unsafe connections and delayed maintenance, show why access cannot stand in for equal reliability. Residents with the least ability to purchase alternatives bear the greatest cost of interruptions. Partial rather than full points are therefore awarded for complaint tracking, public feedback, ward-level equality and demonstrably completed investment in neglected areas.

Constitutional assessment and verdict

Broad access, indigent support and participatory planning advance sections 152(1)(b), 152(1)(c), 152(1)(e) and 153(a) of the Constitution. The continuing council and published reporting framework support democratic accountability under section 152(1)(a).

An unfunded position, very short cash and mounting creditors fall short of efficient, economic and effective resource use under section 195(1)(b). Rising water and electricity losses and incomplete infrastructure weaken sustainable service provision under section 152(1)(b). Incomplete investigations undermine accountability and transparency under sections 195(1)(f) and 195(1)(g), while procurement-control findings require assurance against section 217(1). Unequal exposure to service interruptions remains relevant to dignity and equality under sections 10 and 9.

The D+ does not say that Newcastle has ceased to govern. It says that a broad service base is being financed and maintained on increasingly fragile foundations. The first priority is a credible funded-budget and cash-recovery programme tied to collections, payment discipline and infrastructure renewal. The trajectory is deteriorating because losses, the current-liability gap, creditor pressure and unresolved expenditure controls outweighed continuing service activity during the comparable period.

CITY OF UMHLATHUZE LOCAL MUNICIPALITY

OVERALL SCORE

83.0

/ 100

GRADE A-

Exceptional control maturity and strong revenue collection support a high score, but worsening water losses, weak wastewater compliance and a thinner cash buffer prevent complacency.

PROVINCE

KwaZulu-Natal

CODE

KZN282

PRINCIPAL CENTRE

Richards Bay and Empangeni

CURRENT LEADER

Mayor Xolani Ngwezi

DISTRICT

King Cetshwayo District Municipality

CATEGORY

Category B1 secondary-city local municipality

POPULATION

412 075, Statistics South Africa Census 2022

POLITICAL CONTROL

Inkatha Freedom Party-led multiparty coalition

Services and infrastructure

21.5

/30

Broad functionality is reduced by high water losses, weak wastewater compliance and uneven restoration performance.

Financial management

22.0

/25

A sustained clean audit and strong collections are offset by a current ratio below 1.5 and less than one month of cash.

Governance

14.0

/15

Permanent management and reliable controls are constrained only by incomplete performance and resolution closure.

Integrity

14.0

/15

Embedded remediation, procurement and disclosure systems satisfy nearly all tests.

Inclusion

11.5

/15

Strong support and development capacity coexist with uneven peripheral and environmental outcomes.

WHAT WORKS

uMhlathuze sustained a clean audit: the financial statements were unqualified and the Auditor-General reported no material financial, performance or compliance findings.

WHAT IS GOING WRONG

The performance report recorded total water losses of 31% against a target below 29%, while the audited statements emphasised losses valued at R501.55 million and equal to 62% of bulk water purchased.

FIX FIRST

First priority: Stabilise water supply, reduce losses and prove sustained network renewal.

SCORING TRACE

How the City of uMhlathuze received 83.0/100

83.0 / 100

GRADE A-

The City met 73 standards, partly met 20 and did not meet seven:

Result	Tests	Calculation	Points
Standard met	73	73×1	73.0
Standard partly met	20	20×0.5	10.0
Standard not met	7	7×0	0.0
Final result	100		83.0/100

The pillar arithmetic is $21.5 + 22.0 + 14.0 + 14.0 + 11.5 = 83.0$. No deduction or editorial adjustment followed. The fixed grade table produces an A-.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.5; sanitation 3.5; electricity 3.5; refuse 4.0; roads and facilities 3.5; assets and capital 3.5	21.5/30	Broad functionality is reduced by high water losses, weak wastewater compliance and uneven restoration performance.
Financial management	Audit 5.0; liquidity 4.5; collections 4.0; creditors 4.5; expenditure control 4.0	22.0/25	A sustained clean audit and strong collections are offset by a current ratio below 1.5 and less than one month of cash.
Governance	Leadership 5.0; planning 4.5; council and oversight 4.5	14.0/15	Permanent management and reliable controls are constrained only by incomplete performance and resolution closure.
Integrity	Audit remediation 5.0; procurement and ethics 4.5; transparency 4.5	14.0/15	Embedded remediation, procurement and disclosure systems satisfy nearly all tests.
Inclusion	Indigent support 4.5; participation 3.5; spatial and environmental inclusion 3.5	11.5/15	Strong support and development capacity coexist with uneven peripheral and environmental outcomes.

Strong administration beside increasingly visible infrastructure risk

The City of uMhlathuze brings Richards Bay, Empangeni and large traditional-authority areas together around one of South Africa's most important port-industrial economies. Municipal systems support the Port of Richards Bay, heavy industry, logistics, tourism and the Richards Bay Industrial Development Zone. This unusually productive economic base raises the standard reasonably expected of the institution; it does not automatically earn points.

Services and infrastructure - 21.5/30

The City retains capable technical departments and broad water, electricity and refuse reach. The Auditor-General reported no material finding on selected performance information. Refuse collection reached approximately 95% of schedule, electricity losses were contained near 7% on the audited volume measure and roads, waste, public-facility and network programmes continued. Capital execution passed the first 75% threshold, although not the upper 85% test, as per our grading, on the audited basic-service programme.

Water and wastewater provide the decisive deductions. The performance report recorded total water losses of 31% against a target below 29%. The audited financial statements also recorded losses valued at approximately R501.55 million and equal to 62% of bulk water purchased. The figures use different denominators and are not treated as interchangeable; together they establish that loss control was not secure enough for the full point.

Only 57% of wastewater samples complied with water-use-licence conditions against a target above 90%. That result removes full credit for treatment compliance and materially reduced environmental risk. Street-light faults restored within 72 hours reached only 58% against a target of 70%, demonstrating why broad service availability does not equal timely restoration. The municipality receives credit for asset registers, plans and completed work, with partial awards for maintenance adequacy, renewal and verified risk closure.

Financial management and sustainability - 22.0/25

uMhlathuze sustained a clean audit: the financial statements were unqualified and the Auditor-General reported no material financial, performance or compliance findings. Sustaining that result across periods satisfies all five audit tests and supports the high expenditure-control mark.

Revenue administration is another strength. Cash receipts from rates and service charges were strong relative to billing, securely satisfying the 80%, 85% and 90% collection thresholds. Creditor records and monthly reconciliations were credible, and the audit did not identify a material failure to pay ordinary or bulk accounts. Residual uncertainty around the highest collection and payment-pressure tests attracts half-points rather than an assumption of perfection.

Liquidity prevents a perfect finance result. Current assets of approximately R1.205 billion exceeded current liabilities of R1.050 billion, but the resulting current ratio of about 1.15 was below the 1.5 norm. Cash of approximately R250.96 million represented only about 0.6 months of operating expenditure. The municipality also moved from a small surplus to a deficit of approximately R122.47 million. It was not financially distressed, but the buffer available for shocks and infrastructure emergencies narrowed materially.

Governance, integrity and inclusion

Permanent senior management, a functioning council, internal audit, audit committee and Municipal Public Accounts Committee support 14.0/15 for governance. Planning and reporting were reliable and the clean audit indicates controls extending beyond one political office-holder. The principal deduction is the approximately 60% achievement rate in the audited basic-service programme: controlled reporting does not turn an unachieved target into a completed result.

Integrity also scores 14.0/15. Audit remediation, supply chain management, ethical controls and public disclosure were strong, and no reviewed evidence established a systemic unresolved procurement failure in 2024/25. Budgets, performance reports, tender material and service channels permit meaningful scrutiny. The final half-points reflect the need for more granular plant-level wastewater results, contract-performance information, response times and complete consequence records, not a presumption of wrongdoing.

The City funds indigent support and free basic services across urban and traditional-authority areas. Its industrial revenue base provides substantial developmental capacity, and capital programmes extend beyond Richards Bay and Empangeni. The remaining constitutional gap lies between high average access and weaker sanitation, weekly waste, lighting and environmental outcomes in peripheral communities. Participation and complaint systems function, although feedback and measurable spatial equalisation are not uniformly demonstrated.

Constitutional assessment and verdict

Reliable financial reporting, payment discipline and capable administration advance efficient, accountable and transparent public administration under sections 195(1)(b), 195(1)(f) and 195(1)(g). Broad services, participation and investment advance sections 152(1)(b), 152(1)(c), 152(1)(e) and 153(a). The clean procurement and reporting environment also provides strong assurance against section 217(1).

Weak wastewater compliance falls short of the safe and sustainable service obligations in sections 152(1)(b) and 152(1)(d) and directly engages section 24. High water losses threaten the long-term sustainability of sufficient-water provision relevant to section 27(1)(b). Uneven peripheral outcomes remain relevant to equality and dignity under sections 9 and 10.

The A- is a strong institutional verdict, not a clean bill of infrastructure health. The first priority is to stabilise water supply, reduce losses and publish verified renewal and wastewater-remediation milestones. The trajectory is deteriorating because water loss, wastewater compliance, restoration performance and the thinning liquidity buffer worsened despite sustained control maturity.

RAY NKONYENI LOCAL MUNICIPALITY

OVERALL SCORE

67.5

/ 100

GRADE B-

Excellent reported target achievement and strong collections are constrained by weak liquidity, waste-system pressure, electricity losses and significant unauthorised expenditure.

PROVINCE

KwaZulu-Natal

CODE

KZN216

PRINCIPAL CENTRE

Port Shepstone

CURRENT LEADER

Mayor Zodwa Mzindle

DISTRICT

Ugu District Municipality

CATEGORY

Category B2 large-town local municipality

POPULATION

362 134, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and
infrastructure

16.5

/30

High reported execution is moderated by electricity losses, incomplete asset outcomes and a strained waste system.

Financial management

14.5

/25

Strong collection and an unqualified opinion coexist with a poor current ratio, short cash and large unauthorised expenditure.

Governance

13.0

/15

Permanent leadership and high target achievement support a strong institutional score.

Integrity

11.5

/15

Remediation and disclosure are credible, but procurement and consequence evidence remain incomplete.

Inclusion

12.0

/15

Support, participation and rural investment are substantial, although unequal service quality persists.

WHAT WORKS

The municipal manager was permanent, a permanent chief financial officer took office in February 2025, council and assurance structures functioned, and the audited target result was exceptionally high.

WHAT IS GOING WRONG

The municipality also recorded R188.23 million in current-year unauthorised expenditure.

FIX FIRST

First priority: Prevent new problem expenditure and complete lawful recovery or resolution processes.

SCORING TRACE

How Ray Nkonyeni received 67.5/100

67.5 / 100

GRADE B-

Ray Nkonyeni met 51 standards, partly met 33 and did not meet 16:

Result	Tests	Calculation	Points
Standard met	51	51×1	51.0
Standard partly met	33	33×0.5	16.5
Standard not met	16	16×0	0.0
Final result	100		67.5/100

The pillar arithmetic is $16.5 + 14.5 + 13.0 + 11.5 + 12.0 = 67.5$. No deduction or editorial adjustment followed. The fixed grade table produces a B-.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 2.5; sanitation 3.0; electricity 2.5; refuse 3.0; roads and facilities 3.0; assets and capital 2.5	16.5/30	High reported execution is moderated by electricity losses, incomplete asset outcomes and a strained waste system.
Financial management	Audit 3.0; liquidity 3.0; collections 3.5; creditors 3.0; expenditure control 2.0	14.5/25	Strong collection and an unqualified opinion coexist with a poor current ratio, short cash and large unauthorised expenditure.
Governance	Leadership 4.5; planning 4.0; council and oversight 4.5	13.0/15	Permanent leadership and high target achievement support a strong institutional score.
Integrity	Audit remediation 4.0; procurement and ethics 3.5; transparency 4.0	11.5/15	Remediation and disclosure are credible, but procurement and consequence evidence remain incomplete.
Inclusion	Indigent support 4.0; participation 4.0; spatial and environmental inclusion 4.0	12.0/15	Support, participation and rural investment are substantial, although unequal service quality persists.

A capable coastal municipality carrying financial and environmental exposure

Ray Nkonyeni stretches along the lower South Coast from Hibberdene through Port Shepstone and Margate to Port Edward, with extensive rural settlements beyond the principal coastal towns. Tourism, property, agriculture, retail and public services make it economically diverse, while the settlement pattern creates very different service conditions between urban, coastal and rural wards.

Ugu District Municipality is the water-services authority. Ray Nkonyeni is therefore not penalised for Ugu's exclusive water and wastewater operations. The local council remains responsible for its own electricity, refuse, roads, stormwater, public facilities, planning, participation and intergovernmental coordination. The function rule avoids charging the wrong institution while preserving accountability for duties that remain local.

Services and infrastructure - 16.5/30

The municipality achieved 96% of the audited service-delivery targets and spent 92% of the associated budget. Only two highlighted targets - bridge structures and community facilities - were not achieved. Capital additions of approximately R143.95 million and continuing work on roads, lighting, public facilities and electricity demonstrate meaningful implementation capacity.

Those percentages are not allowed to determine the whole service mark. Weekly municipal refuse collection reached only about one third of households in the annual report's service profile, and fleet breakdowns caused missed schedules. Oatlands landfill was licensed, but available cell space was becoming urgent and waste diversion remained limited. The municipality therefore earns credit for collection activity and licensed disposal, but not full points for area-wide reliability, fleet resilience or reduced environmental risk.

Electricity losses remained a major challenge. Roads, bridges and public facilities received investment, but maintenance adequacy, timely complaint closure and proof of reduced backlogs were not complete enough for all points. Ray Nkonyeni receives strong asset-register and capital-execution credit, with only partial points for maintenance and evidence that completed assets have measurably reduced risk. The 16.5/30 therefore reconciles high administrative target achievement with a more mixed resident-level service record.

Financial management and sustainability - 14.5/25

Ray Nkonyeni received an unqualified audit opinion with a material compliance theme in procurement. Its performance information had no material finding after management corrected submitted misstatements. It earns the cumulative submission, non-adverse and unqualified points, but not the clean-audit or sustained-clean points.

Revenue collection is a clear strength. The annual report records a 93% collection rate, satisfying the 80%, 85% and 90% thresholds, as per our grading. Ordinary supplier and bulk-payment systems continued without a material finding of 30-day or bulk-account non-compliance.

Liquidity is the counterweight. Current assets of approximately R203.51 million were less than half current liabilities of R422.90 million, producing a current ratio of about 0.48. Cash fell to approximately R47.00 million, less than one month of operating expenditure, while exchange payables increased from R156.27 million to R249.38 million. These figures show that high collections were not yet producing a sound short-term buffer.

The municipality also recorded approximately R188.23 million in current-year unauthorised expenditure. Current irregular expenditure fell sharply to approximately R5.12 million, which earns trend and remediation credit, but the size of the unauthorised flow and weak working capital prevent stronger control marks.

Governance, integrity and inclusion

The municipal manager was permanent, a permanent chief financial officer took office in February 2025, council and assurance structures functioned and the audited target result was exceptionally high. Vacancies in strategic planning and governance and in public safety, together with the earlier finance leadership gap, prevent a perfect result.

Integrity receives a comparatively sound 11.5/15. Corrected performance misstatements, the steep decline in new irregular expenditure and functioning audit structures support remediation points. The Auditor-General nevertheless found that some awards went to providers whose tax affairs had not been declared in order. That is a procurement-control finding, not a finding of corruption. Statutory reports and budgets are available, while contract performance, complaints and complete consequence records are not uniformly granular.

Ward committees, Integrated Development Plan consultation, indigent identification and free basic services provide a substantial inclusion platform. Capital programmes reach rural and historically neglected communities. The gaps are equally concrete: rural refuse coverage, safe lighting, transport access and public facilities remain uneven, and a space-constrained landfill creates an environmental-justice risk. The municipality receives partial rather than full points for complaint tracking, public feedback and measured ward-level equalisation because the public record shows activity more clearly than equal outcomes.

Constitutional assessment and verdict

High implementation, indigent support, participation and capital investment advance sections 152(1)(b), 152(1)(c), 152(1)(e) and 153(a). Functioning council and reporting systems support democratic accountability under section 152(1)(a). Strong collections contribute to efficient resource use under section 195(1)(b).

The weak current ratio, short cash and rising payables threaten sustainable delivery under section 152(1)(b) and fall short of section 195(1)(b). Waste-system pressure engages the safe and healthy environment objective in section 152(1)(d) and section 24. The procurement finding and unauthorised expenditure require continued assurance under sections 195(1)(f), 195(1)(g) and 217(1). Unequal rural outcomes remain relevant to equality and dignity under sections 9 and 10.

The B- describes a capable institution with material exposure, not a distressed municipality and not a uniformly strong one. The first priority is to rebuild working capital while preventing new unauthorised expenditure and completing lawful recovery or resolution. The trajectory is stable: target achievement and lower irregular expenditure improved, while cash, payables and waste pressure worsened without producing a decisive net movement.

UMHLABUYALINGANA LOCAL MUNICIPALITY

OVERALL SCORE

68.0

/ 100

GRADE B-

Strong cash, capital execution and administrative stability support a good result, but very weak own-revenue collection and a narrow local function bundle qualify direct comparison.

PROVINCE

KwaZulu-Natal

CODE

KZN271

PRINCIPAL CENTRE

Manguzi, also known as Kwangwanase

CURRENT LEADER

Mayor T. S. Khumalo

DISTRICT

uMkhanyakude District Municipality

CATEGORY

Category B4 predominantly rural local municipality

POPULATION

191 660, Statistics South Africa Census 2022

POLITICAL CONTROL

Inkatha Freedom Party-led coalition in a hung council

Services and infrastructure

18.5

/30

Road and capital delivery are strong; refuse, maintenance and outcome evidence are less complete. District water and sanitation and Eskom's network duties are not scored as local failures.

Financial management

14.0

/25

Strong cash and low creditor exposure are offset by an own-revenue collection rate of only 42%.

Governance

14.0

/15

Filled senior posts, 78% target achievement and functioning oversight support a strong result.

Integrity

9.5

/15

Control structures operate, but consequence closure and public records are not fully demonstrated.

Inclusion

12.0

/15

Roads, participation and free basic services are directed towards dispersed rural communities.

WHAT WORKS

Council, executive, audit, risk and Municipal Public Accounts Committee structures operated, and Integrated Development Plan and budget participation meetings were held.

WHAT IS GOING WRONG

Eskom's network losses and restoration duties are N/A, while the municipality receives credit for free-basic-electricity administration and partial credit for high-mast and local-lighting work.

FIX FIRST

First priority: Stabilise water supply, reduce losses and prove sustained network renewal.

SCORING TRACE

How uMhlabuyalingana received 68.0/100

68.0 / 100

GRADE B-

The report's standardised score-equivalent tally records 54 standards met, 28 partly met and 18 not met:

Result	Tests	Calculation	Points
Standard met	54	54×1	54.0
Standard partly met	28	28×0.5	14.0
Standard not met	18	18×0	0.0
Final result	100		68.0/100

The pillar arithmetic is $18.5 + 14.0 + 14.0 + 9.5 + 12.0 = 68.0$. No deduction or editorial adjustment followed. The fixed grade table produces a B-.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Seventeen applicable local-service tests produced 10.5 raw points, proportionally reweighted to the common 30-point pillar	18.5/30	Road and capital delivery are strong; refuse, maintenance and outcome evidence are less complete. District water and sanitation and Eskom's network duties are not scored as local failures.
Financial management	Audit 3.5; liquidity 3.5; collections 1.0; creditors 3.0; expenditure control 3.0	14.0/25	Strong cash and low creditor exposure are offset by an own-revenue collection rate of only 42%.
Governance	Leadership 4.5; planning 4.5; council and oversight 5.0	14.0/15	Filled senior posts, 78% target achievement and functioning oversight support a strong result.
Integrity	Audit remediation 3.0; procurement and ethics 3.5; transparency 3.0	9.5/15	Control structures operate, but consequence closure and public records are not fully demonstrated.
Inclusion	Indigent support 4.5; participation 3.5; spatial and environmental inclusion 4.0	12.0/15	Roads, participation and free basic services are directed towards dispersed rural communities.

A rural institution whose score must be read through its assigned powers

uMhlabuyalingana stretches from dispersed traditional-authority settlements around Manquzi towards Kosi Bay and the Mozambique border. Poverty, distance, weak own-revenue capacity and environmental sensitivity shape municipal work. A kilometre of access road or a functioning ward channel can carry unusual constitutional importance where settlements are remote and households have few alternatives.

The function rule is essential. uMkhanyakude District Municipality is responsible for water and sanitation, while Eskom performs the exclusive electricity-distribution network role across most of the area. Those tests are not marked as failures of the local council. The local municipality remains assessable for roads, stormwater, refuse, facilities, assets, capital work, local lighting, free basic electricity administration, planning, participation and coordination. Seventeen service tests were applicable; 10.5 raw points were proportionally converted to 18.5/30 so that the service pillar retained the same weight without inventing responsibility, as per our grading. Because more than 40% of the ordinary service bundle lies elsewhere, the result should be compared chiefly with similarly configured rural municipalities.

Services and infrastructure - 18.5/30

Roads are the strongest local function. The annual performance report records more than 300 kilometres of access roads maintained or rehabilitated, with additional work funded following weather damage. Capital expenditure reached 95% and multiple gravel-road projects were implemented. Delays caused by material access, subcontracting and financial constraints explain partial rather than full completion points.

Waste performance is less secure. Policies were reviewed, but the available record did not establish reliable scheduled collection across the entire dispersed area, uniformly compliant disposal or a stable complaint-response trend. The municipality receives credit for free basic electricity administration and partial credit for high-mast and local-lighting work; Eskom's losses, network restoration and distribution maintenance remain not applicable.

The asset register and capital programme support good proportional awards. Maintenance evidence did not prove the 8% benchmark and completed projects were not uniformly supported by outcome evidence showing reduced backlogs or risk. The service mark is therefore good for the applicable local function bundle. It is not evidence that residents' water, sanitation or electricity-network experience is good.

Financial management and sustainability - 16.5/25

The municipality submitted audited statements and received an unqualified opinion. Current assets of approximately R129.43 million exceeded current liabilities of R28.65 million, while cash increased to about R113.39 million - more than four months of audited operating expenditure. Payables declined to approximately R22.19 million. These results satisfy strong liquidity tests and most payment-discipline standards.

Revenue collection is the serious weakness. The annual report recorded a debtor collection rate of only 42%, far below the first 80% threshold. Own-source revenue is small relative to transfers, but that does not alter the standard: accurate billing and collection matter more, not less, where the local revenue base is narrow.

Operating expenditure remained close to the adjusted budget. Current fruitless and wasteful expenditure was approximately R5 247, while current-year irregular expenditure was approximately R8.76 million and a prior procurement matter passed through the Municipal Public Accounts Committee and council. Recording and formal consideration earn credit; a write-off does not by itself prove prevention, recovery or consequence.

Governance, integrity and inclusion

The annual report states that the municipal manager, chief financial officer and other senior posts were filled. Organisational target achievement was 78%. Council, the executive committee, internal audit, risk structures, the audit committee and the Municipal Public Accounts Committee operated and Integrated Development Plan and budget meetings were held. These facts support 14.0/15 for governance.

Integrity scores lower because the public record is less complete about outcomes. An audit action plan existed and the Municipal Public Accounts Committee considered irregular expenditure, but the reviewed pack did not establish sustained decline in every repeat finding or completed recovery and discipline where responsibility was found. Budgets, Service Delivery and Budget Implementation Plans, tenders and notices were available, while council minutes, contract performance and complaint data were not uniformly complete.

The municipality's strongest constitutional work is rural access: roads, ward committees, public meetings, indigent-policy administration and free basic services. These programmes matter directly in remote settlements. Full marks are withheld because scheduled refuse reach, accessible complaint tracking, reasoned feedback and measured settlement-level disparities are not all established. The municipality must also use its planning and intergovernmental duties to make district and Eskom accountability visible to residents without being scored for their exclusive operational failures.

Constitutional assessment and verdict

Rural road investment, indigent assistance and accessible participation advance sections 152(1)(b), 152(1)(c), 152(1)(e) and 153(a). Filled senior posts, strong cash and functioning oversight support sections 195(1)(b), 195(1)(f) and 195(1)(g).

Uneven refuse and local environmental outcomes limit fulfilment of section 152(1)(d) and section 24. A 42% collection rate weakens sustainability under sections 152(1)(b) and 195(1)(b), even where grants fund much of the institution. Dispersed poverty and unequal access engage sections 9 and 10. Sections 41(1)(h) and 154(1) also matter: coordination and support between the local municipality, district, province, Eskom and national institutions are indispensable where residents experience one service system but legal responsibility is divided.

The B- is generally sound after function adjustment, not a claim that all essential services are reliable. The trajectory is improving because cash, capital delivery, filled leadership and road work moved positively. The next priorities are to improve own-revenue collection, establish reliable refuse coverage and publish clearer complaint and settlement-level outcomes, while making district water and sanitation accountability comprehensible to residents.

MUNICIPAL PROFILES

LIMPOPO

5 municipalities assessed

Five local municipalities representing the provincial capital, agriculture and tourism, energy and mining, a mineral-rich rural growth area and the northern border gateway.



MUNICIPALITIES IN THIS SECTION

POLOKWANE

FETAKGOMO TUBATSE

GREATER TZANEEN

MUSINA

LEPHALALE

POLOKWANE LOCAL MUNICIPALITY

OVERALL SCORE

72.0

/ 100

GRADE B

A strong balance sheet and improving controls support recovery, while rising network losses and persistent prohibited expenditure limit the result.

PROVINCE

Limpopo

CODE

LIM354

PRINCIPAL CENTRE

Polokwane

CURRENT LEADER

Executive Mayor Makoro John Mpe

DISTRICT

Capricorn District Municipality

CATEGORY

Category B1 secondary-city local municipality

POPULATION

843 459, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

18.5

/30

Broad city-scale services and capital work continue, but water and electricity losses rose and maintenance remained insufficient.

Financial management

20.0

/25

Strong cash, liquidity and collection are reduced by large prohibited-expenditure flows and audit corrections.

Governance

12.0

/15

Senior leadership and statutory systems are stable, although performance management and target achievement remain incomplete.

Integrity

10.0

/15

Corrective action and disclosure are visible, but procurement findings and unfinished consequences remain.

Inclusion

11.5

/15

Support and capital programmes extend beyond the urban core, while unequal reliability and incomplete housing outcomes persist.

WHAT WORKS

Customer cash receipts relative to rates and service-charge billing support the 80%, 85% and 90% collection thresholds.

WHAT IS GOING WRONG

Water distribution losses rose from 24% to 33%, with an audited value of R112.82 million.

FIX FIRST

First priority: Stabilise water supply, reduce losses and prove sustained network renewal.

SCORING TRACE

How Polokwane received 72.0/100

72.0 / 100

GRADE B

Polokwane met 56 standards, partly met 32 and did not meet 12:

Result	Tests	Calculation	Points
Standard met	56	56×1	56.0
Standard partly met	32	32×0.5	16.0
Standard not met	12	12×0	0.0
Final result	100		72.0/100

The pillar arithmetic is $18.5 + 20.0 + 12.0 + 10.0 + 11.5 = 72.0$. No deduction or editorial adjustment followed. The fixed grade table produces a B.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.0; sanitation 3.0; electricity 3.0; refuse 3.0; roads and facilities 3.0; assets and capital 3.5	18.5/30	Broad city-scale services and capital work continue, but water and electricity losses rose and maintenance remained insufficient.
Financial management	Audit 4.0; liquidity 4.0; collections 4.5; creditors 4.0; expenditure control 3.5	20.0/25	Strong cash, liquidity and collection are reduced by large prohibited-expenditure flows and audit corrections.
Governance	Leadership 4.0; planning 4.0; council and oversight 4.0	12.0/15	Senior leadership and statutory systems are stable, although performance management and target achievement remain incomplete.
Integrity	Audit remediation 3.5; procurement and ethics 3.0; transparency 3.5	10.0/15	Corrective action and disclosure are visible, but procurement findings and unfinished consequences remain.
Inclusion	Indigent support 4.5; participation 3.5; spatial and environmental inclusion 3.5	11.5/15	Support and capital programmes extend beyond the urban core, while unequal reliability and incomplete housing outcomes persist.

A provincial capital with financial capacity, but rising pressure on its networks

Polokwane is Limpopo's principal administrative, commercial and transport centre. The municipality combines a rapidly growing city, Seshego and extensive peri-urban and rural settlements. This gives it both a stronger revenue platform and a demanding infrastructure task: growth must be accommodated without allowing losses, maintenance backlogs or spatial inequality to overtake the institution.

The score recognises genuine financial and administrative strength. It does not treat expenditure or access as an outcome by themselves.

Services and infrastructure - 18.5/30

Polokwane continues to operate water, sanitation, electricity, refuse, roads and public facilities at city scale. Sanitation access increased by 0.95 percentage points, close to the target of 1.02 percentage points. The municipality achieved 72% of the audited basic-service targets and spent approximately R792 million in capital across trading, roads, community and administrative functions. These results earn access, programme and first-threshold capital points.

Loss control deteriorated. Water distribution losses rose from 24% to 33%, with an audited value of approximately R112.82 million. Electricity losses increased from 12.22% to 12.33%. The municipality earns points for measuring the losses and implementing projects, but not for the test requiring a controlled or materially declining trend.

Waste planning also requires attention. The estimated remaining life of the Weltevreden landfill was revised to four years, which is a near-term risk for a growing city. Capital execution cleared the 75% threshold but did not reach 85%. Maintenance did not reach the report's 8% asset benchmark on the available denominator, and several building-control, housing and disaster-planning targets were missed. The service score is therefore moderate: broad reach and significant spending remain real, but network resilience is not yet equally strong.

Financial management and sustainability - 20.0/25

Polokwane received an unqualified audit opinion after correcting material misstatements. It earns submission, non-adverse and unqualified points, with partial credit for improvement; it does not receive clean-audit points.

The balance sheet is strong. Current assets of approximately R2.290 billion were about 1.92 times current liabilities. Cash more than doubled to approximately R708.48 million, equal to roughly 1.6 months of operating expenditure and the municipality moved from a restated deficit to a surplus of approximately R356.98 million. These figures satisfy the current-ratio and prudent cash tests.

Customer receipts relative to rates and service-charge billing securely cleared the 80%, 85% and 90% thresholds, as per our grading. Trade payables increased, but the disclosed overdue-account balance was small and the audit reported no material breach of 30-day or bulk-account requirements.

Expenditure control is the principal financial deduction. Current unauthorised expenditure was approximately R234.48 million, irregular expenditure R222.04 million and fruitless and wasteful expenditure R10.86 million. All three declined sharply from the prior year, earning trend and remediation credit. They were not immaterial, and current procurement and monitoring findings show that correction was not complete. Recording is recognised once; it is not confused with prevention or consequence.

Governance, integrity and inclusion

Senior administration was substantially stabilised after periods of acting appointments in the municipal manager and chief financial officer offices. The Integrated Development Plan, budget and performance system operated, and submitted performance data were corrected before final reporting. Governance earns 12.0/15 because 72% of service targets were achieved while the performance-management system did not adequately describe all monitoring, review and reporting processes.

Integrity scores 10.0/15. The municipality investigated previously reported material irregularities and pursued recovery in matters including buses paid for but not received. Those actions are significant. They coexist with current procurement findings, large prohibited-expenditure flows and financial statements that required audit adjustment. Public budgets, council notices, declarations and reports are comparatively accessible, but complete contract disclosure and consequence closure are not yet demonstrated.

Polokwane funds indigent relief, ward committees, free basic services and capital projects across the city and rural settlements. Roads, trading infrastructure and service extensions support spatial and economic inclusion. The deductions concern implementation: housing and low-cost-homeowner education targets were missed, rising water losses restrict supply available for expansion and peri-urban and rural residents continue to experience weaker reliability. Partial points for feedback, complaint standards and measured equalisation avoid assuming that a large capital programme is automatically inclusive.

Constitutional assessment and verdict

Broad access, indigent support, public participation and capital planning advance sections 152(1)(b), 152(1)(c), 152(1)(e) and 153(a). Strong liquidity, collections and improving controls align with efficient resource use and accountability under sections 195(1)(b) and 195(1)(f).

Rising water losses threaten sustainable service provision under section 152(1)(b) and bear on sufficient water under section 27(1)(b). Landfill pressure and network losses engage the safe and healthy environment objective in section 152(1)(d) and section 24. Large prohibited-expenditure flows, procurement findings and audit corrections weaken transparency and accountability under sections 195(1)(f) and 195(1)(g) and require continued assurance under section 217(1). Unequal rural and peri-urban reliability remains relevant to sections 9 and 10.

The B describes a municipality with the financial and institutional means to improve, but not yet a uniformly resilient one. The first priority is to reduce water and electricity losses through funded renewal and measurable maintenance. The trajectory is improving because cash, the financial result, leadership stability and problem-expenditure trends moved positively, notwithstanding the service risks that continue to limit the grade.

GREATER TZANEEN LOCAL MUNICIPALITY

OVERALL SCORE

75.5

/ 100

GRADE B+

Strong cash, capital execution and sharply improving electricity losses support a high score, while debtor growth, incomplete projects and procurement-control failures remain material.

PROVINCE

Limpopo

CODE

LIM333

PRINCIPAL CENTRE

Tzaneen

CURRENT LEADER

Mayor Odas Ngobeni

DISTRICT

Mopani District Municipality

CATEGORY

Category B4 predominantly rural local municipality

POPULATION

478 254, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

19.5 /30

Strong execution and falling electricity losses are moderated by low maintenance, incomplete projects and limited water assurance.

Financial management

20.0 /25

A strong balance sheet and collections are reduced by growing debtors, irregular expenditure and audit corrections.

Governance

14.0 /15

Permanent leadership and high performance support near-full governance marks.

Integrity

10.5 /15

Public reporting is credible, but disclosure, investigation and procurement failures remain.

Inclusion

11.5 /15

Rural investment and support are substantial, although eligibility, equalisation and environmental evidence are incomplete.

WHAT WORKS

A permanent municipal manager and chief financial officer were in place, annual targets were high, and council, internal audit and oversight processes continued.

WHAT IS GOING WRONG

Distribution losses fell from 17.05% to 11.08%, and the municipality linked the reduction to revenue-protection and technical measures.

FIX FIRST

First priority: Stabilise water supply, reduce losses and prove sustained network renewal.

SCORING TRACE

How Greater Tzaneen received 75.5/100

75.5 / 100

GRADE B+

Greater Tzaneen met 62 standards, partly met 27 and did not meet 11:

Result	Tests	Calculation	Points
Standard met	62	62×1	62.0
Standard partly met	27	27×0.5	13.5
Standard not met	11	11×0	0.0
Final result	100		75.5/100

The pillar arithmetic is $19.5 + 20.0 + 14.0 + 10.5 + 11.5 = 75.5$. No deduction or editorial adjustment followed. The fixed grade table produces a B+.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.0; sanitation 3.5; electricity 3.5; refuse 3.0; roads and facilities 3.5; assets and capital 3.0	19.5/30	Strong execution and falling electricity losses are moderated by low maintenance, incomplete projects and limited water assurance.
Financial management	Audit 4.0; liquidity 4.0; collections 4.5; creditors 4.0; expenditure control 3.5	20.0/25	A strong balance sheet and collections are reduced by growing debtors, irregular expenditure and audit corrections.
Governance	Leadership 5.0; planning 4.5; council and oversight 4.5	14.0/15	Permanent leadership and high performance support near-full governance marks.
Integrity	Audit remediation 3.5; procurement and ethics 3.5; transparency 3.5	10.5/15	Public reporting is credible, but disclosure, investigation and procurement failures remain.
Inclusion	Indigent support 4.0; participation 3.5; spatial and environmental inclusion 4.0	11.5/15	Rural investment and support are substantial, although eligibility, equalisation and environmental evidence are incomplete.

Strong execution in a dispersed agricultural economy

Greater Tzaneen is an agricultural, tourism and service hub covering Tzaneen, Nkowankowa, Lenyenye, Haenertsburg and many rural settlements. Irrigation, fruit, forestry and tourism depend on reliable roads, electricity and water coordination. The municipality must therefore support a productive urban centre while extending infrastructure across a wide and unequal settlement pattern.

Mopani District Municipality is the water-services authority, while Greater Tzaneen performs a documented provider role. The municipality is scored where it performs the work. The absence of a final annual report at the research cut-off and limited current plant-level water evidence restrict the corresponding assurance points rather than being treated as proof of failure.

Services and infrastructure - 19.5/30

The audited performance report recorded 89% achievement in basic services and 96.68% budget execution. Roads, pedestrian crossings, electricity-network rebuilding and community facilities formed part of the assessed programme. Several projects were incomplete, but the programme as a whole was strongly implemented. Repairs and maintenance increased to approximately R72.57 million, including nearly R39.56 million on roads.

Electricity performance improved materially. Distribution losses fell from 17.05% to 11.08% and the municipality linked the improvement to revenue-protection and technical measures. This satisfies the test for a credibly measured and materially improving loss trend.

The deductions concern the scale and proof of resilience. Repairs and maintenance remained around 4% of property, plant and equipment - well below the 8% benchmark. Several road, bridge, electrical and facility targets were not completed. Refuse and landfill systems remained functional, but settlement dispersion and the incomplete record limited the strongest reliability and environmental points. The water-provider arrangement was documented; plant-level quality, continuity and remediation evidence was not sufficient for full marks. The service score therefore recognises strong execution without turning expenditure percentages into an assumption of complete outcomes.

Financial management and sustainability - 20.0/25

Greater Tzaneen received an unqualified opinion after audit corrections. It earns submission, non-adverse and unqualified points, but not clean-audit points. Current assets of approximately R1.473 billion were about 3.68 times current liabilities. Cash rose to approximately R271.70 million and the municipality reported a surplus of about R274.78 million. Actual operating expenditure remained within the adjusted budget. These outcomes satisfy the full liquidity component.

Cash receipts from rates and services were approximately 93% of the corresponding billed revenue, clearing the 80%, 85% and 90% thresholds. Payables increased only modestly and the audit reported no material failure concerning 30-day or bulk-service payment.

The deductions arise from debtors and compliance. Gross consumer debtors and rates increased to approximately R1.157 billion. Irregular expenditure of about R49.12 million arose from long-term continuous contracts, while fruitless and wasteful expenditure of approximately R1.36 million was recorded. The Auditor-General found that some fruitless and wasteful expenditure had not been investigated and that submitted financial statements required correction. These matters prevent full collection, audit and control awards despite the strong balance sheet.

Governance, integrity and inclusion

A permanent municipal manager and chief financial officer were in office during the assessed period. Target achievement was high, and council, internal audit, the audit committee and oversight processes continued. A leadership change in May 2026 is treated as current context rather than being retrospectively charged to 2024/25 performance. Governance therefore earns 14.0/15.

Integrity is lower at 10.5/15. The Auditor-General found that close-family interests in municipal contracts were not disclosed, some fruitless and wasteful expenditure was not investigated, an asset disposal did not satisfy the open-council requirement and some staff performance agreements were late. Corrective action on previously reported material irregularities earns remediation credit. Published budgets, statements and leadership information permit scrutiny, but the absent final annual report and incomplete consequence evidence prevent stronger awards.

Indigent support, ward structures, roads and public facilities reach township and rural communities. The municipality's call-centre and geographic-information initiatives can strengthen accessible reporting and spatial targeting. The inclusion score is reduced by growing household debt, an audit finding that ineligible individuals received indigent benefits, incomplete rural projects and insufficient plant-level environmental evidence. Capital reach is credited; measured equalisation and completed environmental improvement receive only partial points.

Constitutional assessment and verdict

Strong implementation, rural capital investment, indigent support and participation advance sections 152(1)(b), 152(1)(c), 152(1)(e) and 153(a). Stable leadership, liquidity and high budget execution align with section 195(1)(b), while published information supports section 195(1)(g).

Maintenance below the benchmark and incomplete projects limit sustainable service performance under section 152(1)(b). Incomplete water and environmental assurance bears on section 152(1)(d), section 24 and the sufficient-water interest in section 27(1)(b). Undisclosed family interests, uninvestigated expenditure and a non-open asset disposal weaken accountability under section 195(1)(f), transparency under section 195(1)(g) and assurance against section 217(1). Indigent eligibility and unequal rural outcomes remain relevant to sections 9 and 10.

The B+ describes a strong and improving municipality with specific governance and resilience gaps. The first priorities are to reduce the debtor book, lift maintenance, complete delayed projects and close procurement and investigation findings. The trajectory is improving because capital execution, electricity losses, cash and the financial result moved positively, notwithstanding the remaining control and rural-equity risks.

LEPHALALE LOCAL MUNICIPALITY

OVERALL SCORE

51.0

/ 100

GRADE C-

An unqualified audit and a funded planning base are outweighed by worsening network losses, low collections, senior vacancies and weak completion of essential service projects.

PROVINCE

Limpopo

CODE

LIM362

PRINCIPAL CENTRE

Lephalale

CURRENT LEADER

Mayor Thabitha Modise

DISTRICT

Waterberg District Municipality

CATEGORY

Category B3 small-town local municipality

POPULATION

125 198, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and
infrastructure

15.5

/30

Service networks remain operational, but losses rose and too many planned connections and infrastructure projects were incomplete.

Financial management

11.5

/25

An unqualified opinion and acceptable current ratio are moderated by 75% collection, uncertain cash and incomplete expenditure investigations.

Governance

8.0

/15

Senior vacancies and only 50% service-target achievement weaken an otherwise functioning statutory framework.

Integrity

6.5

/15

Policies and public documents exist, but required investigations and contract monitoring are inadequate.

Inclusion

9.5

/15

Inclusive plans and support exist, while unfinished village projects and uneven outcomes limit credit.

WHAT WORKS

Lephalale sustained an unqualified opinion, but material financial and performance misstatements and compliance findings prevent a clean audit.

WHAT IS GOING WRONG

Unauthorised expenditure of R2.38 million was recorded, but the audit found that irregular and fruitless expenditure had not been investigated.

FIX FIRST

First priority: Prevent new problem expenditure and complete lawful recovery or resolution processes.

SCORING TRACE

How Lephalale received 51.0/100

51.0 / 100
GRADE C-

Lephalale met 37 standards, partly met 28 and did not meet 35:

Result	Tests	Calculation	Points
Standard met	37	37×1	37.0
Standard partly met	28	28×0.5	14.0
Standard not met	35	35×0	0.0
Final result	100		51.0/100

The pillar arithmetic is $15.5 + 11.5 + 8.0 + 6.5 + 9.5 = 51.0$. No deduction or editorial adjustment followed. The fixed grade table produces a C-.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 2.5; sanitation 2.5; electricity 2.5; refuse 2.5; roads and facilities 2.5; assets and capital 3.0	15.5/30	Service networks remain operational, but losses rose and too many planned connections and infrastructure projects were incomplete.
Financial management	Audit 3.5; liquidity 2.5; collections 1.0; creditors 2.5; expenditure control 2.0	11.5/25	An unqualified opinion and acceptable current ratio are moderated by 75% collection, uncertain cash and incomplete expenditure investigations.
Governance	Leadership 2.5; planning 3.0; council and oversight 2.5	8.0/15	Senior vacancies and only 50% service-target achievement weaken an otherwise functioning statutory framework.
Integrity	Audit remediation 2.5; procurement and ethics 2.0; transparency 2.0	6.5/15	Policies and public documents exist, but required investigations and contract monitoring are inadequate.
Inclusion	Indigent support 3.5; participation 3.0; spatial and environmental inclusion 3.0	9.5/15	Inclusive plans and support exist, while unfinished village projects and uneven outcomes limit credit.

Growth pressure without sufficient institutional follow-through

Lephalale is an energy, mining, agriculture and tourism centre in the Waterberg. Medupi and Matimba power stations, coal mining and associated settlement growth create infrastructure and environmental demands unusual for a municipality of 125 198 residents. Lephalale town, Onverwacht, Marapong and dispersed villages experience this economy differently: large industrial assets can coexist with weak household infrastructure and unequal public services.

Mayor Thabitha Modise took office in May 2026. The score is anchored in 2024/25 and therefore judges the municipal institution rather than assigning the whole historical result to the current mayor.

Services and infrastructure - 15.5/30

Lephalale still operates water, sanitation, electricity, refuse, roads and public facilities. The annual report records approximately 89.6% household water access, 93% electricity access for lighting, 62.4% acceptable refuse removal and 79% capital-budget execution. The service programme spent 94.7% of its budget. These facts earn points for access, active networks and the first capital-execution threshold.

The operating trend was weaker. Water losses increased from 36.5% to 42.3%, while electricity losses rose from 9% to 10.9%. Because both moved in the wrong direction, the loss-control tests are not met. Only 50% of audited service-delivery targets were achieved.

Planned water and sanitation connections recorded no annual achievement. Major bulk-storage and pipeline projects remained at approximately 64% and 62% completion. Only 174 of 800 planned electricity connections were delivered, and high-mast lighting, roads and wastewater projects were unfinished. The municipality receives partial points for water monitoring, replacement of ageing pipes and an operating asset base. It does not receive full marks for completed remediation, controlled losses or measurable backlog reduction. Expenditure on a partially completed asset is not treated as completed delivery.

Financial management and sustainability - 11.5/25

Lephalale sustained an unqualified audit opinion. Material financial and performance misstatements and compliance findings remained, so the result was not clean. Submission, non-adverse and unqualified points are awarded, with only partial improvement credit.

The current ratio of approximately 1.68 exceeded the 1.5 norm. The 2025/26 budget was described as funded. The year-end cash record was thin and internally inconsistent across draft annual-report schedules, so the upper cash-coverage points are not assumed. This is the methodology's rule for unavailable or conflicting evidence: uncertainty does not automatically prove failure, but it cannot support a full award.

Revenue collection was approximately 75%, below the first locked threshold of 80%. The debtor book stood at roughly R274.39 million, and approximately R14.96 million was written off. The municipality was honouring a five-year Department of Water and Sanitation settlement, with about R63.82 million outstanding at year-end, while the audit did not identify a material breach of a 30-day or bulk arrangement.

Unauthorised expenditure of approximately R2.38 million was recorded. The Auditor-General found that irregular and fruitless and wasteful expenditure had not been investigated as required. Submitted

financial statements required correction and contractor performance was not always supported. Those facts hold expenditure control below the middle despite the unqualified opinion.

Governance, integrity and inclusion

Four of seven executive-management positions were vacant at 30 June 2025, including recruitment processes for the municipal manager and chief financial officer. This materially reduces the leadership-stability score. The audited service programme achieved only 50%, and reported pothole performance was not reliably supported. Council, internal audit and reporting structures continued, which prevents governance from falling lower.

Integrity scores 6.5/15 because the distance between policy and consequence remains large. Audit plans, supply chain management policies and public documents existed. The Auditor-General nevertheless found that irregular and fruitless and wasteful expenditure had not been investigated and that contractor-performance monitoring was inadequate. Material performance misstatements were not completely corrected. Publication earns transparency credit; it cannot substitute for remediation, recovery or discipline.

Lephalale maintains indigent support, free basic services and public participation across urban and village communities. Projects for village electrification, access roads, storage, sanitation and high-mast lighting were directed towards inclusion. Many did not achieve their annual outputs. High water losses, incomplete village connections and uneven refuse coverage impose the greatest burden on communities least able to purchase alternatives. The inclusion score therefore credits intent, allocation and participation, but only partial outcomes.

Constitutional assessment and verdict

Formal access, indigent assistance and participatory planning advance sections 152(1)(b), 152(1)(e) and 153(a). The unqualified audit and funded planning base provide some support for accountable administration under section 195(1)(f).

Worsening losses and unfinished basic-service projects fall short of sustainable provision under section 152(1)(b). Wastewater and refuse shortcomings engage the safe and healthy environment objective in section 152(1)(d) and section 24. Low collection, uncertain cash and senior vacancies weaken effective and economic administration under sections 195(1)(b) and 195(1)(h). Uninvestigated expenditure and inadequate contractor monitoring undermine accountability and transparency under sections 195(1)(f) and 195(1)(g) and require assurance under section 217(1). Unequal village outcomes engage sections 9 and 10.

The C- records a municipality that retains important functions and an unqualified audit but is not converting its plans and industrial context into reliable, inclusive outcomes. The first priorities are to fill senior posts, lift collections above 80%, complete service projects, reduce losses and conclude lawful investigations and recovery processes. The trajectory is deteriorating because losses, target achievement, vacancies and implementation weakened across the comparable period.

FETAKGOMO TUBATSE LOCAL MUNICIPALITY

OVERALL SCORE

64.3

/ 100

GRADE C+

A third unqualified opinion, solid capital delivery and growing cash support improvement, while maintenance, procurement and rapid-growth pressures constrain the grade.

PROVINCE

Limpopo

CODE

LIM476

PRINCIPAL CENTRE

Burgersfort

CURRENT LEADER

Mayor Eddie Edwin Maila

DISTRICT

Sekhukhune District Municipality

CATEGORY

Category B4 predominantly rural local municipality

575 960, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

17.3

/30

Roads, electrification and capital work earn credit, while refuse access, maintenance and measurable completion remain uneven.

Financial management

16.5

/25

Repeated unqualified audits, cash and a surplus are offset by current liabilities, collections and control findings.

Governance

11.5

/15

Stable administration and functioning structures coexist with uneven target completion and maintenance planning.

Integrity

8.5

/15

Repeated assurance is positive, while procurement, irregular-expenditure and consequence evidence remain incomplete.

Inclusion

10.5

/15

Roads, electrification and social programmes advance rural access, but mining wealth has not produced equal outcomes.

WHAT WORKS

Senior leadership and administrative capability are generally sound, although one or two material weaknesses remain.

WHAT IS GOING WRONG

Water and sanitation gaps remain critical to residents but are not scored as local operational failures.

FIX FIRST

First priority: Restore safe wastewater treatment and complete verified remediation.

SCORING TRACE

How Fetakgomo Tubatse received 64.3/100

64.3 / 100

GRADE C+

Some water and sanitation duties are assigned to Sekhukhune District Municipality rather than the local council. Those tests were marked not applicable and removed before the service result was proportionally restored to its common 30-point weight. This is why the function-adjusted score contains a decimal that cannot be reproduced by a simple whole- and half-point tally across all 100 nominal questions.

Stage	Calculation	Points
Function-adjusted services and infrastructure	Applicable local tests proportionally reweighted	17.3/30
Financial management	Five components added directly	16.5/25
Governance	Three components added directly	11.5/15
Integrity	Three components added directly	8.5/15
Inclusion	Three components added directly	10.5/15
Final result	17.3 + 16.5 + 11.5 + 8.5 + 10.5	64.3/100

No deduction or editorial adjustment followed. The fixed grade table produces a C+.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Function-adjusted water and sanitation result; electricity 3.0; refuse 3.0; roads and facilities 3.0; assets and capital 3.0	17.3/30	Roads, electrification and capital work earn credit, while refuse access, maintenance and measurable completion remain uneven.
Financial management	Audit 3.5; liquidity 3.0; collections 3.0; creditors 3.5; expenditure control 3.5	16.5/25	Repeated unqualified audits, cash and a surplus are offset by current liabilities, collections and control findings.
Governance	Leadership 4.0; planning 3.5; council and oversight 4.0	11.5/15	Stable administration and functioning structures coexist with uneven target completion and maintenance planning.
Integrity	Audit remediation 3.0; procurement and ethics 2.5; transparency 3.0	8.5/15	Repeated assurance is positive, while procurement, irregular-expenditure and consequence evidence remain incomplete.
Inclusion	Indigent support 3.5; participation 3.5; spatial and environmental inclusion 3.5	10.5/15	Roads, electrification and social programmes advance rural access, but mining wealth has not produced equal outcomes.

A fast-growing mining municipality with uneven conversion of wealth into public value

Fetakgomo Tubatse combines Burgersfort, mining settlements, traditional-authority areas and a large rural population. Platinum-group metals, chrome and associated investment generate economic activity, but rapid population growth, mining traffic, dispersed settlement and historical backlogs place heavy pressure on roads, waste, land use and community infrastructure. The constitutional question is not whether mineral wealth exists; it is whether municipal institutions convert the opportunities and burdens of that economy into inclusive, sustainable local development.

Water and sanitation gaps remain critical to residents, but exclusive district operations are not scored as failures of the local council. The local municipality remains accountable for its own roads, refuse, electricity-related duties, local planning, facilities, participation and intergovernmental coordination. Function adjustment protects accuracy without making residents' water and sanitation experience disappear from the narrative.

Services and infrastructure - 17.3/30

The municipality delivered electrification, roads and community projects, including several electrification schemes reported at full grant expenditure. Total capital expenditure was approximately R283 million. These outcomes earn project and first-threshold capital points, as per our grading.

Maintenance and service reach are less secure. Repairs and maintenance did not match the 8% benchmark. Rapid growth and heavy mining traffic continue to damage local roads, while reliable scheduled refuse removal remains weak across many rural settlements. Asset registers and project systems earn credit, but the available record does not prove that completed renewal and maintenance are consistently reducing backlogs and resilience risks.

Water and sanitation projects administered by the district remain constitutionally important. They are discussed as intergovernmental dependencies rather than mislabelled local failures. The 17.3/30 means that the municipality achieved a moderate result on its applicable function bundle after proportional reweighting; it does not mean that all essential services in the municipal area are functioning at 58% of an ideal system.

Financial management and sustainability - 16.5/25

Fetakgomo Tubatse received an unqualified opinion for a third consecutive year. That repeated assurance earns points for timely reporting, a non-adverse opinion, an unqualified result and partial improvement or sustainability. It was not a clean audit, and the remaining findings prevent the final cumulative points.

Revenue was approximately R1.23 billion and the municipality reported a surplus of roughly R165.4 million. These are important strengths. Current assets were, however, slightly below current liabilities, preventing the current-ratio point. The public record also did not securely establish every upper collection and cash test on a consistent denominator.

Creditor and bulk-payment systems were generally functional. Expenditure was recorded and capital delivery was solid. Procurement findings, irregular-expenditure controls and audit corrections reduced the higher compliance awards. The finance score therefore recognises a municipality with a meaningful cash position and repeated unqualified assurance, but not one free of short-term balance-sheet and control risk.

Governance, integrity and inclusion

Stable senior administration, functioning planning structures and a detailed annual report support 11.5/15 for governance. Council, internal assurance and oversight continued. Target completion and maintenance planning were uneven, and the draft status of the available annual report at the research cut-off limited complete reporting assurance.

Repeated unqualified opinions support remediation credit under integrity, but do not prove full consequence management. Procurement and reporting findings, irregular-expenditure controls and incomplete evidence of investigation, recovery or discipline prevent stronger awards. The municipality publishes important information, while council records, contract performance and current complaint outcomes are not sufficiently complete for every transparency point.

Inclusion is judged against an unusually demanding local context. Roads, electrification, local procurement, indigent assistance, ward structures and social programmes reach rural communities and advance access. Weak refuse coverage, unequal spatial benefit, land pressure and environmental burdens associated with mining limit the result. Capital expenditure near a mine does not automatically prove that a remote village receives a fair share of infrastructure or that environmental risk has been reduced.

Constitutional assessment and verdict

Roads, electrification, indigent assistance and participation advance sections 152(1)(b), 152(1)(c), 152(1)(e) and 153(a). Repeated unqualified audits, cash and stable administration provide support for efficient and accountable government under sections 195(1)(b) and 195(1)(f).

Maintenance below the benchmark and weak refuse access limit sustainable services under section 152(1)(b) and the safe and healthy environment objective in section 152(1)(d). Mining and waste impacts directly engage section 24. Procurement and consequence gaps weaken sections 195(1)(f), 195(1)(g) and assurance under section 217(1). The uneven conversion of mineral wealth into rural infrastructure remains relevant to equality, dignity and substantive development under sections 9, 10 and 153(a). Because responsibilities are split, cooperative government under section 41(1)(h) and support under section 154(1) are also central to water and sanitation outcomes.

The C+ records a municipality moving in the right direction but not yet delivering equally strong outcomes across its rapidly changing area. The first priorities are to lift maintenance, strengthen refuse coverage, improve collections and procurement control and publish evidence that mining-related development measurably reaches rural communities. The trajectory is improving because audit stability, cash and capital delivery moved positively, while the remaining weaknesses are significant enough to keep the result below the B range.

MUSINA LOCAL MUNICIPALITY

OVERALL SCORE

52.5

/ 100

GRADE C-

A strategically important border municipality remains functional, but weak project completion, late payment and unresolved expenditure controls are increasing institutional risk.

PROVINCE

Limpopo

CODE

LIM341

PRINCIPAL CENTRE

Musina

CURRENT LEADER

Mayor Nkhanedzeni Godfrey Mawela

DISTRICT

Vhembe District Municipality

CATEGORY

Category B3 small-town local municipality

POPULATION

130 899, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

15.0 /30

Core services and projects continue, but completion, maintenance and demonstrated improvement are inconsistent.

Financial management

12.5 /25

An unqualified opinion and functioning billing are offset by thin cash, late payment and substantial problem expenditure.

Governance

10.0 /15

Statutory structures operate, but target achievement and staff-performance control are too weak for a stronger result.

Integrity

5.5 /15

Procurement failures, incomplete investigations and limited proof of consequences sharply reduce the score.

Inclusion

9.5 /15

Support and participation systems exist, while border pressures and uneven project delivery constrain measurable inclusion.

WHAT WORKS

Target achievement below 60% and the failure to adopt adequate staff-performance monitoring systems reduce governance to 10.0/15.

WHAT IS GOING WRONG

It also identified multiple procurement-evaluation and tax-compliance failures.

FIX FIRST

First priority: Resolve procurement failures and demonstrate functioning ethical and investigative controls.

SCORING TRACE

How Musina received 52.5/100

52.5 / 100

GRADE C-

Musina met 39 standards, partly met 27 and did not meet 34:

Result	Tests	Calculation	Points
Standard met	39	39×1	39.0
Standard partly met	27	27×0.5	13.5
Standard not met	34	34×0	0.0
Final result	100		52.5/100

The pillar arithmetic is $15.0 + 12.5 + 10.0 + 5.5 + 9.5 = 52.5$. No deduction or editorial adjustment followed. The fixed grade table produces a C-.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 2.5; sanitation 2.5; electricity 2.5; refuse 2.5; roads and facilities 2.5; assets and capital 2.5	15.0/30	Core services and projects continue, but completion, maintenance and demonstrated improvement are inconsistent.
Financial management	Audit 2.5; liquidity 2.5; collections 3.0; creditors 2.5; expenditure control 2.0	12.5/25	An unqualified opinion and functioning billing are offset by thin cash, late payment and substantial problem expenditure.
Governance	Leadership 3.0; planning 3.5; council and oversight 3.5	10.0/15	Statutory structures operate, but target achievement and staff-performance control are too weak for a stronger result.
Integrity	Audit remediation 2.0; procurement and ethics 1.5; transparency 2.0	5.5/15	Procurement failures, incomplete investigations and limited proof of consequences sharply reduce the score.
Inclusion	Indigent support 3.5; participation 3.0; spatial and environmental inclusion 3.0	9.5/15	Support and participation systems exist, while border pressures and uneven project delivery constrain measurable inclusion.

A border economy whose administrative demands exceed its size

Musina is South Africa's principal road gateway to Zimbabwe and an important freight, mining and agricultural centre. Its municipal task extends beyond serving established households. It must manage rapid settlement change, informal trade, heavy truck traffic, cross-border movement and intense pressure on roads, sanitation, public space and billing systems. These conditions explain why apparently modest administrative weaknesses can have consequences well beyond the town's population.

They do not alter the scoring thresholds. Vhembe District Municipality holds the principal water-services authority responsibility. Musina is therefore judged only for water-related duties that it actually performs or shares - such as local operational support, billing or free-service administration, infrastructure coordination, monitoring and responses within its lawful competence. District outcomes are relevant to residents' circumstances, but are not automatically treated as failures by the local council.

Services and infrastructure - 15.0/30

The municipality continued ordinary electricity, refuse, road, stormwater and community-facility work and spent its reported service-delivery budget. Water and network services remained available across much of the formal urban area. Musina therefore receives baseline credit for maintaining operations, identifying projects and recording performance.

The deductions arise at the point where activity must become a completed result. The annual performance record shows that only 52.17% of planned targets were achieved. A multipurpose centre was not completed; 2.7 kilometres of road work in Nancefield did not reach completion; and 150 planned electricity connections at Rhino Ridge were not delivered. These are not isolated accounting variances. They bear directly on the tests for completed assets, measurable backlog reduction and timely fault or project response.

Maintenance and resilience evidence is similarly mixed. The reviewed record does not establish maintenance at the report's 8% benchmark for property, plant and equipment, a sustained decline in electricity losses, uniformly reliable refuse arrangements or consistent completion of road and stormwater priorities. Musina earns half-points where programmes, budgets or partial delivery are verified; it does not receive full points merely because work was planned or expenditure was incurred.

Financial management and sustainability - 12.5/25

Musina submitted financial statements and received an unqualified audit opinion. That secures the submission, non-adverse and unqualified reporting points. It was not a clean audit, and repeat compliance and reporting weaknesses prevent the further clean-outcome and sustained-improvement points.

The municipality maintained billing and a reported collection rate in the middle eighties. The evidence supports the 80% and 85% collection thresholds, but not the higher thresholds or a clear decline in debtors relative to billed revenue. Debtor impairment remains material, so the score does not assume that every amount billed is realistically collectible.

Liquidity and payment discipline are less secure. Available cash was thin relative to monthly operations, while creditor timing remained outside the statutory expectation in material instances. Fruitless and wasteful expenditure of approximately R3.13 million arose mainly from interest on late payments. This is

why Musina receives credit for maintaining records and continuing payments, but not full points for payment within 30 days, a prudent cash buffer or the avoidance of preventable losses.

The audited record also identifies approximately R35.59 million in irregular expenditure. The report does not equate that figure with corruption. It awards a recording point where the amount is completely disclosed, then asks separately whether controls prevented recurrence and whether lawful investigation, recovery, condonation or discipline followed. On the evidence reviewed, those later tests were not fully met.

Governance, integrity and inclusion

Governance is the municipality's most secure institutional pillar in proportional terms. The municipal manager and chief financial officer posts were occupied, statutory plans and reports were produced, and council, internal audit, the audit committee and the Municipal Public Accounts Committee continued to function. These facts support 10.0/15. The deductions follow from target achievement below 60%, inadequate monitoring of employee performance and incomplete evidence that committee resolutions and missed targets were carried through to correction.

Integrity scores only 5.5/15. The Auditor-General identified failures in bid evaluation and tax-compliance verification, while the reviewed pack did not demonstrate timely completion of all investigations or consequences where responsibility had been established. Policies and structures are therefore recognised, but their existence is not treated as proof that procurement is lawful or that repeated findings have been resolved. Public budgets and reports are available, yet council records, award information, complaint outcomes and current performance data are not consistently accessible enough for full transparency points.

Inclusion earns 9.5/15. Musina maintains indigent support, ward and consultation structures and directs infrastructure towards Nancefield and other underserved areas. Its planning must also respond to informal traders, migrants, truck drivers and communities affected by border congestion. Partial points reflect the absence of consistently measured settlement-level equality, reasoned public feedback and completed projects demonstrating inclusive outcomes. The score does not penalise Musina for national migration or freight policy; it judges whether the municipality uses its own planning, public-space, licensing, road and participation powers competently.

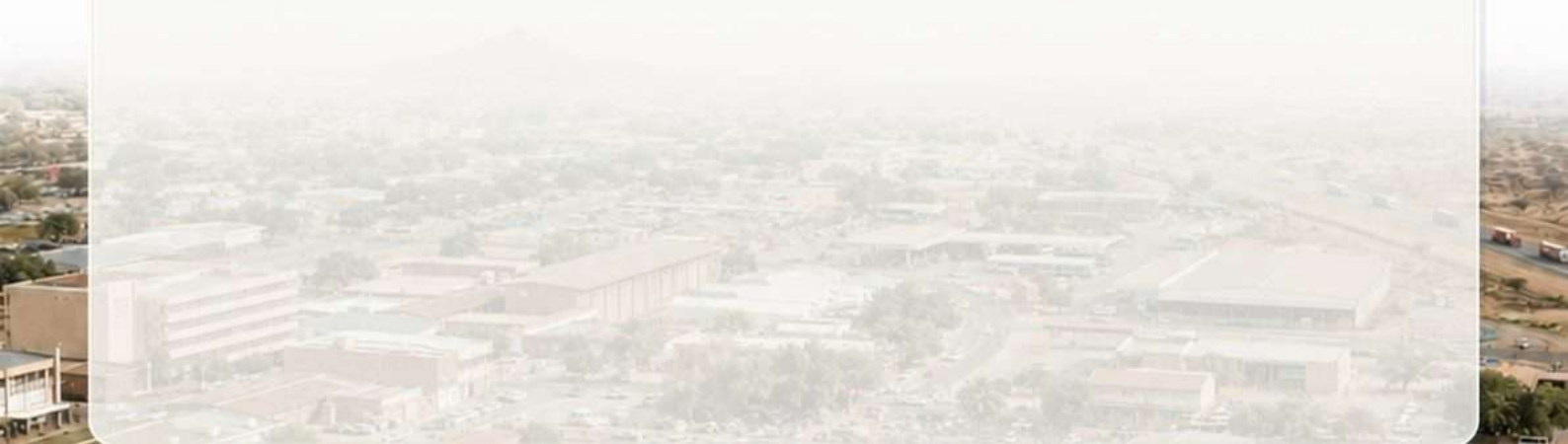
Constitutional assessment and verdict

Continued services, indigent support and public consultation advance sections 152(1)(b), 152(1)(c) and 152(1)(e) of the Constitution. Local planning for a border economy and investment in underserved areas support section 153(a). Occupied senior posts and an unqualified opinion provide partial alignment with accountable administration under sections 195(1)(b), 195(1)(f) and 195(1)(g).

Incomplete capital projects and uneven maintenance weaken sustainable service provision under section 152(1)(b). Late payment, interest losses, procurement failures and unresolved irregular expenditure fall short of efficient, economic and accountable administration under sections 195(1)(b) and 195(1)(f), and of the fair, transparent and competitive procurement standard in section 217(1). Unequal access and the burdens borne by poorer and mobile communities engage dignity and equality under sections 10 and 9. Divided water responsibility also makes cooperative government under section 41(1)(h) essential.

The C- describes a municipality that still governs, bills, plans and delivers, but does not yet convert those systems into sufficiently reliable completion and control. The first priority is to finish delayed

infrastructure and demonstrate that procurement findings and problem expenditure lead to verified correction and lawful consequences. The trajectory is deteriorating because weak project completion, late-payment costs and unresolved control failures outweighed the institution's continuing operational base.



MUNICIPAL PROFILES

MPUMALANGA

4 municipalities assessed

Four local municipalities covering the provincial capital, a stronger industrial benchmark, a financially pressured petrochemical economy and a large predominantly rural administration.



MUNICIPALITIES IN THIS SECTION

CITY OF MBOMBELA

GOVAN MBEKI

STEVE TSHWETE

BUSHBUCKRIDGE

CITY OF MBOMBELA LOCAL MUNICIPALITY

OVERALL SCORE

57.0

/ 100

GRADE C

A capable capital and governance platform is being overwhelmed by a severe working-capital crisis, rising electricity losses and incomplete infrastructure.

PROVINCE

Mpumalanga

CODE

MP326

PRINCIPAL CENTRE

Mbombela

CURRENT LEADER

Executive Mayor Sibongile Makushe-Mazibuko

DISTRICT

Ehlanzeni District Municipality

CATEGORY

Category B1 secondary-city local municipality

POPULATION

809 674, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

15.0

/30

A large capital programme continues, but incomplete projects, weak maintenance and rising losses limit the outcome.

Financial management

10.0

/25

The municipality has a going-concern uncertainty, negative working capital, severe creditor exposure and large problem expenditure.

Governance

12.0

/15

Senior administration, planning and council oversight remain functional despite the financial emergency.

Integrity

8.5

/15

Recovery and action plans exist, but completed correction and consequences are not yet proportionate to the findings.

Inclusion

11.5

/15

Capital and participation programmes reach townships and rural settlements, although unequal reliability persists.

WHAT WORKS

The municipal manager, chief financial officer and most executive functions were occupied by the reporting and cut-off period, council and ward structures operated, and the city maintained a detailed annual-report and oversight cycle.

WHAT IS GOING WRONG

Unauthorised expenditure reached R776.37 million.

FIX FIRST

First priority: Prevent new problem expenditure and complete lawful recovery or resolution processes.

SCORING TRACE

How the City of Mbombela received 57.0/100

57.0 / 100

GRADE C

The City of Mbombela met 43 standards, partly met 28 and did not meet 29:

Result	Tests	Calculation	Points
Standard met	43	43×1	43.0
Standard partly met	28	28×0.5	14.0
Standard not met	29	29×0	0.0
Final result	100		57.0/100

The pillar arithmetic is $15.0 + 10.0 + 12.0 + 8.5 + 11.5 = 57.0$. No deduction or editorial adjustment followed. The fixed grade table produces a C.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 2.5; sanitation 2.5; electricity 2.5; refuse 2.5; roads and facilities 2.5; assets and capital 2.5	15.0/30	A large capital programme continues, but incomplete projects, weak maintenance and rising losses limit the outcome.
Financial management	Audit 2.0; liquidity 2.0; collections 2.5; creditors 2.0; expenditure control 1.5	10.0/25	The municipality has a going-concern uncertainty, negative working capital, severe creditor exposure and large problem expenditure.
Governance	Leadership 3.5; planning 4.0; council and oversight 4.5	12.0/15	Senior administration, planning and council oversight remain functional despite the financial emergency.
Integrity	Audit remediation 3.0; procurement and ethics 2.5; transparency 3.0	8.5/15	Recovery and action plans exist, but completed correction and consequences are not yet proportionate to the findings.
Inclusion	Indigent support 4.0; participation 4.0; spatial and environmental inclusion 3.5	11.5/15	Capital and participation programmes reach townships and rural settlements, although unequal reliability persists.

A growing regional capital with an increasingly fragile financial foundation

The City of Mbombela joins the provincial capital, White River, Hazyview, KaNyamazane, Matsulu and extensive rural settlements in one institution. Tourism, agriculture, logistics, government and cross-border trade give it a substantial economic role. The municipality therefore has a meaningful revenue base and a demanding service geography. Its result is not a story of administrative absence. It is the more troubling story of an institution that can plan and build, but is losing the financial capacity required to sustain what it operates.

Services and infrastructure - 15.0/30

The municipality added more than R700 million in capital assets and continued major water, wastewater, electricity, road, bridge, waste and community-facility programmes. That activity earns points for functioning departments, capital planning and expenditure above the first threshold.

The test is not expenditure alone. The annual record includes partially completed or missed work on water networks and connections, the White River treatment works, replacement of asbestos pipes, sewer infrastructure, roads, bridges and public facilities. Weekly waste-collection expansion reached only 35 of 150 planned dwellings. Those results reduce the awards for completed remediation, backlog reduction and functioning completed assets.

Electricity losses are a particularly clear warning. They rose from approximately 26.24% to 30.37%, with an audited value of about R466.78 million. The municipality earns credit for measuring the loss and maintaining distribution; it does not meet the test requiring losses to be controlled or materially declining. Maintenance expenditure was approximately 3% of the carrying value of property, plant and equipment, well below the report's 8% benchmark. The service score therefore settles at 15.0/30: substantial operational capacity remains, but resilience and completion do not match the scale of investment.

Financial management and sustainability - 10.0/25

The City submitted its statements and received an unqualified opinion after corrections, but the Auditor-General drew attention to material uncertainty about its ability to continue as a going concern. This combination earns reporting points without producing a clean-audit or sustained-improvement award.

The balance sheet explains the concern. Current liabilities of approximately R3.886 billion exceeded current assets of about R1.698 billion, leaving negative working capital of roughly R2.188 billion. Cash of about R142.75 million represented only around one-third of a month of operating expenditure. The municipality reported a deficit of approximately R194.91 million. It therefore does not meet the current-ratio or one-month cash tests, and the available record does not establish that the adjusted position remained fully funded and cash-backed.

Collection cleared the first 80% threshold, as per our grading, but did not securely meet the higher cumulative standards. Payables were approximately R3.681 billion, alongside long-term Eskom debt-relief obligations of roughly R1.067 billion. Most obligations were not settled within 30 days. The debt-relief arrangement and continued bulk supply prevent the lowest possible creditor score, but they do not establish ordinary payment discipline or declining overdue exposure.

Expenditure control is the weakest component. Unauthorised expenditure was approximately R776.37 million. Fruitless and wasteful expenditure of approximately R142.73 million largely reflected penalties

and interest, while current irregular expenditure remained material despite declining to about R44 million. The municipality earns points for disclosure and formal treatment; it loses points because prevention, timely payment and completed correction are not demonstrated.

Governance, integrity and inclusion

Governance earns a comparatively strong 12.0/15. The municipal manager, chief financial officer and most senior functions were occupied by the reporting and research cut-off periods. Council, ward committees, internal audit, the audit committee and the Municipal Public Accounts Committee operated. The municipality achieved approximately 63% of service targets and maintained a detailed planning and oversight cycle. These structures show that the financial crisis is not caused by the complete disappearance of administration.

Integrity receives 8.5/15. A financial recovery plan, creditor-reduction plan and audit action plan exist and the Municipal Public Accounts Committee undertook investigations. These measures justify partial remediation credit. The scale of unauthorised expenditure, penalty costs, recurring control problems and unresolved procurement matters shows that action has not yet produced commensurate outcomes. Public reports and plans are available, but complete council, award, contract-performance and consequence information is not consistently accessible.

Inclusion scores 11.5/15 because indigent support, ward structures and capital investment extend across townships and rural settlements. Water, roads, electrification and community projects can materially narrow historical exclusion. Full points are withheld where projects are incomplete, service reliability is unequal, and complaint and settlement-level outcome data do not demonstrate that poorer communities receive a comparable standard. Rising electricity losses also divert resources that could otherwise fund extension and maintenance.

Constitutional assessment and verdict

Continued service programmes, indigent support and ward participation advance sections 152(1)(b), 152(1)(c) and 152(1)(e). Capital planning across urban and rural areas supports section 153(a). The functioning council and senior administration provide a platform for democratic and accountable government under section 152(1)(a).

The working-capital deficit, limited cash and late payment fall short of the efficient and economic use of resources required by section 195(1)(b). Incomplete projects and low maintenance weaken sustainable service provision under section 152(1)(b). High electricity losses and uneven waste and wastewater outcomes engage section 152(1)(d) and section 24. Large problem expenditure and unresolved procurement findings weaken accountability and transparency under sections 195(1)(f) and 195(1)(g) and the procurement standard in section 217(1). Unequal service reliability remains relevant to sections 9 and 10.

The C captures a city with real human and institutional capacity operating on an increasingly precarious financial base. The first priority is to restore a funded, cash-backed operating position, reduce creditor exposure and prevent new unauthorised and penalty expenditure. The trajectory is deteriorating because worsening working capital, electricity losses and incomplete infrastructure outweighed the municipality's capable governance and investment platform.

STEVE TSHWETE LOCAL MUNICIPALITY

OVERALL SCORE

72.0

/ 100

GRADE B

A capable municipal platform remains financially and operationally strong, but audit regression is a serious warning against complacency.

PROVINCE

Mpumalanga

CODE

MP313

PRINCIPAL CENTRE

Middelburg

CURRENT LEADER

Executive Mayor Petros Mhlonishwa Masilela

DISTRICT

Nkangala District Municipality

CATEGORY

Category B1 secondary-city local municipality

242 031, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress-led administration in a hung council

Services and infrastructure

20.0

/30

Broad networks remain functional, but losses, ageing assets and maintenance evidence prevent a higher result.

Financial management

18.5

/25

Strong liquidity, collection and payment discipline are qualified by regression to a qualified audit opinion.

Governance

12.0

/15

Stable administration and functioning council systems sustain delivery despite a hung council.

Integrity

11.0

/15

Controls and disclosure are generally sound, but the audit regression and incomplete consequences require correction.

Inclusion

10.5

/15

Support and investment reach poorer settlements, while spatial inequality and uneven service reliability remain.

WHAT WORKS

Creditor information is complete and bulk accounts are broadly controlled; partial payment-timing evidence prevents a full 30-day award.

WHAT IS GOING WRONG

Statements were submitted and the audit remained above adverse or disclaimer level, but the opinion regressed to qualified with findings and therefore earns no unqualified, clean or improvement points.

FIX FIRST

First priority: Correct the causes of the audit outcome and produce reliable, timely financial reporting.

SCORING TRACE

How Steve Tshwete received 72.0/100

72.0 / 100

GRADE B

Steve Tshwete met 49 standards, partly met 46 and did not meet 5:

Result	Tests	Calculation	Points
Standard met	49	49×1	49.0
Standard partly met	46	46×0.5	23.0
Standard not met	5	5×0	0.0
Final result	100		72.0/100

The pillar arithmetic is $20.0 + 18.5 + 12.0 + 11.0 + 10.5 = 72.0$. No deduction or editorial adjustment followed. The fixed grade table produces a B.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.5; sanitation 3.5; electricity 3.0; refuse 3.5; roads and facilities 3.5; assets and capital 3.0	20.0/30	Broad networks remain functional, but losses, ageing assets and maintenance evidence prevent a higher result.
Financial management	Audit 2.0; liquidity 4.0; collections 4.0; creditors 4.5; expenditure control 4.0	18.5/25	Strong liquidity, collection and payment discipline are qualified by regression to a qualified audit opinion.
Governance	Leadership 4.5; planning 3.5; council and oversight 4.0	12.0/15	Stable administration and functioning council systems sustain delivery despite a hung council.
Integrity	Audit remediation 3.5; procurement and ethics 4.0; transparency 3.5	11.0/15	Controls and disclosure are generally sound, but the audit regression and incomplete consequences require correction.
Inclusion	Indigent support 4.0; participation 3.5; spatial and environmental inclusion 3.0	10.5/15	Support and investment reach poorer settlements, while spatial inequality and uneven service reliability remain.

A strong municipal base confronted by a warning it should not minimise

Steve Tshwete centres on Middelburg and serves an industrial, mining, agricultural and logistics economy. It has long benefited from a comparatively strong revenue base, established networks and professional administration. That history matters only insofar as it is sustained. The 2024/25 record still shows a municipality with considerable capacity, but the qualified audit opinion demonstrates that a strong reputation cannot substitute for reliable financial reporting and correction.

Services and infrastructure - 20.0/30

Household access remains extensive: approximately 87.8% had piped water on site, 87.1% sewer-connected sanitation, 87.9% weekly refuse removal and 93.4% electricity for lighting. Water, sanitation, electricity, refuse, roads and facilities continue to function across a substantial urban and industrial system. These outcomes earn the access and operational points and support partial awards for reliability and maintenance.

The remaining ten points are lost across resilience tests rather than through a single collapse. Electricity interruptions, illegal connections, metering weaknesses and incomplete loss-control evidence prevent full awards for network reliability and declining losses. Landfill, fleet, dumping and complaint-response evidence is not strong enough to establish uniformly improving waste performance. Roads and stormwater work continue, but the record does not show complete elimination or consistent reduction of priority backlogs.

Asset and capital systems are functioning, yet maintenance did not securely reach the report's 8% benchmark for property, plant and equipment. The reviewed evidence also does not show that every completed project produced the intended renewal, resilience or backlog outcome. A score of 20.0/30 therefore describes broadly functional services whose long-term protection is less certain than present access figures suggest.

Financial management and sustainability - 18.5/25

The strongest part of the institution is its underlying financial position. Current assets exceeded current liabilities, available cash provided a meaningful operating buffer, collection cleared the 80%, 85% and 90% thresholds, and bulk and ordinary creditor exposure remained broadly controlled. Creditor information was complete and the available payment record justified near-full credit, although uniform compliance with the 30-day standard was not established.

The central deduction is the audit opinion. Financial statements were submitted and the opinion remained above adverse or disclaimer level, earning two points. The result regressed to qualified with findings, so no unqualified, clean-audit or improvement point is available. A qualification is not a declaration that every financial figure is unreliable. It is, however, a material failure against the report's fixed reporting standards and cannot be softened by a strong balance sheet.

Expenditure controls remain comparatively sound. Problem expenditure was recorded, operating spending was broadly managed and bulk accounts did not exhibit the severe default seen in distressed municipalities. Partial rather than full awards reflect the audit qualification, remaining compliance findings and incomplete public evidence that every identified loss or irregularity reached lawful closure.

Governance, integrity and inclusion

Governance earns 12.0/15. The municipal manager, chief financial officer and critical senior structures were substantially in place. Plans and indicators were adopted and reported, while council and essential committees continued to conduct business despite the absence of a single-party majority. That is a meaningful institutional strength: the governing arrangement did not produce persistent paralysis.

The deductions concern implementation quality. Target achievement and corrective follow-through were not uniformly at the highest threshold, and the audit regression shows that assurance and management review did not prevent material reporting weaknesses. Council activity earns credit; it is not assumed to be effective unless resolutions, findings and missed targets are tracked to completed action.

Integrity receives 11.0/15. Audit action, supply chain management, ethics and disclosure systems are established. The municipality publishes important budgets, plans, tenders and performance information. Full marks are withheld because a qualified audit is evidence that remediation and quality control were not fully effective, and because complete contract, consequence and resolution-closure information is not always available to the public.

Inclusion scores 10.5/15. Indigent assistance, free basic services, ward participation and infrastructure programmes reach poorer settlements. The municipality also supports a substantial local economy. The outstanding constitutional task is to show, ward by ward, that service quality and response times are becoming more equal, and that investment measurably overcomes historical spatial exclusion rather than merely maintaining the stronger urban core.

Constitutional assessment and verdict

Broad services, indigent support and participation advance sections 152(1)(b), 152(1)(c) and 152(1)(e). Stable administration, payment discipline and liquidity support the efficient use of resources and accountability required by sections 195(1)(b) and 195(1)(f). Continued planning across settlements advances section 153(a).

The qualified opinion falls short of financial accountability and transparency under sections 195(1)(f) and 195(1)(g). Uneven maintenance and network losses qualify fulfilment of sustainable service provision under section 152(1)(b). Waste, unsafe connections and environmental risks engage section 152(1)(d) and section 24. Remaining spatial and service disparities bear on equality and dignity under sections 9 and 10.

The B remains a good result. It reflects a municipality with the balance sheet, personnel and operating systems to provide credible government. The trajectory is nevertheless deteriorating because audit regression is an institutional warning: if reporting discipline weakens, service and financial advantages can erode before access figures reveal it. The first priority is to correct the causes of the qualification, restore reliable financial reporting and publish verified completion of the remedial actions.

GOVAN MBEKI LOCAL MUNICIPALITY

OVERALL SCORE

48.5

/ 100

GRADE D+

A better audit opinion sits above deep insolvency, bulk debt and wastewater risk in a municipality with a powerful industrial tax base.

PROVINCE

Mpumalanga

CODE

MP307

PRINCIPAL CENTRE

Secunda

CURRENT LEADER

Executive Mayor Nhlakanipho G. Zuma

DISTRICT

Gert Sibande District Municipality

CATEGORY

Category B1 secondary-city local municipality

POPULATION

310 117, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress-led administration

Services and infrastructure

14.5

/30

Broad access is undermined by wastewater pollution, network instability and inadequate maintenance.

Financial management

7.5

/25

An improved audit opinion cannot offset severe negative working capital, weak collection and bulk-service debt.

Governance

8.5

/15

Plans and institutions exist, but instability and weak implementation reduce their effect.

Integrity

7.5

/15

Some remediation and disclosure are visible, while material irregularities and incomplete consequences remain.

Inclusion

10.5

/15

Support reaches mining towns and townships, but pollution and unequal infrastructure diminish constitutional inclusion.

WHAT WORKS

The audit improved to unqualified with findings and statements were submitted; the clean-audit test remains unavailable.

WHAT IS GOING WRONG

Current liabilities of roughly R6.57 billion far exceeded current assets of roughly R1.88 billion, cash was weak and going-concern risk persisted for a sixth year.

FIX FIRST

First priority: Restore safe wastewater treatment and complete verified remediation.

SCORING TRACE

How Govan Mbeki received 48.5/100

48.5 / 100

GRADE D+

Govan Mbeki met 24 standards, partly met 49 and did not meet 27:

Result	Tests	Calculation	Points
Standard met	24	24×1	24.0
Standard partly met	49	49×0.5	24.5
Standard not met	27	27×0	0.0
Final result	100		48.5/100

The pillar arithmetic is $14.5 + 7.5 + 8.5 + 7.5 + 10.5 = 48.5$. No deduction or editorial adjustment followed. The fixed grade table produces a D+.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 2.5; sanitation 1.5; electricity 2.0; refuse 3.5; roads and facilities 2.5; assets and capital 2.5	14.5/30	Broad access is undermined by wastewater pollution, network instability and inadequate maintenance.
Financial management	Audit 4.0; liquidity 0.0; collections 0.5; creditors 1.0; expenditure control 2.0	7.5/25	An improved audit opinion cannot offset severe negative working capital, weak collection and bulk-service debt.
Governance	Leadership 3.0; planning 2.5; council and oversight 3.0	8.5/15	Plans and institutions exist, but instability and weak implementation reduce their effect.
Integrity	Audit remediation 2.5; procurement and ethics 2.0; transparency 3.0	7.5/15	Some remediation and disclosure are visible, while material irregularities and incomplete consequences remain.
Inclusion	Indigent support 4.0; participation 3.5; spatial and environmental inclusion 3.0	10.5/15	Support reaches mining towns and townships, but pollution and unequal infrastructure diminish constitutional inclusion.

Industrial wealth alongside municipal financial distress

Govan Mbeki contains Secunda, eMbalenhle, Bethal, Evander and Kinross. Petrochemical, coal, energy and agricultural activity give the municipality an economic base that many councils do not possess. The result is therefore especially sobering. The municipality has extensive service networks and a substantial billing platform, yet its financial position has remained under going-concern pressure for six years. Economic value within a boundary does not automatically become municipal capacity.

Services and infrastructure - 14.5/30

Access remains broad: approximately 97.4% of households had piped water on site, 92% sewer-connected sanitation, 87.5% weekly refuse removal and 92.5% electricity for lighting. Refuse collection is the strongest service component, while water, electricity, roads and facilities continue to operate. These facts earn the access and baseline operational points.

Reliability and lawful treatment are materially weaker. Wastewater failures at eMbalenhle have generated pollution and an Auditor-General material-irregularity process. The municipality therefore earns the sanitation-access point and partial credit for operational and remedial work, but not the treatment-compliance, reduced-risk or completed-remediation tests. A pipe connection is not treated as a successful sanitation outcome when sewage is not safely conveyed and treated.

Electricity interruptions, losses, illegal connections and limited renewal evidence reduce that component. Roads and stormwater work continue, but the evidence does not show consistent backlog reduction or preventive maintenance. Maintenance remained below the report's 8% asset benchmark, as per our grading. Capital activity and asset records earn partial credit; they do not prove that completed projects function or that resilience is improving.

Financial management and sustainability - 7.5/25

The audit outcome improved to unqualified with findings. Financial statements were submitted, the opinion was neither adverse nor disclaimed and the municipality earns the unqualified and improvement points. It did not achieve a clean audit.

That reporting improvement sits above a severe balance-sheet problem. Current liabilities of approximately R6.57 billion vastly exceeded current assets of roughly R1.88 billion. Cash was approximately R49.8 million, far below one month of operating expenditure. The municipality had reported material uncertainty about continuing as a going concern for six consecutive years. It therefore receives no points for a funded, cash-backed position, the current-ratio threshold or prudent cash coverage.

Consumer debtors were approximately R3.57 billion, of which about R2.95 billion was impaired. Collection remained below the first 80% threshold, as per our grading, leaving only partial credit for the existence of billing and credit-control systems. Eskom and water-board debt, arrears and reliance on repayment or debt-relief arrangements prevent ordinary payment-discipline points.

The expenditure-control award recognises that records exist and that the audit opinion improved. It remains low because losses, arrears, compliance weaknesses and material irregularities have not been fully prevented or resolved. The methodology deliberately keeps these questions separate: a better audit opinion is valuable, but it cannot create liquidity or pay a bulk account.

Governance, integrity and inclusion

Governance earns 8.5/15. Senior management, statutory plans, council and assurance structures continued to operate. The municipality was therefore able to produce financial statements, improve the audit opinion and maintain service programmes. Target achievement, corrective implementation, leadership continuity and resolution tracking were not strong enough for the upper cumulative points.

Integrity receives 7.5/15. Audit action and supply chain management systems exist, and important documents are published. The wastewater material irregularity and remaining procurement and compliance findings show that monitoring did not reliably prevent harm. The reviewed record also does not establish timely investigation, recovery and discipline across all matters. An Auditor-General finding is reported as such; it is not described as corruption unless a competent legal process establishes that conclusion.

Inclusion scores 10.5/15. Indigent support, ward structures and infrastructure investment reach eMbalenhle and other township and mining communities. The municipality's industrial economy supports employment and revenue opportunities. Pollution and unreliable services, however, fall disproportionately on communities with fewer alternatives. Environmental harm therefore reduces inclusion as well as the service score, but for different reasons: services measure operational performance; inclusion measures the unequal constitutional burden.

Constitutional assessment and verdict

Broad access, indigent assistance and ward participation advance sections 152(1)(b), 152(1)(c) and 152(1)(e). The improved audit opinion provides evidence of progress towards accountability under section 195(1)(f). Investment across the municipal area supports the developmental direction of section 153(a).

Wastewater pollution and material environmental risk fall short of section 152(1)(d) and engage the environmental right in section 24. Persistent negative working capital, weak collection and bulk arrears threaten sustainable service provision under section 152(1)(b) and efficient resource use under section 195(1)(b). Incomplete remediation and consequence management weaken sections 195(1)(f) and 195(1)(g). Unequal exposure to pollution and unreliable infrastructure bears on equality and dignity under sections 9 and 10.

The D+ does not erase the better audit opinion or the continued operation of broad networks. It records that those strengths are outweighed by insolvency, bulk debt and unsafe wastewater outcomes. The first priority is to restore lawful wastewater treatment while converting the financial recovery process into a credible cash, collection and creditor plan. The trajectory is stable because audit improvement and continuing service reach have not yet overcome the entrenched financial and infrastructure risks, but neither did the comparable evidence establish a uniformly accelerating decline.

BUSHBUCKRIDGE LOCAL MUNICIPALITY

OVERALL SCORE

55.5

/ 100

GRADE C

A large rural municipality has credible institutional continuity, but profound sanitation, refuse and road backlogs still shape residents' daily reality.

PROVINCE

Mpumalanga

CODE

MP325

PRINCIPAL CENTRE

Bushbuckridge

CURRENT LEADER

Executive Mayor Matlanatso Lydia Moroane

DISTRICT

Ehlanzeni District Municipality

CATEGORY

Category B4 predominantly rural local municipality

POPULATION

750 821, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

16.5 /30

Electricity reach is strong, but rural sanitation, refuse, roads and maintenance remain deeply uneven.

Financial management

11.0 /25

An unqualified opinion with findings coexists with weak collection, limited cash and preventable interest costs.

Governance

9.5 /15

Administrative continuity is visible, but target reliability and correction do not support higher points.

Integrity

8.5 /15

Action and disclosure systems function, while repeat findings and incomplete consequences remain.

Inclusion

10.0 /15

Rural projects and participation matter, but unequal service quality and thin outcome evidence limit the score.

WHAT WORKS

Electricity access is exceptionally broad and free-basic arrangements operate, with only partial independent evidence on sustained reliability trends.

WHAT IS GOING WRONG

Billing exists, but the rural revenue base and evidence do not securely establish 80% collection on the locked consistent measure.

FIX FIRST

First priority: Strengthen billing and lift collections above the first locked threshold.

SCORING TRACE

How Bushbuckridge received 55.5/100

55.5 / 100

GRADE C

Bushbuckridge met 26 standards, partly met 59 and did not meet 15:

Result	Tests	Calculation	Points
Standard met	26	26×1	26.0
Standard partly met	59	59×0.5	29.5
Standard not met	15	15×0	0.0
Final result	100		55.5/100

The pillar arithmetic is $16.5 + 11.0 + 9.5 + 8.5 + 10.0 = 55.5$. No deduction or editorial adjustment followed. The fixed grade table produces a C.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.0; sanitation 2.0; electricity 4.5; refuse 2.5; roads and facilities 2.5; assets and capital 2.0	16.5/30	Electricity reach is strong, but rural sanitation, refuse, roads and maintenance remain deeply uneven.
Financial management	Audit 3.0; liquidity 1.5; collections 0.5; creditors 3.0; expenditure control 3.0	11.0/25	An unqualified opinion with findings coexists with weak collection, limited cash and preventable interest costs.
Governance	Leadership 3.5; planning 2.5; council and oversight 3.5	9.5/15	Administrative continuity is visible, but target reliability and correction do not support higher points.
Integrity	Audit remediation 2.5; procurement and ethics 2.5; transparency 3.5	8.5/15	Action and disclosure systems function, while repeat findings and incomplete consequences remain.
Inclusion	Indigent support 3.5; participation 3.5; spatial and environmental inclusion 3.0	10.0/15	Rural projects and participation matter, but unequal service quality and thin outcome evidence limit the score.

A rural service challenge that cannot be reduced to household averages

Bushbuckridge is one of South Africa's largest predominantly rural municipalities. Its settlements are dispersed, many fall under traditional leadership and poverty and limited own-revenue capacity shape what the council can finance. Distances make collection, road maintenance and public participation costly. These conditions explain the scale of the task; they do not lower the constitutional standard or create bonus points.

The evidence contains a sharp contrast. Approximately 98.5% of households use electricity for lighting, while about 72.8% have piped water on site, 23.4% have sewer-connected sanitation and 20.6% receive weekly refuse removal. Sewer connection is not the only lawful sanitation model in a rural area, so the report does not treat every non-sewer household as unserved. It asks whether on-site systems are safe, progressively improved and credibly monitored.

Services and infrastructure - 16.5/30

Electricity is the strongest component. Distribution and free basic electricity duties continue, access is extensive and local electrification programmes are visible. Partial deductions concern reliability, loss control, dangerous connections, maintenance and the completeness of metering evidence.

Water access and projects earn baseline and partial points, but reliability, losses and funded renewal are not consistently demonstrated. Sanitation scores lower because neither broad sewer access nor a complete evidence base on safe on-site sanitation and wastewater risk is available. Refuse collection, landfill management and illegal-dumping work continue in parts of the municipality, yet weekly coverage remains very low and fleet and disposal arrangements do not demonstrate a stable area-wide service.

The road network is extensive and includes large gravel and rural backlogs. Maintenance and upgrading are undertaken, but the evidence does not establish that work is predominantly preventive or that priority backlogs and complaints are declining. Maintenance did not reach the report's 8% property, plant and equipment benchmark and capital execution did not securely clear the upper thresholds, as per our grading. Bushbuckridge therefore earns many half-points: systems and programmes exist, but reliable, measured outcomes are incomplete.

Financial management and sustainability - 11.0/25

The municipality submitted statements and received an unqualified audit opinion with findings for a seventh consecutive year. It earns submission, non-adverse and unqualified points. It does not receive the clean-audit or verified-improvement points because material findings persist.

Liquidity is weak. The reviewed cash and current-ratio evidence does not meet the upper funded-budget and prudent-buffer standards. Billing exists, but the collection rate remained below 80%, so no cumulative threshold point is available beyond partial credit for an operating system. A narrow rural revenue base explains the difficulty but does not alter the test; grant dependence makes careful collection and cash control especially important.

Creditor records and bulk-payment systems continued to operate, producing a moderate award. Payment timing and water-related obligations remained concerns. Fruitless and wasteful expenditure of approximately R6.54 million included avoidable payment costs. Problem expenditure was recorded and formally considered, but repeat financial, asset and procurement findings prevent full expenditure-control points.

Governance, integrity and inclusion

Bushbuckridge has more institutional continuity than its service backlogs might imply. Senior leadership, council, the audit committee, internal audit and the Municipal Public Accounts Committee functioned. Statutory plans and performance reports were produced. Governance stops at 9.5/15 because reported performance required correction, target achievement and indicator quality were mixed and the evidence did not establish consistent implementation of resolutions.

Integrity earns 8.5/15. An audit action plan and oversight processes exist, while important reports and procurement information are published. The Auditor-General's material-irregularity process concerning payment for paving work not completed to the required standard demonstrates why policy and committee existence cannot receive full credit. The score asks whether root causes are corrected and whether investigation, recovery or discipline reaches lawful closure. That outcome was not fully established.

Inclusion receives 10.0/15. Rural roads, electrification, indigent support, ward committees and public consultations direct municipal effort towards dispersed communities. Partial points recognise those programmes without assuming that attendance proves influence or that a completed budget line proves equitable benefit. Low refuse coverage, uncertain sanitation safety and uneven road access continue to burden poorer households and remote settlements disproportionately.

Constitutional assessment and verdict

Extensive electrification, indigent relief and rural participation advance sections 152(1)(b), 152(1)(c) and 152(1)(e). Rural roads and investment support the developmental duty in section 153(a). Functioning oversight and an unqualified opinion provide partial alignment with accountability under section 195(1)(f).

Weak refuse coverage, uncertain sanitation outcomes and road backlogs qualify sustainable service provision under section 152(1)(b) and the safe and healthy environment objective in section 152(1)(d). They also engage sections 24 and 27(1)(b). Low collection, limited liquidity and preventable interest costs fall short of efficient resource use under section 195(1)(b). Repeat findings and incomplete consequences weaken sections 195(1)(f) and 195(1)(g) and, where procurement is implicated, section 217(1). Rural disparities remain relevant to equality and dignity under sections 9 and 10.

The C records a functioning rural institution whose administrative continuity has not yet overcome structural service inequality. The first priority is to establish safe sanitation and reliable refuse outcomes settlement by settlement, supported by funded road and asset maintenance. The trajectory is stable because institutional systems and projects continue, while the depth of the same service and financial constraints prevents a finding of improvement.

MUNICIPAL PROFILES

NORTH WEST

4 municipalities assessed

Four distinct municipal settings: a mining city, the provincial capital, a university and agricultural centre, and a predominantly rural municipality with a narrow local function bundle.



MUNICIPALITIES IN THIS SECTION

RUSTENBURG

JB MARKS

MAHIKENG

GREATER TAUNG

RUSTENBURG LOCAL MUNICIPALITY

OVERALL SCORE

55.0

/ 100

GRADE C

A major mining city retains broad networks and planning capacity, but weak liquidity, low collection and infrastructure risk prevent those advantages from producing a stronger result.

PROVINCE

North West

CODE

NW373

PRINCIPAL CENTRE

Rustenburg

CURRENT LEADER

Executive Mayor Shiela Mabale-Huma

DISTRICT

Bojanala Platinum District Municipality

CATEGORY

Category B1 secondary-city local municipality

POPULATION

562 315, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress-led administration in a hung council

Services and infrastructure

18.0

/30

Broad access and diagnostic planning coexist with losses, spills, backlogs and inadequate maintenance.

Financial management

10.5

/25

Qualified reporting, negative working capital and collection below 80% place delivery under pressure.

Governance

9.5

/15

Core structures function, but target implementation and resolution closure remain inconsistent.

Integrity

7.0

/15

Action systems exist, while repeated findings and material-irregularity processes remain unresolved.

Inclusion

10.0

/15

Programmes reach mining settlements and townships, but unequal reliability and environmental burdens remain.

WHAT WORKS

Water access is broad and the WSDP provides credible diagnostics, but mining-city growth, losses and interruptions prevent full reliability and control points.

WHAT IS GOING WRONG

Billing systems exist, but the consistent collection measure and debtor quality do not securely clear 80%.

FIX FIRST

First priority: Strengthen billing and lift collections above the first locked threshold.

SCORING TRACE

How Rustenburg received 55.0/100

55.0 / 100

GRADE C

Rustenburg met 26 standards, partly met 58 and did not meet 16:

Result	Tests	Calculation	Points
Standard met	26	26×1	26.0
Standard partly met	58	58×0.5	29.0
Standard not met	16	16×0	0.0
Final result	100		55.0/100

The pillar arithmetic is $18.0 + 10.5 + 9.5 + 7.0 + 10.0 = 55.0$. No deduction or editorial adjustment followed. The fixed grade table produces a C.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.5; sanitation 3.0; electricity 3.0; refuse 3.0; roads and facilities 2.5; assets and capital 3.0	18.0/30	Broad access and diagnostic planning coexist with losses, spills, backlogs and inadequate maintenance.
Financial management	Audit 2.0; liquidity 1.5; collections 0.5; creditors 3.5; expenditure control 3.0	10.5/25	Qualified reporting, negative working capital and collection below 80% place delivery under pressure.
Governance	Leadership 3.5; planning 3.0; council and oversight 3.0	9.5/15	Core structures function, but target implementation and resolution closure remain inconsistent.
Integrity	Audit remediation 2.0; procurement and ethics 2.0; transparency 3.0	7.0/15	Action systems exist, while repeated findings and material-irregularity processes remain unresolved.
Inclusion	Indigent support 3.5; participation 3.5; spatial and environmental inclusion 3.0	10.0/15	Programmes reach mining settlements and townships, but unequal reliability and environmental burdens remain.

A mining city whose growth has outpaced the resilience of its systems

Rustenburg is a national centre of platinum mining and a rapidly urbanising secondary city. Formal suburbs, townships, mining settlements, informal areas and rural communities place very different demands on one institution. Mining expands the economic base, but also accelerates migration, traffic, settlement pressure and infrastructure use. The municipality's record must therefore be read as a test of whether a substantial revenue and planning platform is being converted into resilient urban government.

Services and infrastructure - 18.0/30

Access remains broad: approximately 91.1% of households had piped water on site, 72.8% sewer-connected sanitation, 76.4% weekly refuse removal and 94.5% electricity for lighting. Rustenburg's Water Services Development Plan provides comparatively strong diagnostic information on supply, demand, losses and backlogs. This earns access, monitoring and planning points.

Operational outcomes are more mixed. Water losses, interruptions and demand pressure prevent full reliability and loss-control points. Sewer spills, pump and treatment risks reduce sanitation awards. Electricity outages, illegal connections and uneven maintenance limit the energy component, while dumping, fleet pressure and incomplete collection reduce waste points. Roads, stormwater and public facilities receive investment, but evidence of preventive maintenance and steadily declining backlogs is incomplete.

The asset register and capital programme are functioning. Maintenance did not securely meet the report's 8% benchmark, and the record did not show that all completed projects reduced losses or resilience risk. The Rustenburg Rapid Transport programme has also been subject to an Auditor-General material-irregularity process, which weakens confidence that capital activity consistently became lawful, functioning public value.

Financial management and sustainability - 10.5/25

Rustenburg submitted financial statements, and the opinion was neither adverse nor disclaimed. It remained qualified, so the unqualified, clean-audit and improvement points were not available.

Cash of roughly R1.17 billion appears substantial in isolation, but current liabilities of about R2.12 billion exceeded current assets of approximately R1.72 billion. Material uncertainty about going concern had persisted for three years. The municipality therefore receives only limited liquidity credit: absolute cash is recognised, but the current ratio, funding quality and sustainability tests are not met.

Collection remained below the first 80% threshold, as per our grading. A billing and credit-control system exists, earning partial credit, but none of the cumulative collection points can be awarded. Creditor records and bulk accounts were disclosed, and the record did not show the same scale of default as the most distressed councils. Payment timing and declining overdue exposure were not fully demonstrated, producing 3.5/5 rather than full marks.

Operating and problem expenditure were recorded, while financial and procurement controls continued to function in part. The qualified opinion, material-irregularity matters and incomplete corrective evidence prevent higher expenditure-control points. Recording a matter and investigating it are recognised in their respective pillars; neither is counted twice as prevention or completed consequence.

Governance, integrity and inclusion

Governance receives 9.5/15. Senior administration, council and assurance structures remain operational, and statutory plans are produced. A hung council has not resulted in permanent institutional paralysis. Target quality, implementation and the tracking of council and committee resolutions remain uneven. Plans and meetings therefore earn points, but not the further points reserved for reliable performance data and completed correction.

Integrity scores 7.0/15. Audit-action, supply chain management and ethics arrangements exist and important public documents are accessible. Repeat findings, the qualified opinion and material-irregularity processes show that prevention and remediation are incomplete. The public record does not establish timely recovery, discipline or referral across every matter where responsibility was found.

Inclusion earns 10.0/15. Indigent support, ward structures and capital investment reach townships, mining settlements and poorer areas. The deductions recognise that informal and peripheral communities often experience weaker water continuity, sanitation safety, roads and refuse collection. Mining-generated growth has constitutional value only if public planning and infrastructure distribute its benefits and manage its costs.

Constitutional assessment and verdict

Broad services, indigent support and participatory structures advance sections 152(1)(b), 152(1)(c) and 152(1)(e). The Water Services Development Plan and capital planning support section 153(a). Continued council function in a hung arrangement advances democratic government under section 152(1)(a).

Negative working capital and collection below 80% weaken sustainable service provision and efficient resource use under sections 152(1)(b) and 195(1)(b). Sewer spills, dumping and infrastructure pressure engage section 152(1)(d), section 24 and sufficient water under section 27(1)(b). Qualified reporting, repeat findings and unresolved material-irregularity matters fall short of accountability and transparency under sections 195(1)(f) and 195(1)(g) and may engage section 217(1) where procurement is implicated. Unequal settlement outcomes bear on sections 9 and 10.

The C describes a city with substantial networks and planning capacity but insufficient financial and infrastructure resilience. The first priority is to lift collection above 80% and use the resulting cash to reduce water, sanitation and maintenance risk through verified delivery. The trajectory is stable because the institution remains operational and broadly accessible while the same financial, audit and infrastructure weaknesses continue without decisive improvement.

MAHIKENG LOCAL MUNICIPALITY

OVERALL SCORE

52.0

/ 100

GRADE C-

The provincial capital remains operational, but qualified reporting, weak liquidity, low refuse coverage and public-realm decline constrain constitutional performance.

PROVINCE

North West

CODE

NW383

PRINCIPAL CENTRE

Mahikeng

CURRENT LEADER

Executive Mayor Tshepiso Mphehlo

DISTRICT

Ngaka Modiri Molema District Municipality

CATEGORY

Category B2 secondary-city local municipality

POPULATION

354 504, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

15.0

/30

Electricity, refuse, roads and facilities continue, but collection coverage, maintenance and public-realm outcomes are weak. District water and sanitation duties are not scored as local failures.

Financial management

10.0

/25

Qualified reporting, weak cash and collection below 80% outweigh comparatively better creditor disclosure.

Governance

9.0

/15

Core structures operate, while target quality, achievement and correction remain incomplete.

Integrity

8.0

/15

Remediation systems exist, but repeat qualification and incomplete consequences limit effectiveness.

Inclusion

10.0

/15

Capital-city investment reaches disadvantaged areas, while spatial decay, dumping and unequal service outcomes persist.

WHAT WORKS

Creditor balances are disclosed and bulk default is not established at the scale seen elsewhere; payment timing and trend evidence remain partial.

WHAT IS GOING WRONG

Current liabilities substantially exceeded liquid current assets and collection weakened; limited cash earns only a half point below the one-month threshold.

FIX FIRST

First priority: Restore a funded, cash-backed budget and rebuild a genuine operating buffer.

SCORING TRACE

How Mahikeng received 52.0/100

52.0 / 100

GRADE C-

The standardised score-equivalent tally records 30 standards met, 44 partly met and 26 not met:

Result	Tests	Calculation	Points
Standard met	30	30×1	30.0
Standard partly met	44	44×0.5	22.0
Standard not met	26	26×0	0.0
Final result	100		52.0/100

The pillar arithmetic is $15.0 + 10.0 + 9.0 + 8.0 + 10.0 = 52.0$. No deduction or editorial adjustment followed. The fixed grade table produces a C-.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Twenty applicable local-service tests produced 10.0 raw points, proportionally reweighted to the common 30-point pillar	15.0/30	Electricity, refuse, roads and facilities continue, but collection coverage, maintenance and public-realm outcomes are weak. District water and sanitation duties are not scored as local failures.
Financial management	Audit 2.0; liquidity 0.5; collections 0.5; creditors 4.0; expenditure control 3.0	10.0/25	Qualified reporting, weak cash and collection below 80% outweigh comparatively better creditor disclosure.
Governance	Leadership 3.5; planning 2.5; council and oversight 3.0	9.0/15	Core structures operate, while target quality, achievement and correction remain incomplete.
Integrity	Audit remediation 2.5; procurement and ethics 2.5; transparency 3.0	8.0/15	Remediation systems exist, but repeat qualification and incomplete consequences limit effectiveness.
Inclusion	Indigent support 3.5; participation 3.5; spatial and environmental inclusion 3.0	10.0/15	Capital-city investment reaches disadvantaged areas, while spatial decay, dumping and unequal service outcomes persist.

A provincial capital whose score must respect divided service responsibility

Mahikeng is the administrative capital of North West and includes the urban centre, Mmabatho, townships, villages and rural settlements. It should benefit from government, education and commercial activity, but a constrained revenue base, ageing infrastructure and visible public-realm decline have weakened that advantage.

The function rule is essential. Ngaka Modiri Molema District Municipality is the water-services authority and bears the principal operational responsibility for water and sanitation. Mahikeng is not marked down for district-only treatment, network or pump duties. The local municipality remains accountable for its assigned electricity, refuse, roads, stormwater, facilities, land-use, participation and coordination responsibilities. Twenty local-service tests were applicable; their 10.0 raw points were proportionally converted to 15.0/30 so that services retained the same weight without inventing powers.

Services and infrastructure - 15.0/30

Approximately 97% of households used electricity for lighting. Distribution, local lighting and electrification functions continued, though reliability, illegal connections, metering, losses and maintenance were not strong enough for full awards. Weekly refuse removal reached only about 34.6% of households, materially reducing collection, fleet, dumping and complaint-response points.

Road, stormwater and public-facility work continued in the provincial capital and surrounding settlements. The available condition, backlog and fault-closure evidence did not show a predominantly preventive system or a stable improvement trend. Public-space deterioration and illegal dumping are therefore treated as outcomes, not merely aesthetic concerns: they affect environmental health, mobility and confidence in government.

The asset register and capital programme earn partial credit. Maintenance did not meet the report's 8% benchmark, as per our grading, and completed-project evidence did not consistently establish reduced backlogs or resilience risk. Water and sanitation conditions remain constitutionally important to residents and are discussed in the assessment, but failures of the district system do not generate local operational zeroes. Mahikeng is judged instead on lawful coordination, planning and the accessibility of complaints and public information.

Financial management and sustainability - 10.0/25

The municipality submitted financial statements and the opinion was neither adverse nor disclaimed. It remained qualified, so the unqualified, clean-audit and improvement points were not available.

Liquidity is the principal financial weakness. Current liabilities substantially exceeded liquid current assets, while cash did not cover one month of operating expenditure. The municipality therefore receives only a half-point for the limited evidence of a functioning funding and cash framework; it does not meet the current-ratio or prudent-buffer standards. Collection declined and remained below 80%, leaving only partial credit for billing and credit-control systems.

Creditor balances were disclosed and the reviewed evidence did not establish a bulk default at the scale found in the most distressed municipalities. This supports 4.0/5 for creditor management, though uniform payment within 30 days and a clearly declining overdue trend were not fully established. Expenditure was recorded and statutory processes continued, while qualification and control findings prevent stronger financial-compliance points. National Treasury's July 2026 concern about transfer

compliance reinforces the need for timely, credible reporting and conditions-based grant administration; it is not treated as proof of service failure by itself.

Governance, integrity and inclusion

Governance earns 9.0/15. [Senior leadership and the statutory planning cycle continued](#), council and essential committees functioned and assurance structures were present. The score stops at the middle range because performance indicators, target achievement, reported evidence and the closure of corrective actions were inconsistent. Producing a plan earns the first point; demonstrating that it changed an outcome earns the later ones.

Integrity receives 8.0/15. Audit-remediation, supply chain management and oversight mechanisms exist. Repeat qualification shows that action was not fully effective. The reviewed pack does not establish timely completion of all investigations, recovery and discipline, while public access to council records, awards, deviations and current complaint outcomes remains uneven. The report records audit and procurement findings precisely and does not convert them into allegations of corruption.

Inclusion scores 10.0/15. [Indigent assistance](#), participation processes and capital work extend beyond the stronger administrative core. Mahikeng's provincial-capital status gives it an important local-development role. Low refuse reach, deteriorating public space and uneven settlement-level services nevertheless reduce dignity and opportunity in poorer communities. Full credit requires measurable equalisation, reasoned feedback and response tracking, not only a consultation calendar.

Constitutional assessment and verdict

Local electricity, indigent support, participation and capital planning advance [sections 152\(1\)\(b\), 152\(1\)\(c\), 152\(1\)\(e\) and 153\(a\)](#). A functioning council supports democratic local government under [section 152\(1\)\(a\)](#). Creditor disclosure and continuing oversight provide partial alignment with [sections 195\(1\)\(f\) and 195\(1\)\(g\)](#).

Weak liquidity and collection threaten sustainable service provision and efficient resource use under [sections 152\(1\)\(b\) and 195\(1\)\(b\)](#). Low refuse coverage and dumping fall short of the safe and healthy environment objective in [section 152\(1\)\(d\) and engage section 24](#). Qualified reporting and incomplete corrective action weaken accountability and transparency under [sections 195\(1\)\(f\) and 195\(1\)\(g\)](#). Unequal public-realm and service outcomes bear on [sections 9 and 10](#). Because water and sanitation are divided functions, [section 41\(1\)\(h\)](#) requires effective coordination with the district, while [section 154\(1\)](#) requires appropriate provincial and national support.

The C- is a function-adjusted judgment of the local institution, not a verdict on every service residents experience. The first priority is to restore a funded, cash-backed position and use that discipline to improve refuse, roads and public-space maintenance. The trajectory is stable because core structures and services persist, while liquidity, audit and environmental weaknesses show no decisive resolution.

JB MARKS LOCAL MUNICIPALITY

OVERALL SCORE

57.0

/ 100

GRADE C

Audit improvement and a functioning administrative platform support recovery, but negative working capital, weak collection and infrastructure risk keep the municipality in the C range.

PROVINCE

North West

CODE

NW405

PRINCIPAL CENTRE

Potchefstroom

CURRENT LEADER

Executive Mayor Gaba Thithiba Ka Qhele

DISTRICT

Dr Kenneth Kaunda District Municipality

CATEGORY

Category B1 secondary-city local municipality

POPULATION

212 670, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress-led administration in a hung council

Services and
infrastructure

17.5

/30

Extensive networks remain operational, while losses, wastewater risk, roads and maintenance remain uneven.

Financial management

9.0

/25

An improved unqualified opinion is outweighed by negative working capital, collection below 80% and bulk-payment pressure.

Governance

11.0

/15

Senior administration and statutory systems function, with incomplete target and resolution closure.

Integrity

9.0

/15

Remediation and disclosure improved, but material-irregularity and procurement matters remain.

Inclusion

10.5

/15

Investment reaches townships and rural communities, while merged-area inequality and infrastructure risk persist.

WHAT WORKS

An unqualified audit opinion and functioning administrative platform support recovery; broad service networks remain operational.

WHAT IS GOING WRONG

Negative working capital of roughly R669 million and going-concern risk persisted for a second year; cash remained below one month.

FIX FIRST

Rebuild working capital through collection, creditor control and funded budgeting to create a genuine operating buffer.

SCORING TRACE

How JB Marks received 57.0/100

57.0 / 100

GRADE C

JB Marks met 30 standards, partly met 54 and did not meet 16:

Result	Tests	Calculation	Points
Standard met	30	30×1	30.0
Standard partly met	54	54×0.5	27.0
Standard not met	16	16×0	0.0
Final result	100		57.0/100

The pillar arithmetic is $17.5 + 9.0 + 11.0 + 9.0 + 10.5 = 57.0$. No deduction or editorial adjustment followed. The fixed grade table produces a C.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.0; sanitation 3.0; electricity 3.0; refuse 3.0; roads and facilities 2.5; assets and capital 3.0	17.5/30	Extensive networks remain operational, while losses, wastewater risk, roads and maintenance remain uneven.
Financial management	Audit 4.0; liquidity 0.5; collections 0.5; creditors 1.0; expenditure control 3.0	9.0/25	An improved unqualified opinion is outweighed by negative working capital, collection below 80% and bulk-payment pressure.
Governance	Leadership 4.0; planning 3.5; council and oversight 3.5	11.0/15	Senior administration and statutory systems function, with incomplete target and resolution closure.
Integrity	Audit remediation 3.5; procurement and ethics 2.0; transparency 3.5	9.0/15	Remediation and disclosure improved, but material-irregularity and procurement matters remain.
Inclusion	Indigent support 4.0; participation 3.5; spatial and environmental inclusion 3.0	10.5/15	Investment reaches townships and rural communities, while merged-area inequality and infrastructure risk persist.

One municipality, two urban systems and a balance sheet under pressure

JB Marks combines Potchefstroom, Ventersdorp, townships, farms and smaller settlements. Potchefstroom's university, agriculture, services and manufacturing provide a strong economic and administrative base. The merged geography requires that resources and institutional attention extend beyond that stronger core. The score recognises improving controls without assuming that Potchefstroom's capacity resolves every municipal weakness.

Services and infrastructure - 17.5/30

Approximately 88.4% of households had piped water on site, 80.2% sewer-connected sanitation, 76.2% weekly refuse removal and 89.8% electricity for lighting. Water, sewer, electricity and refuse functions continue, and asset and capital systems operate. These results secure access and baseline operational points.

Continuity and condition remain uneven. Water and electricity losses, wastewater risk, outages, dumping, road and stormwater backlogs and fleet pressure prevent full awards. Auditor-General material-irregularity work concerning wastewater infrastructure and a flood canal illustrates the gap between expenditure and controlled, functioning outcomes. The report credits projects once under delivery and considers investigation separately under integrity; the same fact is not counted twice.

Road, facility and capital programmes receive partial credit, but preventive maintenance and documented fault closure are not uniformly demonstrated. Maintenance did not securely reach the 8% property, plant and equipment benchmark. The 17.5/30 result therefore reflects broad municipal reach with insufficient evidence that renewal and resilience are keeping pace across both Potchefstroom and Ventersdorp.

Financial management and sustainability - 9.0/25

The audit opinion improved to unqualified with findings. Statements were submitted, the opinion was neither adverse nor disclaimed, the unqualified threshold was met and verified improvement earns the fourth point. It was not a clean audit.

The balance sheet is the decisive weakness. Current liabilities of approximately R1.46 billion exceeded current assets of about R788.7 million, producing negative working capital of roughly R669 million. Cash of approximately R126.5 million was below one month of operating expenditure, while material uncertainty about going concern had persisted for two years. The municipality therefore earns only limited liquidity credit and no current-ratio or prudent cash-buffer points.

Collection remained below 80%, so only partial credit is available for the existence of billing and credit-control systems. Eskom and water-related debt placed pressure on creditor management. Records and arrangements existed, but the evidence did not establish routine 30-day payment, declining overdue balances or freedom from material default risk. Expenditure-control points recognise recording and some improvement, while remaining audit, procurement and material-irregularity findings prevent a higher result.

Governance, integrity and inclusion

Governance earns 11.0/15. The municipal manager, chief financial officer and principal administration were substantially in place. The Integrated Development Plan, budget, Service Delivery and Budget Implementation Plan, council and assurance structures operated. A hung council did not produce persistent paralysis. The deductions concern target reliability, implementation and complete tracking of resolutions.

Integrity receives 9.0/15. Audit remediation contributed to the improved opinion, and the municipality publishes a comparatively useful range of budgets, reports, tenders and notices. Material-irregularity, award and contract matters remain, and the record does not establish completed recovery or discipline across every case. That distinction is central: cooperation and investigation earn points; only completed lawful consequences earn the final consequence point.

Inclusion scores 10.5/15. Indigent support, ward participation and investment reach Ikageng, Ventersdorp, rural areas and smaller settlements. The municipality's education and agricultural base supports local development. Full awards require clearer evidence that merged-area disparities are measured, that public submissions receive reasoned feedback and that capital projects materially equalise reliability rather than remaining concentrated in the stronger urban economy.

Constitutional assessment and verdict

Broad service access, indigent support and participation advance sections 152(1)(b), 152(1)(c) and 152(1)(e). Investment across the merged area supports section 153(a). Audit improvement and functioning administration show progress towards accountability under section 195(1)(f).

Negative working capital, collection below 80% and creditor pressure threaten sustainable services under section 152(1)(b) and efficient resource use under section 195(1)(b). Wastewater and flood-related risks engage section 152(1)(d), section 24 and sufficient water under section 27(1)(b). Remaining audit, procurement and consequence gaps weaken sections 195(1)(f) and 195(1)(g) and, where contracting is involved, section 217(1). Unequal outcomes across the merged geography bear on sections 9 and 10.

The C captures genuine recovery without overstating it. The municipality has improved the audit outcome and retains a capable administrative platform, but the balance sheet cannot sustain a stronger grade. The first priority is to rebuild working capital through collection, creditor control and funded budgeting while closing the wastewater and flood-infrastructure findings. The trajectory is improving because the audit and administrative record moved positively, even though financial distress and infrastructure risk remain material.

GREATER TAUNG LOCAL MUNICIPALITY

OVERALL SCORE

49.0
/ 100

GRADE D+

Local projects and cash reserves continue, and an improved unqualified audit lifts assurance, but weak expenditure control and a narrow directly assigned service bundle hold the result to D+.

PROVINCE

North West

CODE

NW394

PRINCIPAL CENTRE

Taung

CURRENT LEADER

Mayor Itumeleng Maribe

DISTRICT

Dr Ruth Segomotsi Mompati District Municipality

CATEGORY

Category B4 predominantly rural local municipality

POPULATION

202 009, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress majority administration

Services and infrastructure

14.0 /30

Roads, refuse, local lighting and facilities continue, but maintenance, completion and outcome evidence are weak.

Financial management

11.0 /25

An unqualified opinion improves assurance. Cash and revenue systems continue, while expenditure records and consequence management remain weak.

Governance

8.5 /15

Senior administration and statutory structures function, while capacity and implementation remain uneven.

Integrity

6.0 /15

Audit action and oversight arrangements exist, and the improved opinion shows partial progress, but recovery and discipline remain incomplete.

Inclusion

9.5 /15

Rural roads, facilities and local economic programmes matter, while district backlogs still shape lived conditions.

WHAT WORKS

Rural roads, refuse, facilities and economic programmes earn partial inclusion credit, while district service backlogs still shape residents' lived conditions.

WHAT IS GOING WRONG

The 2024/25 audit improved to unqualified with findings, but material findings, misstated expenditure registers and incomplete recovery or discipline remain.

FIX FIRST

First priority: Correct the causes of the audit outcome and produce reliable, timely financial reporting.

SCORING TRACE

How Greater Taung received 49.0/100

49.0 / 100
GRADE D+

Greater Taung met 33 standards, partly met 32 and did not meet 35:

Result	Tests	Calculation	Points
Standard met	33	33×1	33.0
Standard partly met	32	32×0.5	16.0
Standard not met	35	35×0	0.0
Final result	100		49.0/100

The pillar arithmetic is $14.0 + 11.0 + 8.5 + 6.0 + 9.5 = 49.0$. No deduction or editorial adjustment followed. The fixed grade table produces a D+.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Applicable local-service tests were proportionally reweighted because district water and sanitation and Eskom distribution duties are excluded.	14.0/30	Roads, refuse, local lighting and facilities continue, but maintenance, completion and outcome evidence are weak.
Financial management	Audit 3.5; liquidity 2.0; collections 2.0; creditors 2.0; expenditure control 1.5	11.0/25	An unqualified opinion improves assurance, but weak expenditure records and incomplete recovery still limit the result.
Governance	Leadership 2.5; planning 3.0; council and oversight 3.0	8.5/15	Senior administration and statutory structures function, while capacity and implementation remain uneven.
Integrity	Audit remediation 2.0; procurement and ethics 2.0; transparency 2.0	6.0/15	The improved opinion shows partial progress, while recovery, discipline and complete registers remain weak.
Inclusion	Indigent support 3.0; participation 3.0; spatial and environmental inclusion 3.5	9.5/15	Rural roads, facilities and local economic programmes matter, while district backlogs still shape lived conditions.

A rural municipality whose responsibilities are narrower than residents' needs

Greater Taung is a dispersed rural municipality of villages, agricultural land and traditional communities. Distance, poverty and a limited own-revenue base make roads, public facilities, refuse, planning and participation especially important. Residents nevertheless experience government as one system, even where the law divides functions among institutions.

Dr Ruth Segomotsi Mompati District Municipality holds the water and sanitation functions, while Eskom performs exclusive electricity-distribution network duties across most of the area. Greater Taung is not awarded zeroes for treatment works, district pipelines or Eskom network losses it does not control. It remains accountable for refuse, local roads, stormwater, facilities, local lighting and free-basic-electricity administration, land use, participation, capital assets and effective coordination. Because more than 40% of the ordinary service bundle lies elsewhere, the applicable local-service points were proportionally reweighted to 14.0/30. Comparison should therefore focus on similarly configured rural councils.

Services and infrastructure - 14.0/30

The municipality continued road projects, high-mast lighting, community-facility work, refuse activities and local economic programmes. Those activities earn baseline and partial delivery points. They are constitutionally significant in dispersed settlements where a passable road or functioning community facility determines access to schools, clinics, markets and public participation.

The available 2024/25 annual report remained in draft form and contained incomplete performance tables. Project delays, maintenance backlogs and limited evidence of completed outcomes prevent the upper points. The reviewed material did not establish reliable scheduled refuse collection across the service area, compliant disposal arrangements, a stable decline in dumping or consistently documented complaint closure. Road work is visible, but current condition data, preventive maintenance and measured backlog reduction are incomplete.

Asset and capital systems continue to operate, yet maintenance did not meet the 8% benchmark and the record does not prove that all completed projects function as intended. Water and sanitation backlogs remain relevant to the constitutional verdict and to the municipality's coordination duties, but they do not become local operational failures through scoring convenience.

Financial management and sustainability - 11.0/25

The 2024/25 audit outcome improved to unqualified with findings, from a qualified opinion in 2023/24. Timely submission, a non-adverse opinion and the unqualified result earn full reporting credit; partial improvement credit recognises the clear movement while findings remain.

Greater Taung remains heavily grant-dependent. Available cash provides some operating protection, and billing, collection and creditor records continue, producing moderate partial awards. The evidence does not establish a funded and cash-backed position across all relevant periods, a current ratio above 1.5 without doubtful debtors, collection at the higher thresholds or routine payment of all material invoices within 30 days.

Expenditure control remains weak. Historical unauthorised and irregular expenditure, misstated registers and incomplete recovery or discipline prevent a stronger financial score.

The 2024/25 audit outcome improved to unqualified with findings. The remaining findings and control weaknesses still limit the score.

Governance, integrity and inclusion

Governance earns 8.5/15. Senior leadership, planning, budget, performance, council and assurance structures continued to function. The result remains moderate because capacity, target evidence, completion and resolution tracking are inconsistent.

Integrity scores 6.0/15. Audit action, supply chain management and oversight arrangements exist, and the improved audit opinion provides partial evidence that correction is taking hold. Material findings, misstated expenditure registers and incomplete recovery or discipline still prevent a stronger result.

Inclusion receives 9.5/15. Rural roads, public facilities, high-mast lighting, indigent assistance and consultation can materially improve access and dignity. Full points remain unavailable because settlement disparities, reasoned feedback, complaint closure and measurable inclusive outcomes are not consistently demonstrated.

Constitutional assessment and verdict

Rural road and facility investment, indigent assistance and consultation advance sections 152(1)(b), 152(1)(c), 152(1)(e) and 153(a). Continued council and planning structures support democratic government under section 152(1)(a).

The improved unqualified opinion supports accountable reporting, while remaining expenditure-register and consequence-management weaknesses still fall short of fully accountable and transparent administration under sections 195(1)(f) and 195(1)(g).

The D+ reflects an operating local council whose audit opinion has improved, but which has not yet demonstrated reliable expenditure control or consistent completion. The priority is to close the remaining findings and establish a complete evidence trail from expenditure to functioning project. The trajectory is improving from a low base.



MUNICIPAL PROFILES

NORTHERN CAPE

5 municipalities assessed

The provincial capital, a vast regional centre, a municipality shaped by mining decline, a very small high-risk administration and a rapidly developing mining economy.



MUNICIPALITIES IN THIS SECTION

SOL PLAATJE

RENOSTERBERG

DAWID KRUIPER

GAMAGARA

NAMA KHOI

SOL PLAATJE LOCAL MUNICIPALITY

OVERALL SCORE

38.5

/ 100

GRADE D-

Kimberley's broad inherited service networks are being undermined by catastrophic water losses, bulk debt, qualified reporting and weak remediation.

PROVINCE

Northern Cape

CODE

NC091

PRINCIPAL CENTRE

Kimberley

CURRENT LEADER

Executive Mayor Martha Bartlett

DISTRICT

Frances Baard District Municipality

CATEGORY

Category B1 secondary-city local municipality

POPULATION

270 078, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress-led administration

Services and
infrastructure

10.5 /30

Broad access remains, but water and electricity losses, interruptions, weak wastewater performance and inadequate renewal reveal critical fragility.

Financial management

5.0 /25

Qualified reporting, severe liquidity pressure, collection below 80% and major bulk debt create an acute financial risk.

Governance

8.0 /15

Plans and structures exist, but weak performance and critical losses show inadequate implementation.

Integrity

6.5 /15

Action mechanisms and disclosure exist, while repeat findings and incomplete correction remain.

Inclusion

8.5 /15

Participation and some investment continue, but water loss and unequal environmental burdens sharply limit inclusion.

WHAT WORKS

Ward and participation processes operate, with partial feedback and service-request closure evidence.

WHAT IS GOING WRONG

Severe liquidity and going-concern pressure fail all five funding and cash tests.

FIX FIRST

First priority: Stabilise water supply, reduce losses and prove sustained network renewal.

SCORING TRACE

How Sol Plaatje received 38.5/100

38.5 / 100
GRADE D-

Sol Plaatje met 19 standards, partly met 39 and did not meet 42:

Result	Tests	Calculation	Points
Standard met	19	19×1	19.0
Standard partly met	39	39×0.5	19.5
Standard not met	42	42×0	0.0
Final result	100		38.5/100

The pillar arithmetic is $10.5 + 5.0 + 8.0 + 6.5 + 8.5 = 38.5$. No deduction or editorial adjustment followed. The fixed grade table produces a D-.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 1.5; sanitation 1.0; electricity 2.0; refuse 3.0; roads and facilities 1.5; assets and capital 1.5	10.5/30	Broad access remains, but water and electricity losses, interruptions and inadequate renewal reveal critical fragility.
Financial management	Audit 2.0; liquidity 0.0; collections 0.5; creditors 1.0; expenditure control 1.5	5.0/25	Qualified reporting, severe liquidity pressure, collection below 80% and major bulk debt create an acute financial risk.
Governance	Leadership 3.0; planning 2.0; council and oversight 3.0	8.0/15	Plans and structures exist, but weak performance and critical losses show inadequate implementation.
Integrity	Audit remediation 2.0; procurement and ethics 2.0; transparency 2.5	6.5/15	Action mechanisms and disclosure exist, while repeat findings and incomplete correction remain.
Inclusion	Indigent support 3.0; participation 3.5; spatial and environmental inclusion 2.0	8.5/15	Participation and some investment continue, but water loss and unequal environmental burdens sharply limit inclusion.

A historic city consuming more infrastructure than it renews

Sol Plaatje centres on Kimberley and serves townships, suburbs and surrounding settlements through extensive inherited water, sanitation, electricity, refuse and road networks. Its urban scale and provincial-capital role provide an economic and administrative base. The low score does not mean those networks have disappeared. It means that losses, debt and weak maintenance have reached a level at which continued access can no longer be treated as secure.

Services and infrastructure - 10.5/30

Household access remains substantial: approximately 91% had piped water on site, 86.9% sewer-connected sanitation, 84.9% weekly refuse removal and 91.7% electricity for lighting. These figures earn access and baseline operational points. They do not answer the report's further questions about quality, reliability, loss control, maintenance and completed renewal.

The Auditor-General recorded water losses of approximately 67%. Electricity losses were about 26%, and combined water and electricity losses were valued at roughly R326 million. A loss of this scale fails the controlled-or-declining standards, reduces available water and revenue and increases the cost carried by paying consumers. Interruptions, sewer failures and ageing networks further reduce reliability and environmental-risk points.

Sol Plaatje's 2024 Green Drop score was 32.4%, down from 34.0% in 2021 and still within the poor-performance range. Wastewater risk was also confirmed by AGSA's Gogga pump-station material irregularity: raw sewage continued to enter the environment, essential equipment was malfunctioning and the facility was not fully operational.

Refuse is the strongest service component because scheduled collection reaches a broad share of households. Disposal, dumping and complaint-response evidence still prevent full credit. Roads, stormwater and facilities receive only 1.5/5 because condition, preventive maintenance and measured backlog reduction are weak. Maintenance and asset-renewal spending did not meet the published benchmark or establish that completed work was reversing deterioration. The service score therefore distinguishes inherited access from current stewardship.

Financial management and sustainability - 5.0/25

Financial statements were submitted and the opinion was neither adverse nor disclaimed, earning two audit points. The opinion remained qualified, so the unqualified, clean and improvement standards were not met.

Severe liquidity and going-concern pressure fail all five funded-budget and cash tests. The financial position was not demonstrated to be funded and cash-backed; the current ratio was inadequate; unrestricted cash did not cover one month; and no prudent one-to-three-month buffer existed. Collection remained below 80%, leaving only partial credit for the operation of billing and credit-control systems.

Creditors were approximately R1.40 billion, including Eskom debt of about R1.03 billion and material water-related arrears. The scale and age of these obligations prevent points for routine 30-day payment, declining overdue exposure or absence of bulk-service default risk.

The November 2025 Section 71 report recorded a 69% ward-based collection result and an approximately 79% broader municipal average. Neither clearly exceeded the first fixed 80% threshold.

These figures are post-year indicators and should not be presented as the audited 2024/25 annual ratio without qualification.

Operating and problem expenditure were disclosed, which is recognised. The qualified opinion, financial compliance findings, losses and limited evidence of lawful recovery or resolution prevent higher expenditure-control awards. The report does not label an irregular amount as corruption. It records a compliance failure and asks separately whether a competent investigation establishes misconduct and produces a lawful consequence.

Governance, integrity and inclusion

Governance earns 8.0/15. Senior leadership, statutory planning, council and assurance structures continued to function. The Integrated Development Plan, budget and performance reports were produced. Weak target achievement, unreliable indicators and the persistence of critical water and financial losses show that planning and oversight did not consistently alter outcomes.

Integrity receives 6.5/15. Audit-action, supply chain management and oversight mechanisms exist, and the municipality publishes important plans and financial documents. Repeat findings and limited evidence of completed recovery, discipline and systemic correction prevent stronger points. Council, contract, award and complaint information is not uniformly accessible and current enough to support full public scrutiny.

Inclusion scores 8.5/15. Indigent assistance, ward consultation and investment in disadvantaged communities continue. Those programmes matter in a city marked by spatial inequality. Yet water loss, interruptions, sewage risk and deteriorating roads burden poorer households most severely, because they have fewer alternatives and less capacity to absorb additional costs. Environmental failure therefore reduces both service performance and constitutional inclusion, for distinct reasons.

Constitutional assessment and verdict

Broad inherited access, indigent support and ward participation provide partial fulfilment of sections 152(1)(b), 152(1)(c) and 152(1)(e). Continued planning and investment support section 153(a), while functioning council structures advance section 152(1)(a).

Water losses of about 67%, unreliable infrastructure and sewage risk fall materially short of sustainable service provision under section 152(1)(b), the safe and healthy environment objective in section 152(1)(d), the environmental right in section 24 and sufficient water under section 27(1)(b). Severe liquidity, low collection and bulk debt violate the discipline of efficient and economic resource use in section 195(1)(b). Qualified reporting, repeat findings and incomplete remediation weaken accountability and transparency under sections 195(1)(f) and 195(1)(g). Unequal exposure to failure bears on equality and dignity under sections 9 and 10.

The D- records a municipality that still delivers to broad networks but is consuming their financial and physical foundations. The first priority is to stabilise water supply, reduce losses through verified renewal and pair that work with an enforceable cash and bulk-creditor recovery plan. The trajectory is deteriorating because losses, debt and infrastructure fragility outweighed the continued operation of access, participation and support programmes.

DAWID KRUIPER LOCAL MUNICIPALITY

OVERALL SCORE

57.0

/ 100

GRADE C

Measurable reductions in water and electricity losses and an improved audit opinion show progress, but thin cash, creditor exposure and infrastructure pressure prevent a stronger result.

PROVINCE

Northern Cape

CODE

NC087

PRINCIPAL CENTRE

Upington

CURRENT LEADER

Executive Mayor Dawid Kazi

DISTRICT

ZF Mgcawu District Municipality

CATEGORY

Category B2 local municipality

POPULATION

125 744, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress-led administration

Services and infrastructure

17.5 /30

Core networks operate and measured losses improved, but water losses remain high and renewal is not yet secure.

Financial management

12.0 /25

Audit improvement and positive operating cash flow are offset by a deficit, weak working capital and payment pressure.

Governance

9.5 /15

Statutory structures function, while technical vacancies and uneven implementation reduce the award.

Integrity

7.5 /15

Controls and publication systems exist, but problem expenditure and incomplete consequence processes remain material.

Inclusion

10.5 /15

Free basic services and network investment advance inclusion, although distance and unequal reliability remain difficult.

WHAT WORKS

Indigent support, free basic services and network investment advance sections 152 and 153, but residents outside Upington face distance, infrastructure and opportunity disadvantages.

WHAT IS GOING WRONG

Operating cash flow was positive, but cash coverage remained thin and the Eskom debt-relief accounting confirms continuing financial pressure.

FIX FIRST

First priority: Bring bulk and creditor accounts under control and honour payment arrangements.

SCORING TRACE

How Dawid Kruiper received 57.0/100

57.0 / 100

GRADE C

Dawid Kruiper met 42 standards, partly met 30 and did not meet 28:

Result	Tests	Calculation	Points
Standard met	42	42×1	42.0
Standard partly met	30	30×0.5	15.0
Standard not met	28	28×0	0.0
Final result	100		57.0/100

The pillar arithmetic is $17.5 + 12.0 + 9.5 + 7.5 + 10.5 = 57.0$. No deduction or editorial adjustment followed. The fixed grade table produces a C.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.0; sanitation 3.0; electricity 2.5; refuse 3.0; roads and facilities 3.0; assets and capital 3.0	17.5/30	Core networks operate and measured losses improved, but water losses remain high and renewal is not yet secure.
Financial management	Audit 2.5; liquidity 2.5; collections 2.5; creditors 2.0; expenditure control 2.5	12.0/25	Audit improvement and positive operating cash flow are offset by a deficit, weak working capital and payment pressure.
Governance	Leadership 3.0; planning 3.0; council and oversight 3.5	9.5/15	Statutory structures function, while technical vacancies and uneven implementation reduce the award.
Integrity	Audit remediation 2.5; procurement and ethics 2.5; transparency 2.5	7.5/15	Controls and publication systems exist, but problem expenditure and incomplete consequence processes remain material.
Inclusion	Indigent support 4.0; participation 3.0; spatial and environmental inclusion 3.5	10.5/15	Free basic services and network investment advance inclusion, although distance and unequal reliability remain difficult.

A vast municipal geography beginning to move in the right direction

Dawid Kruiper joins Upington to an extensive, sparsely settled Kalahari hinterland. Upington carries the principal commercial and administrative load, while distance increases the cost of road maintenance, refuse collection, water operations and emergency response. The geography explains why a comparable service can cost more to provide; it does not alter the common scoring thresholds. The score therefore rewards verified improvement while withholding points where reliability, cash and completed renewal remain uncertain.

Services and infrastructure - 17.5/30

The service score begins with a functioning municipal platform. Water, sanitation, electricity, refuse, roads and community facilities continued to operate. The audited statements also record measurable movement in the right direction: water losses fell from approximately 51.4% to 43.4%, while electricity losses declined from about 8.1% to 5.3%. Those trends earn credit under the tests for credible measurement and improving loss control.

The distinction between a partial and full award is nevertheless important. A water-loss level above 40% still represents a substantial operational and financial weakness. The municipality therefore receives credit for improvement, but not the full point reserved for losses that are credibly controlled at a sustainable level. The same discipline applies to maintenance and asset resilience. Capital expenditure of approximately R52.6 million and functioning projects support the two capital-execution points, while the available record does not establish maintenance at the report's 8% benchmark or completed renewal sufficient to secure long-term network resilience.

Refuse, roads and stormwater programmes continue across a difficult geography. Partial points recognise schedules, work programmes and fault responses; the remaining deductions reflect incomplete evidence of uniform reliability, landfill and environmental compliance, preventive road maintenance and measurable reduction of rural backlogs. The 17.5/30 result is accordingly neither a finding of service collapse nor a reward for access alone. It records systems that function and are improving in places, but remain exposed to high water losses, limited renewal and distance-related pressure.

Financial management and sustainability - 12.0/25

The audit outcome improved from qualified to unqualified with findings. Financial statements were submitted, the opinion was neither adverse nor disclaimed and the improvement is recognised. It was not a clean audit, so the higher cumulative audit points are unavailable.

Liquidity is the more serious restraint. Current assets of approximately R328.4 million were below current liabilities of about R350.7 million. Cash was approximately R65.4 million and the year ended with a deficit of roughly R44.9 million. Positive operating cash flow earns credit because the municipality was generating cash through operations, but it does not establish the prudent one-to-three-month buffer or a fully secure working-capital position.

Billing and collection systems operate, which prevents a lower award, yet the evidence does not securely establish the upper collection thresholds or a sustained reduction in realistically collectible debtors. Creditor and bulk-payment points are likewise partial. The municipality remained within Eskom's municipal debt-relief framework and continued to service its obligations, but reliance on debt

relief is not the same as ordinary payment discipline. It earns credit only where conditions and current arrangements are honoured.

The expenditure-control award recognises disclosure and [formal section 32 processes](#) for unauthorised, irregular, fruitless and wasteful expenditure. It does not assume that recording completes accountability. Outstanding investigations, council decisions, recovery and correction prevent the upper points. The report does not call irregular expenditure corruption; it treats it as expenditure incurred contrary to applicable requirements unless a competent process establishes more.

Governance, integrity and inclusion

Governance earns 9.5/15. [Council, the audit committee, internal assurance, planning and statutory reporting structures operated](#). [Three director-level vacancies](#), however, weakened the technical and administrative base. Plans and committees receive points for existing and functioning; they receive full points only where indicators are reliable, targets are achieved and resolutions are carried through to completed implementation.

Integrity receives 7.5/15. [Audit-action, supply chain management](#) and disclosure arrangements exist, and important reports are published. Current and accumulated problem expenditure, continuing audit findings and matters still awaiting investigation or council action show that remediation has not reached closure. Dawid Kruijer therefore receives mid-range credit for systems and disclosure, but not for consequences that the evidence does not demonstrate as completed.

Inclusion scores 10.5/15. [Indigent support](#), free basic services and network investment benefit poorer households and remote communities. Public consultation structures are present. The deductions reflect the difficulty of demonstrating equal reliability across a very large territory, accessible complaint response for distant settlements, reasoned feedback on submissions and completed investment that measurably narrows geographic inequality. High average access cannot substitute for settlement-level evidence.

Constitutional assessment and verdict

Continued water, sanitation, electricity and refuse services advance sustainable service provision under [section 152\(1\)\(b\) of the Constitution](#). Indigent assistance supports social and economic development under [section 152\(1\)\(c\)](#), while public consultation advances community involvement under [section 152\(1\)\(e\)](#). Investment across Upington and outlying settlements supports the direction in [section 153\(a\)](#) to prioritise basic needs and promote development. The improved audit opinion and measured loss reductions provide partial evidence of efficient and accountable administration under [sections 195\(1\)\(b\) and 195\(1\)\(f\)](#).

High water losses, incomplete maintenance and unequal geographic reliability qualify fulfilment of [section 152\(1\)\(b\)](#). Thin liquidity, a deficit and creditor dependence fall short of the efficient and economic use of resources required by [section 195\(1\)\(b\)](#). Unresolved expenditure matters weaken accountability and transparency under [sections 195\(1\)\(f\) and 195\(1\)\(g\)](#), while procurement must continue to meet the fair, equitable, transparent, competitive and cost-effective standard in [section 217\(1\)](#). Unequal service experience also bears on dignity and equality under [sections 10 and 9](#).

The C describes a functional municipality making credible gains without yet achieving financial or infrastructural security. The first priority is to convert improved loss control and audit assurance into stronger cash coverage, current bulk and creditor accounts, filled technical posts and funded renewal.

The trajectory is improving because the audit opinion and both measured loss trends moved favourably, although the weak balance sheet prevents a higher grade.



NAMA KHOI LOCAL MUNICIPALITY

OVERALL SCORE

58.5
/ 100

GRADE C

A stronger balance sheet and an unqualified opinion are genuine advances, but slow capital delivery and large unresolved expenditure balances keep the recovery incomplete.

PROVINCE

Northern Cape

CODE

NC062

PRINCIPAL CENTRE

Springbok

CURRENT LEADER

Mayor Rodney Kritzinger

DISTRICT

Namakwa District Municipality

CATEGORY

Category B3 small-town local municipality

67 089, Statistics South Africa Census 2022

POLITICAL CONTROL

coalition administration in a hung council

Services and infrastructure

14.0 /30

Core services continue, but weak maintenance and severe capital underspending limit resilience.

Financial management

18.5 /25

Liquidity improved materially, while exceptional gains and large unauthorised-expenditure balances temper the result.

Governance

9.0 /15

Council and assurance structures function, but acting leadership and uneven implementation remain.

Integrity

7.0 /15

Publication improved, while procurement findings and unresolved section 32 processes prevent stronger credit.

Inclusion

10.0 /15

Support programmes matter across remote settlements, but project delays and unequal reliability constrain outcomes.

WHAT WORKS

Indigent support, free basic services and infrastructure in former mining towns contribute to inclusion.

WHAT IS GOING WRONG

The municipality continued to provide water, sanitation, electricity, refuse and roads, but performance was uneven.

FIX FIRST

First priority: Restore safe wastewater treatment and complete verified remediation.

SCORING TRACE

How Nama Khoi received 58.5/100

58.5 / 100

GRADE C

The report's standardised score-equivalent tally records 44 standards met, 29 partly met and 27 not met:

Result	Tests	Calculation	Points
Standard met	44	44×1	44.0
Standard partly met	29	29×0.5	14.5
Standard not met	27	27×0	0.0
Final result	100		58.5/100

The pillar arithmetic is $14.0 + 18.5 + 9.0 + 7.0 + 10.0 = 58.5$. No deduction or editorial adjustment followed. The fixed grade table produces a C.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 2.5; sanitation 2.0; electricity 2.5; refuse 2.5; roads and facilities 2.5; assets and capital 2.0	14.0/30	Core services continue, but weak maintenance and severe capital underspending limit resilience.
Financial management	Audit 3.5; liquidity 5.0; collections 3.5; creditors 3.5; expenditure control 3.0	18.5/25	Liquidity improved materially, while exceptional gains and large unauthorised-expenditure balances temper the result.
Governance	Leadership 3.0; planning 3.0; council and oversight 3.0	9.0/15	Council and assurance structures function, but acting leadership and uneven implementation remain.
Integrity	Audit remediation 2.5; procurement and ethics 2.0; transparency 2.5	7.0/15	Publication improved, while procurement findings and unresolved section 32 processes prevent stronger credit.
Inclusion	Indigent support 4.0; participation 3.0; spatial and environmental inclusion 3.0	10.0/15	Support programmes matter across remote settlements, but project delays and unequal reliability constrain outcomes.



Financial recovery has advanced faster than infrastructure delivery

Nama Khoi serves Springbok, Okiep, Nababeep, Steinkopf, Kleinsee and remote settlements across an arid mining and agricultural region. Long distances, a limited revenue base and ageing networks make reliable delivery difficult. The central issue in 2024/25 is nevertheless not geography alone. The municipality's balance sheet improved significantly, while the capital programme and control environment did not improve at the same pace.

Services and infrastructure - 14.0/30

Water, sanitation, electricity, refuse and road services continued. Formal access and functioning operations earn the baseline points. The annual performance record shows only about R16.6 million in capital expenditure against an adjusted asset-programme budget of approximately R60.8 million, with serious underspending on wastewater and road projects. Repairs and maintenance increased from R4.60 million to R16.54 million, equal to approximately 1.92% of PPE. The increase was material, but maintenance remained far below the report's fixed 8% benchmark.

The audited distribution-loss trends were positive. Water losses declined from 20.86% to 13.67%, while the disclosed value of water lost fell from R9.72 million to R6.40 million. Electricity losses declined from 21.60% to 16.12%, and their value fell from R17.65 million to R17.06 million. These improvements merit measurement and trend credit. Electricity losses nevertheless remained high, with the municipality attributing them partly to illegal connections and tampering with prepaid meters.

Capital implementation remained the principal infrastructure weakness. The annual performance report records that only 30% of the municipal capital budget was spent against a target of 95%. Audited cash expenditure on capital assets was R21.06 million, compared with a final cash-flow capital budget of R71.12 million.

Physical implementation was mixed. The Okiep Rocky Ridge sewer-network project reached completion, and the Nababeep wastewater-treatment project made substantial progress. Other projects, including the Okiep Vaalhoek sewer upgrade, Carolusberg treatment work and several road and flood-repair projects, were delayed or recorded limited expenditure. Budgeting for a project and recording expenditure do not by themselves establish that an asset has been completed, commissioned and placed into reliable operation.

Measured maintenance therefore improved from the previous year, but remained far below the report's fixed 8% benchmark. The trend is positive, while the level remains insufficient to establish preventive asset stewardship or long-term resilience.

The asset-and-capital component therefore earns only partial credit. Nama Khoi operated and monitored its networks, improved both measured loss rates and completed some projects. It did not establish preventive maintenance at the fixed benchmark, broad capital execution or completed renewal sufficient to secure long-term resilience.



Financial management and sustainability - 18.5/25

Finance remains Nama Khoi's strongest pillar. **The Auditor-General recorded an unqualified opinion with findings for 2024/25.** This was not a clean audit: compliance findings remained, including procurement and grant-management matters. The AGSA annexure also records approximately R6.54 million in financial-consultant expenditure, which is relevant where the methodology assesses internal financial-reporting capability.

Liquidity met all five tests under the report's framework. Current assets of R483.51 **million exceeded current liabilities of R185.99 million, producing a current ratio of approximately 2.60 and positive working capital of R297.52 million.** Cash reached R323.92 million, of which R275.38 million was identified as available for working-capital requirements after recognising specified commitments.

Gross cash represented approximately 7.27 months of annual expenditure. Even after deducting unspent conditional grants and unspent borrowings, available working-capital cash covered more than six months. The adopted and adjusted budgets were funded on the reported budget tables, and the year-end position was cash-backed. With positive working capital and a 2.60 current ratio, all five liquidity tests are met. Liquidity therefore receives 5.0/5.

Operating cash flow also improved materially. **Cash generated by operating activities was R336.38 million, compared with a R116.73 million outflow in the preceding year.** Cash at year-end increased from R44.22 million to R323.92 million.

The reported annual surplus of **R750.39 million** should not be read as ordinary recurring operating strength. It was materially influenced by:

R339.14 million in debt waived;

R266.04 million in transfers and subsidies from private enterprise; and

R212.21 million in contributed assets.

These transactions genuinely improved the balance sheet, reduced liabilities and expanded the asset base. They do not by themselves demonstrate that recurring tariff revenue fully funds recurring operations.

Collection also improved. **The annual performance report records a 90% debtor-payment result, up from 82% and meeting the municipal target.** This supports the first several collection thresholds if the methodology accepts the reported performance indicator. Debtor quality remains a constraint: gross exchange receivables were R374.41 million, while the impairment allowance was R292.25 million - approximately 78% of the gross balance.

Creditor pressure eased substantially. **Payables from exchange transactions declined from R369.68 million to R132.19 million.** This supports recovery credit. Ordinary 30-day payment discipline and freedom from future reliance on debt relief should still be tested separately.

The expenditure-control position is much weaker than the overall liquidity result:

current operating unauthorised expenditure: R57.56 million;

current capital unauthorised expenditure: R87.88 million;

current fruitless and wasteful expenditure: R2.61 million; and

current irregular expenditure: R2.52 million.

Governance, integrity and inclusion

Governance scores 9.0/15. Council, audit and risk structures operated, and the municipality maintained its unqualified opinion while senior administrative arrangements included acting appointments during the reviewed period. Statutory planning earns credit; slow capital execution, incomplete performance assurance and uneven correction prevent the upper points. A committee meeting is evidence of activity, not automatically of effective oversight.

Integrity receives 7.0/15. Detailed reports and audited statements improve transparency. The Auditor-General nevertheless identified internal-control and procurement weaknesses, including repeat non-compliance in competitive procurement, and incomplete performance oversight. Large section 32 balances remain unresolved. Investigations are described as investigations, not findings of guilt. Full points require verified prevention, lawful investigation and completed recovery, discipline, condonation or referral where responsibility is established.

Inclusion earns 10.0/15. The indigent register, free basic services, consultation and investment across remote settlements are meaningful. They support residents who cannot absorb the full cost of services in a weak local economy. The deductions follow from project delays, low maintenance, unequal reliability and limited proof that public submissions receive reasoned feedback or that capital investment measurably closes settlement-level gaps.

Constitutional assessment and verdict

Continued basic services and indigent support advance sections 152(1)(b) and 152(1)(c). Consultation supports section 152(1)(e), while capital planning for remote and historically underserved settlements gives effect to section 153(a). The unqualified audit, stronger liquidity and publication of financial information provide important alignment with accountability and transparency under sections 195(1)(f) and 195(1)(g).

Severe capital underspending, maintenance below benchmark and delayed wastewater and road projects weaken sustainable service provision under section 152(1)(b), the safe and healthy environment objective in section 152(1)(d), and the environmental right in section 24. Large unauthorised-expenditure balances and repeat procurement findings fall short of efficient administration under section 195(1)(b), accountability under section 195(1)(f), and the procurement standard in section 217(1). Unequal reliability across distant communities bears on equality and dignity under sections 9 and 10.

The C records a municipality that is more liquid and better assured, but not yet fully recovered. The first priority is to convert cash, debt relief and the unqualified opinion into completed wastewater and road projects, restored maintenance and closed expenditure cases. The trajectory is improving because liquidity, operating cash flow and audit assurance moved positively, although those gains have not yet become consistently stronger services.



RENOTSTERBERG LOCAL MUNICIPALITY

OVERALL SCORE

29.0

/ 100

GRADE F

Basic services continue, but prolonged intervention, severe negative working capital and rapidly accumulating problem expenditure leave the institution constitutionally distressed.

PROVINCE

Northern Cape

CODE

NC075

PRINCIPAL CENTRE

Petrusville

CURRENT LEADER

Mayor Andrew Samson

DISTRICT

Pixley ka Seme District Municipality

CATEGORY

Category B3 small-town local municipality

10 843, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress-led administration

Services and infrastructure

10.5

/30

Basic networks continue, but reliability, compliance, maintenance and renewal evidence are profoundly weak.

Financial management

3.0

/25

Current liabilities overwhelm available assets and cash, while problem expenditure is rising.

Governance

6.0

/15

Submission of performance information is progress, but intervention and weak capacity remain decisive.

Integrity

3.5

/15

Registers and disclosure are incomplete, and consequence evidence is insufficient.

Inclusion

6.0

/15

Basic access and support receive limited credit, while financial collapse threatens equal and sustainable provision.

WHAT WORKS

Water, sanitation, electricity and refuse systems continue at basic level, and household access is relatively high in formal settlements.

WHAT IS GOING WRONG

The score recognises only the existence of audited statements and limited cash on hand.

FIX FIRST

First priority: Stabilise water supply, reduce losses and prove sustained network renewal.

SCORING TRACE

How Renosterberg received 29.0/100

29.0 / 100

GRADE F

Renosterberg met 13 standards, partly met 32 and did not meet 55:

Result	Tests	Calculation	Points
Standard met	13	13×1	13.0
Standard partly met	32	32×0.5	16.0
Standard not met	55	55×0	0.0
Final result	100		29.0/100

The pillar arithmetic is $10.5 + 3.0 + 6.0 + 3.5 + 6.0 = 29.0$. No deduction or editorial adjustment followed. The fixed grade table produces an F.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 1.5; sanitation 1.5; electricity 2.0; refuse 2.0; roads and facilities 2.0; assets and capital 1.5	10.5/30	Basic networks continue, but reliability, compliance, maintenance and renewal evidence are profoundly weak.
Financial management	Audit 0.5; liquidity 1.0; collections 0.5; creditors 0.5; expenditure control 0.5	3.0/25	Current liabilities overwhelm available assets and cash, while problem expenditure is rising.
Governance	Leadership 2.0; planning 2.0; council and oversight 2.0	6.0/15	Submission of performance information is progress, but intervention and weak capacity remain decisive.
Integrity	Audit remediation 1.5; procurement and ethics 1.0; transparency 1.0	3.5/15	Registers and disclosure are incomplete, and consequence evidence is insufficient.
Inclusion	Indigent support 2.0; participation 2.0; spatial and environmental inclusion 2.0	6.0/15	Basic access and support receive limited credit, while financial collapse threatens equal and sustainable provision.

A municipality still operating, but without a secure institutional foundation

Renosterberg serves Petrusville, Philipstown and Vanderkloof across a small population and a large rural area. Its limited own-revenue base is a genuine structural constraint. It does not, however, explain the scale of the present imbalance. The municipality has remained under intervention while its liabilities, problem expenditure and institutional risks have continued to outgrow its capacity to correct them.

Services and infrastructure - 10.5/30

Water, sanitation, electricity and refuse services continue at a basic level, and formal household access remains significant. That prevents a finding of complete service collapse. The points recognise continuing operations, some planning and partial fault response.

The upper tests require more: reliable water supply, monitored quality, controlled losses, effective sewer conveyance, compliant wastewater treatment, dependable refuse operations, preventive road maintenance and completed capital renewal. The reviewed evidence does not establish these outcomes consistently. A small technical base and creditor pressure constrain preventive work, while no sufficiently complete record supports the upper loss-control, maintenance or capital-execution awards.

Renosterberg did submit performance information for audit after years in which it had not done so. That is an important governance improvement, but it does not retrospectively prove service reliability. The service score remains 10.5/30 because access and basic operation earn limited points while resilience, compliance and completed improvement do not.

Financial management and sustainability - 3.0/25

The balance sheet is the report's clearest evidence of distress. At 30 June 2025, current assets were approximately R43.3 million against current liabilities of roughly R161.5 million. Cash was about R14.4 million. The municipality therefore did not meet the current-ratio or prudent cash-coverage tests and could not demonstrate a fully funded, cash-backed operating position.

Current unauthorised expenditure was approximately R34.7 million. Current fruitless and wasteful expenditure was roughly R11.7 million and had increased. Those amounts are material relative to the municipality's scale. The score recognises the existence of audited statements and limited cash on hand; it does not treat a nominal accounting surplus, grant receipt or debt balance as liquidity.

Billing, collection and creditor components each receive only 0.5/5 because some systems and records exist, but the evidence does not establish the first collection threshold, timely supplier payment, current bulk accounts or declining overdue exposure. Historic pension and creditor concerns further weaken the position. Expenditure control receives 0.5 because problem expenditure is recorded to some extent, while prevention, complete investigation and lawful closure are not demonstrated.

Governance, integrity and inclusion

Governance earns 6.0/15. Council and statutory structures continue to exist, and the renewed submission of performance information deserves credit. Prolonged intervention, management weakness and limited technical capacity show that ordinary governance has not restored the institution. Plans and committees therefore receive partial points; permanent capable leadership, reliable performance information, target achievement and resolution tracking do not receive full awards without documentary proof.

Integrity scores 3.5/15. Large accumulated unauthorised and fruitless expenditure, pension and creditor concerns, incomplete registers and limited evidence of completed consequences prevent stronger credit. Publication of financial information and official municipal material earns some transparency recognition. Missing or incomplete evidence is not treated as proof of corruption or service failure; it simply cannot support the positive test requiring current, accessible and internally consistent information.

Inclusion receives 6.0/15. Indigent support and basic access matter greatly in a municipality with limited household income. Participation structures and local development plans also receive partial recognition. The constitutional problem is that low-income households have the fewest alternatives when maintenance is deferred, electricity or water systems fail, or municipal finances prevent rapid repair. The evidence does not demonstrate equal ward-level reliability, reasoned feedback or completed investment sufficient to overcome this risk.

Constitutional assessment and verdict

The continued provision of basic services and indigent assistance provides limited fulfilment of sections 152(1)(b) and 152(1)(c). Council and participation structures offer a partial platform for democratic local government and community involvement under sections 152(1)(a) and 152(1)(e). Submission of performance information is a step towards transparency under section 195(1)(g).

The overwhelming liabilities, weak cash and creditor risks threaten sustainable service provision under section 152(1)(b) and fall far short of efficient and economic resource use under section 195(1)(b). Persistent problem expenditure and incomplete accountability weaken sections 195(1)(f) and 195(1)(g), while procurement remains subject to section 217(1). Unreliable infrastructure and environmental-health risk qualify the safe and healthy environment objective in section 152(1)(d) and may engage section 24. The unequal burden on poor households bears directly on dignity and equality under sections 10 and 9.

The F is not a statement that every municipal function has stopped. It records that the institutional foundation required to sustain those functions is gravely inadequate. The first priority is to restore lawful financial administration, protect basic service continuity, settle pension and creditor obligations through a credible funded plan, and rebuild permanent management and oversight capacity. The trajectory is deteriorating because liabilities and problem expenditure remain severe and the available improvement in reporting has not yet altered the underlying financial or service risk.

GAMAGARA LOCAL MUNICIPALITY

OVERALL SCORE

53.0

/ 100

GRADE C-

Improved target achievement and an unqualified opinion show a functioning institution, while weak liquidity, problem expenditure and mining-town infrastructure pressure keep the result at C-.

PROVINCE

Northern Cape

CODE

NC453

PRINCIPAL CENTRE

Kathu

CURRENT LEADER

Mayor Johannes Theophilus Roman

DISTRICT

John Taolo Gaetsewe District Municipality

CATEGORY

Category B3 small-town local municipality

29 580, Statistics South Africa Census 2022

POLITICAL CONTROL

African National Congress-led administration in a hung council

Services and infrastructure

17.0

/30

Broad formal access continues, but growth, ageing assets and incomplete maintenance evidence reduce resilience.

Financial management

10.0

/25

An unqualified opinion is offset by weak cash, a deficit and substantial problem expenditure.

Governance

10.0

/15

Target achievement improved and statutory systems function, although acting posts and missed targets remain.

Integrity

6.5

/15

Audit and ethical structures exist, but procurement, closure and disclosure evidence remain incomplete.

Inclusion

9.5

/15

Support and consultation function, while rapid growth and settlement inequality limit measured inclusion.

WHAT WORKS

Performance improved and council, audit and planning structures functioned.

WHAT IS GOING WRONG

The municipality retained an unqualified opinion, but the prior audited record showed a deficit, weak cash and large unauthorised, irregular and fruitless expenditure.

FIX FIRST

First priority: Correct the causes of the audit outcome and produce reliable, timely financial reporting.

SCORING TRACE

How Gamagara received 53.0/100

53.0 / 100

GRADE C-

Gamagara met 36 standards, partly met 34 and did not meet 30:

Result	Tests	Calculation	Points
Standard met	36	36×1	36.0
Standard partly met	34	34×0.5	17.0
Standard not met	30	30×0	0.0
Final result	100		53.0/100

The pillar arithmetic is $17.0 + 10.0 + 10.0 + 6.5 + 9.5 = 53.0$. No deduction or editorial adjustment followed. The fixed grade table produces a C-.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 2.5; sanitation 3.0; electricity 3.0; refuse 3.0; roads and facilities 3.0; assets and capital 2.5	17.0/30	Broad formal access continues, but growth, ageing assets and incomplete maintenance evidence reduce resilience.
Financial management	Audit 2.0; liquidity 2.0; collections 2.0; creditors 2.0; expenditure control 2.0	10.0/25	An unqualified opinion is offset by weak cash, a deficit and substantial problem expenditure.
Governance	Leadership 3.0; planning 3.5; council and oversight 3.5	10.0/15	Target achievement improved and statutory systems function, although acting posts and missed targets remain.
Integrity	Audit remediation 2.5; procurement and ethics 2.0; transparency 2.0	6.5/15	Audit and ethical structures exist, but procurement, closure and disclosure evidence remain incomplete.
Inclusion	Indigent support 3.5; participation 3.0; spatial and environmental inclusion 3.0	9.5/15	Support and consultation function, while rapid growth and settlement inequality limit measured inclusion.

A growing mining centre whose municipal systems must keep pace

Gamagara centres on Kathu and serves Sishen, Olifantshoek, Dibeng and surrounding settlements. Iron-ore mining gives the area a significant economic base, but it also drives population movement, housing demand, heavy traffic and pressure on water, roads, waste, electricity and municipal land. The municipality is not judged for the mining cycle itself. It is judged on whether its own planning, revenue, maintenance and oversight systems convert economic activity into sustainable public value.

Services and infrastructure - 17.0/30

Household access remained extensive. Census 2022 records 94.6% piped water inside the dwelling or yard, 89.3% sewer-connected sanitation, 90.3% weekly refuse removal and 95.1% electricity used for lighting. These measures support access points. They do not establish uninterrupted supply, treatment compliance, controlled losses, landfill performance or preventive maintenance.

The annual performance result also improved. Overall institutional target achievement increased from approximately 60% to 74%. The detailed performance table records 121 of 164 targets achieved and 43 not achieved, although another summary page gives 122 achieved and 42 not achieved. The percentage is stable at approximately 74%, but the count should be standardised in the final annual report.

The water component is lower at 2.5/5. Rapid settlement growth and a dry regional climate make supply reliability, losses and demand management decisive. The available record supports continuing provision and monitoring, but not full proof that losses are controlled and renewal is keeping pace. The asset component is also 2.5/5 because ageing networks and incomplete maintenance and capital-outcome evidence prevent the upper awards. Spending or commissioning a project receives credit only when the asset functions and measurably reduces the relevant risk.

Financial management and sustainability - 10.0/25

Gamagara retained an unqualified opinion. That is meaningful: statements were submitted and the accounts were not qualified, adverse or disclaimed. It was not a clean audit and the evidence did not establish sustained correction of the underlying compliance weaknesses, limiting the component to 2.0/5 under the locked worksheet.

The municipality's prior audited record showed a deficit, weak cash and substantial unauthorised, irregular, fruitless and wasteful expenditure. Each remaining finance component therefore receives 2.0/5. Billing, collection and creditor systems continue, but the evidence does not securely establish the upper cumulative collection thresholds, prudent cash coverage, uniform payment within 30 days or declining overdue exposure. Expenditure is recorded, while prevention and closure remain incomplete.

This treatment keeps audit assurance separate from financial sustainability. An unqualified opinion indicates that the statements are fairly presented within the audit framework; it does not by itself prove that cash is sufficient, creditors are current or services are sustainably funded.

Governance, integrity and inclusion

Governance is comparatively stronger at 10.0/15. Annual target achievement improved to approximately 74%. Senior management, council, audit, risk and planning structures continued to function. The first 60% performance threshold is therefore met, while the 80% threshold is not. Acting senior posts and the 26% of targets not achieved prevent full leadership and implementation awards.

Integrity scores 6.5/15. Audit-action, supply chain management, ethics and disclosure systems exist. The deductions reflect the history and scale of problem expenditure, procurement risk and incomplete public evidence that investigations, recovery and discipline reached lawful closure. The report does not turn an audit or procurement finding into an allegation of criminal conduct. It asks whether controls prevented recurrence and whether competent processes completed the response.

Inclusion receives 9.5/15. Indigent support, free basic services, ward participation and infrastructure investment benefit poorer households and growing settlements. Mining also provides jobs and economic opportunity. Full points are withheld because housing pressure, settlement inequality, environmental burdens and uneven infrastructure reliability remain, and because the record does not demonstrate comparable outcomes ward by ward.

Constitutional assessment and verdict

Continuing services, indigent support and participation advance sections 152(1)(b), 152(1)(c) and 152(1)(e). Planning for growth and infrastructure investment supports section 153(a). Improved target achievement and an unqualified opinion provide partial alignment with the efficiency, accountability and transparency requirements in sections 195(1)(b), 195(1)(f) and 195(1)(g).

Weak liquidity, incomplete maintenance and problem expenditure qualify sustainable service delivery under section 152(1)(b) and efficient resource use under section 195(1)(b). Procurement and incomplete consequence evidence engage sections 195(1)(f), 195(1)(g) and 217(1). Waste, water stress and settlement growth bear on the safe and healthy environment objective in section 152(1)(d) and the environmental right in section 24. Uneven settlement outcomes remain relevant to equality and dignity under sections 9 and 10.

The C- reflects improvement from a weak base, not completed recovery. Gamagara has a functioning administrative and service platform, but it must protect cash, fill key posts, improve lawful expenditure control and demonstrate maintenance and capital outcomes equal to the pressure created by growth. The trajectory is improving because target achievement and audit stability moved positively. The first priority is to translate those gains into stronger liquidity, clean compliance and resilient infrastructure.

MUNICIPAL PROFILES

WESTERN CAPE

6 municipalities assessed

The Cape Town metro and one local municipality from each district, combining stronger benchmarks with rapid growth, port industry, financial recovery and a Central Karoo regional centre.



MUNICIPALITIES IN THIS SECTION

CITY OF CAPE TOWN

SWARTLAND

STELLENBOSCH

THEEWATERSKLOOF

GEORGE

BEAUFORT WEST

CITY OF CAPE TOWN METROPOLITAN MUNICIPALITY

OVERALL SCORE

81.0

/ 100

GRADE A-

Exceptional financial and administrative capacity supports an A–, while audit regression, irregular expenditure and persistent spatial inequality prevent the score from entering the top band.

PROVINCE

Western Cape

CODE

CPT

PRINCIPAL CENTRE

Cape Town

CURRENT LEADER

Executive Mayor Geordin Hill-Lewis

DISTRICT

Metropolitan municipality; no district

CATEGORY

Category A metropolitan municipality

POPULATION

4 772 846, Statistics South Africa Census 2022

POLITICAL CONTROL

Democratic Alliance majority administration

Services and infrastructure

24.0

/30

Services operate at exceptional scale, but losses, environmental pressure and unequal reliability reserve the final points.

Financial management

20.5

/25

Strong cash, revenue and capital funding are offset by regression from clean status and material irregular expenditure.

Governance

13.5

/15

Stable leadership and mature systems produce strong results, with deductions for assurance and implementation gaps.

Integrity

11.5

/15

Extensive control and disclosure systems exist, but current findings and consequence closure reduce the award.

Inclusion

11.5

/15

Large support and investment programmes coexist with entrenched spatial and service inequality.

WHAT WORKS

The City received an unqualified opinion with findings after three clean audits.

WHAT IS GOING WRONG

Irregular expenditure of about R905.5 million and fruitless expenditure of about R23.8 million materially reduce audit and control points even though no current unauthorised expenditure was reported.

FIX FIRST

First priority: Prevent new problem expenditure and complete lawful recovery or resolution processes.

SCORING TRACE

How the City of Cape Town received 81.0/100

81.0 / 100

GRADE A-

The City of Cape Town met 66 standards, partly met 30 and did not meet 4:

Result	Tests	Calculation	Points
Standard met	66	66×1	66.0
Standard partly met	30	30×0.5	15.0
Standard not met	4	4×0	0.0
Final result	100		81.0/100

The pillar arithmetic is $24.0 + 20.5 + 13.5 + 11.5 + 11.5 = 81.0$. No deduction or editorial adjustment followed. The fixed grade table produces an A-.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 4.0; sanitation 4.0; electricity 4.0; refuse 4.0; roads and facilities 4.0; assets and capital 4.0	24.0/30	Services operate at exceptional scale, but losses, environmental pressure and unequal reliability reserve the final points.
Financial management	Audit 5.0; liquidity 4.0; collections 4.0; creditors 4.0; expenditure control 3.5	20.5/25	Strong cash, revenue and capital funding are offset by regression from clean status and material irregular expenditure.
Governance	Leadership 4.5; planning 4.5; council and oversight 4.5	13.5/15	Stable leadership and mature systems produce strong results, with deductions for assurance and implementation gaps.
Integrity	Audit remediation 3.5; procurement and ethics 4.0; transparency 4.0	11.5/15	Extensive control and disclosure systems exist, but current findings and consequence closure reduce the award.
Inclusion	Indigent support 4.5; participation 3.5; spatial and environmental inclusion 3.5	11.5/15	Large support and investment programmes coexist with entrenched spatial and service inequality.



A highly capable metropolitan institution that remains constitutionally unfinished

Cape Town governs a population larger than several provinces and operates complex water, wastewater, electricity, waste, road, public-transport, housing and regulatory systems. Its high score reflects the ability to plan, collect revenue, maintain an administration and invest at scale. It is not a declaration that the city is uniformly well served. A metropolitan average can sit alongside profound differences between established suburbs, townships, informal settlements and peripheral communities.

Services and infrastructure - 24.0/30

Water, sanitation, electricity, refuse, roads, public transport and community services operated across a large system. Capital expenditure reached approximately R9.3 billion, supported by mature asset planning, drought-resilience investment and substantial programmes in informal settlements. Each of the six service components earns 4.0/5 because access, operations, capital execution and institutional capability are strong.

The withheld point in each component prevents scale from becoming a proxy for perfection. Informal settlements and peripheral communities continue to experience weaker sanitation, fire protection, transport access, electricity safety and complaint outcomes. Wastewater compliance, water losses, electricity transition, landfill capacity, road backlogs and asset renewal remain material risks. The City earns high marks for identifying and managing those challenges; it does not receive the final point without consistently verified equality, compliance and completed resilience outcomes.

Financial management and sustainability - 20.5/25

Revenue excluding capital was approximately R67.5 billion, the final surplus about R5.7 billion and cash roughly R19.2 billion. Current assets of approximately R25.7 billion comfortably exceeded current liabilities of about R15.1 billion. The City funded an unusually large capital programme while maintaining a strong operating buffer. Those facts support high liquidity, collection and creditor awards.

The 2024/25 opinion was unqualified with findings after three clean audits. The locked audit component recognises timely submission, unqualified status and the sustained preceding clean-audit record. The regression is not ignored: it is reflected in the expenditure-control and integrity deductions and means the present outcome cannot be described as clean.

Irregular expenditure of approximately R905.5 million and fruitless and wasteful expenditure of about R23.8 million materially reduce the control score, even though no current unauthorised expenditure was reported. The size of the City means absolute figures must be interpreted relative to expenditure, but materiality does not disappear with scale. Recording earns credit; prevention, correction and lawful closure earn separate points.

Governance, integrity and inclusion

Governance earns 13.5/15. A stable executive, permanent senior administration, detailed planning, audited performance reporting and functioning council and assurance structures support the award. The City's systems are capable of converting policy into large programmes and publishing extensive information. The deductions recognise that assurance did not prevent audit regression and that not every resolution, target or risk response reached complete implementation.

Integrity scores 11.5/15. [Supply chain management](#), ethics, forensic, whistleblowing and public-disclosure systems are extensive. [Major budgets, reports, tenders and performance information are accessible](#). Current audit findings, irregular expenditure and the need for transparent completion of investigations and consequences prevent top marks. Strong institutions are assessed against the same five tests; their scale does not lower the standard.

Inclusion receives 11.5/15. [Indigent support](#), free basic services, human-settlement investment, public transport and capital programmes reach millions of residents. The remaining deficit is structural. Apartheid spatial form continues to impose long and costly journeys, while informal-settlement residents face unequal sanitation, fire, safety and environmental risk. Participation is extensive, but the record does not establish equally effective influence, complaint response and measured outcomes across all communities.

Constitutional assessment and verdict

Broad service delivery and investment strongly advance [section 152\(1\)\(b\)](#). Indigent support, housing, transport and local economic infrastructure advance [section 152\(1\)\(c\)](#), while extensive consultation supports [section 152\(1\)\(e\)](#). Long-term budgeting and capital planning align with [section 153\(a\)](#). Strong liquidity, administration and publication substantially fulfil the efficiency, accountability and transparency standards in [sections 195\(1\)\(b\)](#), [195\(1\)\(f\)](#) and [195\(1\)\(g\)](#).

Unequal sanitation, safety, transport and service reliability still prevent full fulfilment of [section 152\(1\)\(b\)](#) and the safe and healthy environment objective in [section 152\(1\)\(d\)](#). Wastewater and environmental risks engage [section 24](#). Persistent spatial exclusion bears directly on equality and dignity under [sections 9 and 10](#). Audit regression and material irregular expenditure limit accountability under [section 195\(1\)\(f\)](#), [transparency under section 195\(1\)\(g\)](#), and complete compliance with the procurement standard in [section 217\(1\)](#).

The A- is a strong institutional result under this report's methodology, not a declaration that Cape Town has completed its constitutional task. The City has the resources and systems to respond; its next frontier is to restore clean assurance and make service quality, safety and access measurably more equal. The trajectory is stable because financial and administrative strength remained substantial, while audit regression and spatial inequality prevented an improving classification.

STELLENBOSCH LOCAL MUNICIPALITY

OVERALL SCORE

86.0

/ 100

GRADE A

Strong liquidity, substantial capital investment, mature governance and a final clean audit sustain an A, with remaining deductions for infrastructure pressure and unequal settlement outcomes.

PROVINCE

Western Cape

CODE

WC024

PRINCIPAL CENTRE

Stellenbosch

CURRENT LEADER

Executive Mayor Jeremy Fasser

DISTRICT

Cape Winelands District Municipality

CATEGORY

Category B1 secondary-city local municipality

175 411, Statistics South Africa Census 2022

POLITICAL CONTROL

Democratic Alliance-led administration

Services and infrastructure

23.5

/30

Core services and capital delivery are strong, while maintenance, growth and environmental assurance reserve points.

Financial management

23.0

/25

A final clean audit, strong cash, mature controls and disciplined payment support a near-full finance result.

Governance

13.5

/15

Permanent leadership, aligned planning and functioning oversight produce a mature institutional platform.

Integrity

13.5

/15

Established accountability, final assurance and accessible reporting support a very strong integrity result.

Inclusion

12.5

/15

Support and participation are substantial, while housing, land and settlement inequality remain material.

WHAT WORKS

The final annual and oversight reports confirm a clean audit, strong cash management and mature controls, closing the earlier assurance gap.

WHAT IS GOING WRONG

Growth continues to strain water, wastewater, roads, housing and settlement equity. Maintenance and completed-asset outcomes still need direct proof.

FIX FIRST

First priority: Protect maintenance, complete priority capital work and prove that finished assets function.

SCORING TRACE

How Stellenbosch received 86.0/100

86.0 / 100
GRADE A

Stellenbosch met 72 standards, partly met 28 and did not meet 0:

Result	Tests	Calculation	Points
Standard met	72	72×1	72.0
Standard partly met	28	28×0.5	14.0
Standard not met	0	0×0	0.0
Final result	100		86.0/100

The pillar arithmetic is $23.5 + 23.0 + 13.5 + 13.5 + 12.5 = 86.0$. No deduction or editorial adjustment followed. The fixed grade table produces a A.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 4.0; sanitation 4.0; electricity 4.0; refuse 4.0; roads and facilities 4.0; assets and capital 3.5	23.5/30	Core services and capital delivery are strong, while maintenance, growth and environmental assurance reserve points.
Financial management	Audit 5.0; liquidity 4.0; collections 4.5; creditors 4.5; expenditure control 5.0	23.0/25	The final clean audit, strong liquidity and mature controls support a near-full finance result.
Governance	Leadership 4.5; planning 4.5; council and oversight 4.5	13.5/15	Permanent leadership, aligned planning and functioning oversight produce a mature institutional platform.
Integrity	Audit remediation 4.0; procurement and ethics 4.5; transparency 5.0	13.5/15	Established accountability, final assurance and accessible reporting support a very strong integrity result.
Inclusion	Indigent support 4.5; participation 4.0; spatial and environmental inclusion 4.0	12.5/15	Support and participation are substantial, while housing, land and settlement inequality remain material.

A well-governed municipality confronting the consequences of its own growth

Stellenbosch Municipality includes Stellenbosch, Franschhoek, Klapmuts, Pniel and surrounding rural and farming areas. It combines a global university town, a major tourism and agricultural economy, affluent neighbourhoods, informal settlements and farmworker communities. Its high result reflects a municipality that can plan, collect, invest and account. The score stops short of suggesting that institutional strength has erased housing pressure, congestion or unequal access to land and services.

Services and infrastructure - 23.5/30

Water, sanitation, electricity, refuse, roads and community facilities were broadly functional. Capital expenditure increased to approximately R473.1 million, supporting infrastructure and service expansion. Each core service component earns 4.0/5 because access, operations, maintenance programmes and investment are credibly demonstrated.

The reserved points are not cosmetic. Population growth and development intensification place pressure on water security, wastewater capacity, electricity networks, roads, waste disposal and public facilities. Kayamandi and other lower-income or informal communities do not experience the same service environment as well-resourced neighbourhoods. The reviewed record also did not establish maintenance at the full 8% benchmark, complete environmental compliance and uniformly measured improvement in faults and backlogs.

Assets and capital receive 3.5/5. The scale of capital investment and functioning asset-management systems clear the first expenditure thresholds. Partial credit rather than full credit reflects the need to show that finished assets operate as intended, renewal is sufficient relative to new expansion and resilience outcomes are measured over time. This is the difference between an impressive programme and a fully evidenced asset result.

Financial management and sustainability - 23.0/25

The municipality reported revenue of approximately R2.6 billion, a surplus of about R256.5 million and current assets of roughly R1.05 billion against current liabilities of about R562.3 million. Cash and capital funding remained strong. These figures support high liquidity, collection and payment-discipline awards.

The final 2024/25 annual report and oversight report were published before the research cutoff. The clean audit outcome therefore receives the full five audit points and closes the earlier year-specific assurance gap.

Collections and creditors receive 4.5/5 each because billing, revenue and payment systems are strong, while the final cumulative points still require unambiguous evidence of the highest threshold and sustained debtor reduction or complete payment compliance. Expenditure control receives 5.0/5 because the final clean audit and oversight record complete the current control trail.

Governance, integrity and inclusion

Governance earns 13.5/15. The municipal manager, chief financial officer and principal senior structure were permanent and functioning. The Integrated Development Plan, budget and Service Delivery and Budget Implementation Plan were aligned, performance agreements were signed and reviewed, and council and assurance committees operated. Later official records confirmed continuing executive and administrative engagement on performance agreements.

The three half-point deductions recognise that no complex institution achieves perfect implementation. They reserve credit for uniformly reliable indicators, complete target achievement and documentary proof that every resolution is carried through. The governing arrangement is not rewarded; the administration's evidenced stability and capability are.

Integrity scores 13.5/15. Audit action, supply chain management, ethics, whistleblowing and publication systems are established. The final clean audit and oversight material close the earlier verification gap; the remaining deductions reflect contract and consequence-closure evidence rather than uncertainty about the reporting pack.

Inclusion receives 12.5/15. Indigent assistance, free basic services, consultation and capital investment support poorer households and underserved settlements. The municipality's planning and economic environment create substantial opportunity. Yet land prices, housing scarcity, farmworker vulnerability, informal-settlement conditions and transport burdens remain acute. Full points require measurable narrowing of those disparities, not only programmes designed to address them.

Constitutional assessment and verdict

Reliable core services strongly advance section 152(1)(b). Indigent support and local economic infrastructure advance section 152(1)(c), while consultation and ward structures support section 152(1)(e). Aligned planning and investment fulfil the developmental direction in section 153(a). Strong finances, stable leadership and accessible reporting substantially align with sections 195(1)(b), 195(1)(f) and 195(1)(g).

Unequal housing, land, transport and settlement conditions qualify complete fulfilment of sections 152(1)(b) and 152(1)(c) and engage equality and dignity under sections 9 and 10. Environmental and wastewater pressures engage section 152(1)(d) and section 24. Procurement and disclosure systems remain subject to the continuing standards in sections 217(1), 195(1)(f) and 195(1)(g), irrespective of past audit strength.

The A describes a strong and stable local government with substantial financial, administrative and service capacity. Its route upward is to protect maintenance, complete and verify capital outcomes, preserve clean control and demonstrate measurable equalisation between settlements. The trajectory remains stable.

GEORGE LOCAL MUNICIPALITY

OVERALL SCORE

87.5

/ 100

GRADE A

A fourth consecutive clean audit, strong cash and large-scale capital delivery place George in the A band, while water resilience and unequal growth remain material tests.

PROVINCE

Western Cape

CODE

WC044

PRINCIPAL CENTRE

George

CURRENT LEADER

Executive Mayor Browen Johnson

DISTRICT

Garden Route District Municipality

CATEGORY

Category B1 local municipality

POPULATION

294 929, Statistics South Africa Census 2022

POLITICAL CONTROL

Democratic Alliance-led administration

Services and infrastructure

23.0 /30

Services and investment operate at large non-metro scale, with points reserved for water and asset resilience.

Financial management

24.0 /25

A fourth clean audit and strong financial position produce near-full credit.

Governance

14.0 /15

Permanent administration and effective oversight provide a stable platform for delivery.

Integrity

14.0 /15

Clean assurance and accessible reporting are strong, with small deductions beyond the audit materiality threshold.

Inclusion

12.5 /15

Support, transport and participation are substantial, while growth and informal-settlement pressure remain.

WHAT WORKS

George achieved a fourth consecutive clean audit.

WHAT IS GOING WRONG

The municipality delivered water, sanitation, electricity, refuse, roads and public transport at large non-metro scale.

FIX FIRST

First priority: Stabilise water supply, reduce losses and prove sustained network renewal.

SCORING TRACE

How George received 87.5/100

87.5 / 100

GRADE A

George met 77 standards, partly met 21 and did not meet 2:

Result	Tests	Calculation	Points
Standard met	77	77×1	77.0
Standard partly met	21	21×0.5	10.5
Standard not met	2	2×0	0.0
Final result	100		87.5/100

The pillar arithmetic is $23.0 + 24.0 + 14.0 + 14.0 + 12.5 = 87.5$. No deduction or editorial adjustment followed. The fixed grade table produces an A.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.5; sanitation 4.0; electricity 4.0; refuse 4.0; roads and facilities 4.0; assets and capital 3.5	23.0/30	Services and investment operate at large non-metro scale, with points reserved for water and asset resilience.
Financial management	Audit 5.0; liquidity 4.5; collections 4.5; creditors 5.0; expenditure control 5.0	24.0/25	A fourth clean audit and strong financial position produce near-full credit.
Governance	Leadership 5.0; planning 4.5; council and oversight 4.5	14.0/15	Permanent administration and effective oversight provide a stable platform for delivery.
Integrity	Audit remediation 4.5; procurement and ethics 4.5; transparency 5.0	14.0/15	Clean assurance and accessible reporting are strong, with small deductions beyond the audit materiality threshold.
Inclusion	Indigent support 4.5; participation 4.0; spatial and environmental inclusion 4.0	12.5/15	Support, transport and participation are substantial, while growth and informal-settlement pressure remain.

A regional city translating institutional discipline into visible capacity

George is a rapidly growing centre for transport, tourism, retirement, education and regional services. It operates water, sanitation, electricity, waste, roads, public transport and community facilities at a scale well beyond that of an ordinary small town. Its A grade is not derived from reputation. It follows from a clean audit, strong cash, high component awards and verified delivery. A change in political leadership after the audited year is treated as current context and is not credited retrospectively for the 2024/25 outcome.

Services and infrastructure - 23.0/30

The municipality delivered core services across its urban and peri-urban area and executed a capital programme of approximately R1.4 billion. The George Integrated Public Transport Network adds a municipal capability uncommon outside metropolitan government. Sanitation, electricity, refuse, roads and facilities each earn 4.0/5 because access, operations, investment and management are strong.

Water receives 3.5/5. Supply and quality systems function, but a fast-growing city in a water-constrained region must demonstrate sustained loss control, demand management and renewal. The reserved points recognise that resilience is an ongoing test rather than an outcome inferred from current access. Assets and capital also receive 3.5/5: execution is exceptional, while the final awards require maintenance at the full benchmark and proof that every completed asset produces the intended renewal or resilience outcome.

The service score therefore conveys a clear judgment. George has substantial technical and operating capacity. The remaining seven points concern the harder questions of long-term water security, informal-settlement service quality, environmental performance and the protection of a rapidly expanding asset base.

Financial management and sustainability - 24.0/25

George achieved a fourth consecutive clean audit. Revenue was approximately R3.36 billion, the reported surplus about R937 million and current assets roughly R1.71 billion against current liabilities of approximately R1.17 billion. Strong cash and collection performance supported the unusually large capital programme.

Audit, creditor and expenditure-control components receive full marks because statements were timely, clean assurance was sustained, accounts were current and no material control failure displaced those awards. Disclosed unauthorised, irregular and fruitless and wasteful expenditure balances were sufficiently limited or resolved not to produce material audit findings. A clean audit does not mean that every transaction is free of risk; it means the fixed tests for the reporting period were met on the reviewed evidence.

Liquidity and collections each receive 4.5/5. The municipality clearly exceeds the basic norms, while the final half-points are reserved for complete evidence of the highest sustained cash and collection thresholds together with stable or declining debtors. This restraint is deliberate: an A grade should remain reproducible rather than celebratory.

Governance, integrity and inclusion

Governance earns 14.0/15. Permanent administration, audited performance information, aligned plans and functioning council, internal audit, audit committee and Municipal Public Accounts Committee structures support the result. Leadership change after the reporting year does not alter those institutional points. The two half-point deductions reserve credit for uniformly complete target achievement and resolution tracking.

Integrity also earns 14.0/15. The clean audit, accessible final annual report and established oversight culture demonstrate effective remediation, procurement control and transparency. The small deductions recognise that an audit opinion operates at a materiality threshold and does not itself prove complete public disclosure of every contract or consequence process.

Inclusion receives 12.5/15. Indigent support, free basic services, public transport, ward consultation and infrastructure investment extend opportunity and access. George's growth, however, also produces housing demand, informal settlement expansion, congestion and pressure on poorer peripheral communities. Full points require proof that service quality and access are becoming more equal as the city expands.

Constitutional assessment and verdict

Reliable services and capital delivery strongly advance section 152(1)(b). Indigent assistance, public transport and local development support section 152(1)(c), while active consultation advances section 152(1)(e). Integrated planning and large-scale investment fulfil section 153(a). Clean financial administration and accessible reporting strongly align with sections 195(1)(b), 195(1)(f) and 195(1)(g), while sound procurement supports section 217(1).

Water resilience, housing pressure and unequal peripheral outcomes qualify full fulfilment of sections 152(1)(b) and 152(1)(c). Environmental and infrastructure pressure engage section 152(1)(d) and section 24. Spatial inequality remains relevant to sections 9 and 10 even where municipal averages are strong. These are deductions within an otherwise high constitutional performance, not evidence that the institution is failing generally.

The A describes a financially sound, operationally capable and improving municipality. The first priority is to protect water security and maintenance while ensuring that rapid growth does not widen spatial and service inequality. The trajectory is improving because clean assurance was sustained alongside an expanding capital and service platform. Movement higher would require upper-threshold maintenance, environmental and inclusion evidence, not merely another favourable audit.

SWARTLAND LOCAL MUNICIPALITY

OVERALL SCORE

90.0

/ 100

GRADE A

A thirteenth clean audit, exceptional liquidity and stable administration place Swartland firmly in the A band, while wastewater compliance, maintenance, housing pressure and unequal rural outcomes reserve the final ten points.

PROVINCE

Western Cape

CODE

WC015

PRINCIPAL CENTRES

Malmesbury, Moorreesburg, Darling, the Riebeek Valley and Yzerfontein

CURRENT LEADER

Executive Mayor Harold Cleophas

DISTRICT

West Coast District Municipality

CATEGORY

Category B3 small-town local municipality

POPULATION

148 331, Statistics South Africa Census 2022

POLITICAL CONTROL

Democratic Alliance-led majority administration

SERVICES

24.0 /30

High access, low electricity losses and 91.5% capital execution; wastewater, stormwater and maintenance reserve points.

FINANCE

24.5 /25

A clean audit, 6.83 current ratio, 11 months' cost coverage and 96.71% collection produce near-full credit.

GOVERNANCE

15.0 /15

Permanent management, reliable reporting and functioning oversight establish coherence without council paralysis.

INTEGRITY

14.0 /15

Clean assurance is strong; irregular expenditure, deviations and investigations require follow-through.

INCLUSION

12.5 /15

Support and housing delivery coexist with weak turnout, a 16 981-household backlog and farmworker pressure.

WHAT WORKS

Swartland achieved a thirteenth clean audit, exceptional liquidity and stable administration.

WHAT IS GOING WRONG

Wastewater compliance, stormwater gaps, low maintenance and unequal rural outcomes reserve the final points.

FIX FIRST

Convert institutional strength into verified wastewater compliance, higher maintenance and climate-resilient infrastructure.

SCORING TRACE

How Swartland received 90.0/100

90.0 / 100

GRADE A

Swartland met 82 standards, partly met 16 and did not meet 2:

Result	Tests	Calculation	Points
Standard met	82	82×1	82.0
Standard partly met	16	16×0.5	8.0
Standard not met	2	2×0	0.0
Final result	100		90.0/100

The pillar arithmetic is $24.0 + 24.5 + 15.0 + 14.0 + 12.5 = 90.0$. No deduction or editorial adjustment followed. The fixed grade table produces an A.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 4.5; sanitation 3.5; electricity 4.5; refuse 4.0; roads and facilities 4.0; assets and capital 3.5	24.0/30	High access, low electricity losses and 91.5% capital execution; wastewater, stormwater and maintenance reserve points.
Financial management	Audit 5.0; liquidity 5.0; collections 5.0; creditors 5.0; expenditure control 4.5	24.5/25	Clean audit, a 6.83 current ratio, 11 months' cost coverage and 96.71% collection produce near-full credit.
Governance	Leadership 5.0; planning 5.0; council and oversight 5.0	15.0/15	Permanent administration and effective oversight establish coherence without council paralysis.
Integrity	Audit remediation 4.5; procurement and ethics 4.5; transparency 5.0	14.0/15	Clean assurance is strong; irregular expenditure, deviations and investigations require follow-through.
Inclusion	Indigent support 4.5; participation 4.0; spatial and environmental inclusion 4.0	12.5/15	Support and housing delivery coexist with weak turnout, a 16 981-household backlog and farmworker pressure.

Clean administration in South Africa's grain-and-agro-processing heartland

Swartland links Malmesbury and Moorreesburg with Darling, Yzerfontein, Koringberg and the Riebeeek Valley. Manufacturing contributed 21.9%, agriculture, forestry and fishing 17.9%, and trade, catering and accommodation 15.0% of local GDP in 2023. Wheat, canola, dairy, olives, wine and associated agro-processing place water security, electricity capacity, rural roads, fire protection and disaster response inside the agricultural value chain. The audited 2024/25 result reflects political oversight by Executive Mayor Harold Cleophas and operational continuity under Municipal Manager Joggie Scholtz and a permanent senior team.

Services and infrastructure - 24.0/30

Water earns 4.5/5. The 2023 Blue Drop assessment recorded 93.76%, with excellent acute microbiological and chemical compliance at both bulk systems; water losses were 19.66%, within the 21% target but above 18.78% previously. Sanitation receives 3.5/5: access and investment are sustained, but the last comparable Green Drop score was 89% and municipal records identified weak effluent-compliance and technical-capacity results at several systems. Refuse earns 4.0/5 because weekly urban collection, licensed sites and Highlands landfill performance are offset by illegal dumping and incomplete rural kerbside coverage.

Electricity earns 4.5/5 after losses fell from 5.73% to 3.20% and the required 6% maintenance allocation was made. Roads and facilities receive 4.0/5: 2 135 potholes were repaired, R2.27 million was spent on resealing and 1.8 km of roads was built, although stormwater remains uneven. Assets and capital receive 3.5/5: adjusted capital execution reached 91.52%, but repairs and maintenance equalled 2.79% of property assets against this report's 8% reference. The Riverlands dam failures caused about R23 million in municipal damage; potable-water repairs were completed by October 2024 while road and stormwater recovery remained - evidence of response capacity and substantial rural flood exposure.

Financial management and sustainability - 24.5/25

The Auditor-General issued an unqualified opinion with no material findings for 2024/25, Swartland's thirteenth clean outcome since 2010/11. Audited revenue was R1.518 billion, the surplus R410.7 million, cash R677.0 million and current liabilities R195.4 million. The current ratio reached 6.83:1, cost coverage 11 months, collections 96.71% and the average creditor period 19 days. Expenditure control receives 4.5/5 because R5.00 million of current-year irregular expenditure and R4.84 million from prior periods were investigated and written off: not material to the audit, but not perfect prevention.

The January 2026 adjustment budget remained cash-backed with a current ratio near 7:1. The 2026/27 programme proposes R888.4 million of capital investment over three years for bulk water, roads, storage and wastewater. That programme supports farming, agro-processing and settlement growth, while water losses, maintenance and uneven capital execution reserve the final half-point and an A+ trajectory.

Governance, integrity and inclusion

Governance earns 15.0/15. The municipal manager, chief financial officer and other section 56 managers were permanent; internal audit reported monthly, the audit committee met five times, MPAC completed oversight and [Provincial Treasury recorded 21 of 21 strategic-goal targets achieved](#). Political competition did not produce paralysis: the PA [retained Ward 11 with 53% in June 2026](#), while the DA kept its council majority. In the separate 2019 intra-DA dispute, [Van Essen denied an allegation of racist remarks and the party said an internal legal process was available](#); no public adjudicated finding was located, so it is context rather than evidence of present administrative infighting.

Integrity earns 14.0/15. Clean assurance, declarations, published contracts and supply-chain controls are strong. In the historical land-sale matter, [the municipality denied impropriety, said the transaction was lawful and recorded Van Essen's recusal](#); no final public Hawks finding was located. After possible Moorreesburg traffic-department irregularities, [the municipal manager and mayor called in national, provincial and police investigators](#); a separate Chatsworth sports-forum finding was [referred to SAPS](#). These are not convictions, but they justify reserved points until consequence records are complete.

Inclusion receives 12.5/15. A funded package reached 8 613 registered indigent households and serviced sites were completed in De Hoop, Moorreesburg and Darling, yet the housing backlog remained 16 981. [Human-settlement planning identifies farmworker movement and the need for on- or off-farm housing partnerships](#). Ward and sector forums include agriculture, but attendance at many 2024 IDP meetings was only five to ten people. SMME support and 659 EPWP and capital-project opportunities show implementation without proving equal housing, mobility or service quality.

Constitutional assessment and verdict

Reliable services and disaster response advance [section 152\(1\)\(b\)](#); indigent assistance, housing land and agricultural infrastructure advance [section 152\(1\)\(c\)](#); participation supports [section 152\(1\)\(e\)](#) and capital planning gives effect to [section 153\(a\)](#). Clean reporting and liquidity fulfil [sections 195\(1\)\(b\), 195\(1\)\(f\) and 195\(1\)\(g\)](#), while procurement assurance supports [section 217\(1\)](#). Wastewater, stormwater, dumping and maintenance qualify full fulfilment of [sections 152\(1\)\(b\) and 152\(1\)\(d\)](#) and engage [section 24](#); housing and unequal farmworker outcomes remain relevant to [sections 9 and 10](#).

Swartland is an excellent, improving municipality and a clear A. Clean assurance, cash, collections, permanent administration and operational delivery reinforce one another. The central priority is to convert that strength into verified wastewater compliance, higher maintenance and infrastructure that keeps agricultural growth, climate adaptation and poorer settlements on the same development path. The controversies reviewed warrant scrutiny, but the available evidence does not establish current factional paralysis or administrative collapse. An A+ requires stronger wastewater, maintenance, rural-inclusion and consequence-management evidence - not another accolade alone.

THEEWATERSKLOOF LOCAL MUNICIPALITY

OVERALL SCORE

42.0

/ 100

GRADE D

An unfunded budget, persistent cash-flow stress, a qualified audit and mandatory recovery plan outweigh the continuation of core services.

PROVINCE

Western Cape

CODE

WC031

PRINCIPAL CENTRE

Caledon

CURRENT LEADER

Executive Mayor Lincoln de Bruyn

DISTRICT

Overberg District Municipality

CATEGORY

Category B3 small-town local municipality

POPULATION

139 563, Statistics South Africa Census 2022

POLITICAL CONTROL

Democratic Alliance-led administration

Services and
infrastructure

15.5

/30

Core networks continue, but infrastructure deficiencies and financial limits undermine reliability and renewal.

Financial management

5.5

/25

Unfunded budgets, negative operating cash and high creditors produce the principal weakness.

Governance

7.0

/15

Intervention and a mandatory recovery plan show that ordinary governance did not prevent the crisis.

Integrity

5.0

/15

Audit regression and incomplete consequence evidence outweigh publication of the recovery plan.

Inclusion

9.0

/15

Support across several towns matters, while farmworker and informal-settlement communities bear heightened risk.

WHAT WORKS

Water access and network performance continue to function, but the evidence is mixed and important standards are only partly met.

WHAT IS GOING WRONG

The recovery plan records unfunded budgets for 2024/25 and 2025/26, high creditors, weak credit control and non-cost-reflective tariffs.

FIX FIRST

First priority: Restore a funded, cash-backed budget and rebuild a genuine operating buffer.

SCORING TRACE

How Theewaterskloof received 42.0/100

42.0 / 100

GRADE D

Theewaterskloof met 28 standards, partly met 28 and did not meet 44:

Result	Tests	Calculation	Points
Standard met	28	28×1	28.0
Standard partly met	28	28×0.5	14.0
Standard not met	44	44×0	0.0
Final result	100		42.0/100

The pillar arithmetic is $15.5 + 5.5 + 7.0 + 5.0 + 9.0 = 42.0$. No deduction or editorial adjustment followed. The fixed grade table produces a D.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.0; sanitation 2.5; electricity 2.5; refuse 2.5; roads and facilities 2.5; assets and capital 2.5	15.5/30	Core networks continue, but infrastructure deficiencies and financial limits undermine reliability and renewal.
Financial management	Audit 1.5; liquidity 0.5; collections 1.5; creditors 1.0; expenditure control 1.0	5.5/25	Unfunded budgets, negative operating cash and high creditors produce the principal weakness.
Governance	Leadership 2.0; planning 2.5; council and oversight 2.5	7.0/15	Intervention and a mandatory recovery plan show that ordinary governance did not prevent the crisis.
Integrity	Audit remediation 2.0; procurement and ethics 1.5; transparency 1.5	5.0/15	Audit regression and incomplete consequence evidence outweigh publication of the recovery plan.
Inclusion	Indigent support 3.0; participation 3.0; spatial and environmental inclusion 3.0	9.0/15	Support across several towns matters, while farmworker and informal-settlement communities bear heightened risk.

Continued services within a municipality under compulsory financial repair

Theewaterskloof serves Caledon, Grabouw, Villiersdorp, Greyton, Riviersonderend, Botrivier and surrounding rural and farming communities. Its economy combines agriculture, food processing, tourism and small-town services. The municipality still performs ordinary functions; the D is not a finding that every service has stopped. It records that the financial and governance foundation required to sustain those functions has become dangerously weak.

Services and infrastructure - 15.5/30

Water, sanitation, electricity, refuse, roads and community infrastructure continued to operate. Water is the strongest component at 3.0/5, with sanitation and the other four components at 2.5/5. The points recognise access, continuing operations and identifiable programmes.

The recovery plan itself identifies service-delivery challenges and infrastructure deficiencies. Housing pressure, informal-settlement growth and cash constraints affect reliability. Capital expenditure was approximately R96.2 million, but the programme did not offset maintenance and renewal limitations. The score therefore withholds upper points for controlled losses, compliant wastewater, licensed waste arrangements, preventive maintenance, timely fault resolution and completed resilience outcomes.

This approach prevents access figures from concealing future risk. A municipality can continue supplying water and collecting refuse while failing to renew networks or pay the suppliers required to sustain operations. The 15.5/30 service result reflects that uneasy middle ground.

Financial management and sustainability - 5.5/25

Current assets of approximately R121.0 million were far below current liabilities of about R329.5 million, and operating cash flow was negative. The mandatory financial recovery plan recorded unfunded budgets for 2024/25 and 2025/26, high creditors, weak credit control and tariffs that were not fully cost-reflective.

These facts explain the 0.5/5 liquidity component. The municipality did not demonstrate a funded, cash-backed adjusted position, the current-ratio norm or one month of unrestricted cash. Collection receives 1.5 because billing and credit-control systems continue to function, while the locked thresholds and a stable debtor position were not established. Creditors receive 1.0 because records and some payment arrangements exist, but ordinary 30-day compliance, current bulk accounts and declining overdue exposure were not shown.

The qualified audit and reporting weaknesses limit audit assurance to 1.5/5. Expenditure control receives 1.0 because recording and formal recovery processes exist, while irregular expenditure, grant control and prevention remain weak. A recovery plan is evidence of diagnosis and a legal framework for repair; it is not itself evidence that the financial problem has been solved.

Governance, integrity and inclusion

Governance scores 7.0/15. Council and statutory structures continued and planning and reporting did not disappear. Intervention, leadership instability and the mandatory recovery plan show that ordinary governance failed to prevent the crisis. Recovery milestones now provide the objective test: leadership earns stronger credit only when funded budgets, creditor control, cash improvement and service stabilisation are completed and verified.

Integrity receives 5.0/15. [Publication of the recovery plan](#) and [provincial monitoring improve transparency](#). Audit regression, irregular expenditure, weak grant controls and incomplete proof of investigation, recovery or discipline keep the score low. Publication is necessary, but it does not resolve the underlying failure.

Inclusion earns 9.0/15. [Indigent support](#), participation and services across several towns and rural areas continue. Low-income farmworkers and informal-settlement residents are nevertheless most exposed to tariffs, housing shortages, unreliable infrastructure and environmental risk. The score therefore recognises programmes while withholding points for equal outcomes, reasoned feedback and measurable reduction of the burden on vulnerable communities.

Constitutional assessment and verdict

Continued core services and indigent assistance provide partial fulfilment of [sections 152\(1\)\(b\) and 152\(1\)\(c\)](#). Consultation structures support [section 152\(1\)\(e\)](#) and the published recovery process creates a basis for accountability under [sections 195\(1\)\(f\) and 195\(1\)\(g\)](#). Planning across towns and rural communities aligns in part with [section 153\(a\)](#).

Unfunded budgets, negative cash flow and high creditors fall sharply short of efficient and economic resource use under [section 195\(1\)\(b\)](#) and threaten sustainable services under [section 152\(1\)\(b\)](#). Infrastructure deficiencies and environmental risks qualify [section 152\(1\)\(d\)](#) and engage [section 24](#). Audit regression and incomplete consequence evidence weaken [sections 195\(1\)\(f\) and 195\(1\)\(g\)](#), while procurement must comply with [section 217\(1\)](#). The disproportionate exposure of poor farmworker and informal communities bears on [sections 9 and 10](#).

The D describes a municipality in compulsory recovery, not one already recovered. The first priority is to restore a funded, cash-backed budget, rebuild an operating buffer and bring creditors and grants under lawful control without allowing core services to fail. The trajectory is deteriorating because financial distress required mandatory intervention and remained severe across the comparable period, notwithstanding continuing service delivery.

BEAUFORT WEST LOCAL MUNICIPALITY

OVERALL SCORE

50.5

/ 100

GRADE C-

An improved unqualified opinion and compliance with Eskom debt-relief conditions lift the result, but thin cash, recovery dependence and weak expenditure control remain.

PROVINCE

Western Cape

CODE

WC053

PRINCIPAL CENTRE

Beaufort West

CURRENT LEADER

Executive Mayor Georgina Duimpies

DISTRICT

Central Karoo District Municipality

CATEGORY

Category B3 small-town local municipality

POPULATION

72 972, Statistics South Africa Census 2022

POLITICAL CONTROL

Democratic Alliance-led coalition administration

Services and
infrastructure

16.0

/30

Core services and capital spending continue, while drought, vandalism, maintenance and refuse access constrain resilience.

Financial management

9.0

/25

Audit improvement is real, but cash is thin and debt-relief dependence remains.

Governance

9.0

/15

Recovery measures are producing results, while intervention and sustainability concerns prevent stronger credit.

Integrity

7.0

/15

Publication and assurance improved, but irregular expenditure and incomplete consequences remain.

Inclusion

9.5

/15

Support and settlement projects matter, while poverty, distance and uneven access remain pronounced.

WHAT WORKS

Indigent support and settlement projects earn partial marks.

WHAT IS GOING WRONG

Current assets were about R94.3 million and current liabilities about R93.2 million, but cash was only about R17.4 million and the municipality remained dependent on Eskom debt relief.

FIX FIRST

First priority: Restore a funded, cash-backed budget and rebuild a genuine operating buffer.

SCORING TRACE

How Beaufort West received 50.5/100

50.5 / 100

GRADE C-

Beaufort West met 35 standards, partly met 31 and did not meet 34:

Result	Tests	Calculation	Points
Standard met	35	35×1	35.0
Standard partly met	31	31×0.5	15.5
Standard not met	34	34×0	0.0
Final result	100		50.5/100

The pillar arithmetic is $16.0 + 9.0 + 9.0 + 7.0 + 9.5 = 50.5$. No deduction or editorial adjustment followed. The fixed grade table produces a C-.

THE FIVE-PILLAR SCORE MAP

Pillar	Component awards	Total	Decisive finding
Services and infrastructure	Water 3.0; sanitation 3.0; electricity 2.5; refuse 2.5; roads and facilities 2.5; assets and capital 2.5	16.0/30	Core services and capital spending continue, while drought, vandalism, maintenance and refuse access constrain resilience.
Financial management	Audit 2.0; liquidity 1.5; collections 2.0; creditors 2.0; expenditure control 1.5	9.0/25	Audit improvement is real, but cash is thin and debt-relief dependence remains.
Governance	Leadership 3.0; planning 3.0; council and oversight 3.0	9.0/15	Recovery measures are producing results, while intervention and sustainability concerns prevent stronger credit.
Integrity	Audit remediation 2.5; procurement and ethics 2.0; transparency 2.5	7.0/15	Publication and assurance improved, but irregular expenditure and incomplete consequences remain.
Inclusion	Indigent support 3.5; participation 3.0; spatial and environmental inclusion 3.0	9.5/15	Support and settlement projects matter, while poverty, distance and uneven access remain pronounced.

A recovering Karoo municipality whose improvements remain financially fragile

Beaufort West serves Beaufort West, Merweville, Nelspoort and a large, arid rural area. It is a regional service centre on the national road and rail corridor, but its revenue base is constrained by poverty, distance and limited economic diversification. Drought and ageing infrastructure raise operating risk. The 2024/25 result shows genuine recovery; it does not yet show that the municipality can sustain that recovery without extraordinary support.

Services and infrastructure - 16.0/30

Water quality was reported as good across the main settlements, while water, sanitation, electricity and refuse services continued. Water and sanitation each receive 3.0/5. Electricity, refuse, roads and assets each receive 2.5/5 because ordinary operations and programmes are evidenced, but reliability, loss control, preventive maintenance and completed backlog reduction remain mixed.

Capital expenditure was approximately R29.5 million, or roughly 93% of the final budget, including telemetry, electricity and waste assets. That clears the expenditure thresholds and earns credit. The asset component remains at 2.5 because spending must be accompanied by a current condition assessment, adequate maintenance and verified functioning outcomes. Vandalism, drought exposure, maintenance constraints and a reported weakening in refuse access prevent the upper service points.

The score recognises Beaufort West's difficult environment without lowering the standard. Drought explains why water resilience is hard; it does not make an unreliable network constitutionally acceptable. The municipality earns points for adaptation and functioning systems, not for the presence of the challenge itself.

Financial management and sustainability - 9.0/25

The audit outcome improved from qualified to unqualified with findings. Statements were submitted and the stronger opinion earns credit, while the absence of a clean audit and the need to sustain correction limit the component to 2.0/5.

Current assets were approximately R94.3 million and current liabilities about R93.2 million, but cash was only roughly R17.4 million. The municipality remained dependent on Eskom debt relief and reported a surplus of only about R1.4 million. The current ratio provides some support; the cash position does not establish a prudent operating buffer. Liquidity therefore scores 1.5/5

Billing, collection and creditor systems each receive 2.0/5. Stronger controls and compliance with debt-relief conditions prevent lower awards, while the record does not establish the upper collection thresholds, ordinary 30-day payment discipline or independence from extraordinary arrangements. Current irregular expenditure included approximately R12.1 million arising from procurement and a further wet-fuel matter; the accumulated balance awaiting action remained material. Expenditure control therefore receives only 1.5/5.

Governance, integrity and inclusion

Governance earns 9.0/15. Senior leadership, planning and oversight continued to function. The improved audit opinion, stronger billing controls and compliance with debt-relief conditions show that recovery measures are producing results. Intervention and the need to sustain those gains beyond one audited period prevent upper awards.

Integrity receives 7.0/15. Publication improved and the audit opinion strengthened. Audit-action, supply chain management and disciplinary structures exist. Irregular expenditure, earlier control failures and limited proof of completed recovery or discipline prevent stronger credit. The report distinguishes the legal categories: irregular expenditure is a compliance finding, not automatic proof of corruption.

Inclusion scores 9.5/15. Indigent support, free basic services and settlement projects reach poorer households. Formal water, sanitation and electricity access remains substantial. Poverty, drought, distance and uneven refuse access create unequal lived outcomes, while the evidence does not establish complete ward-level measurement, reasoned feedback or comparable response times across settlements.

Constitutional assessment and verdict

Continued core services and indigent support advance sections 152(1)(b) and 152(1)(c). Participation and settlement planning support sections 152(1)(e) and 153(a). The improved audit opinion and compliance with recovery conditions provide evidence of progress towards efficient and accountable administration under sections 195(1)(b) and 195(1)(f).

Thin cash and dependence on debt relief continue to threaten sustainable service provision under section 152(1)(b) and efficient resource use under section 195(1)(b). Drought, waste and uneven environmental-health outcomes engage section 152(1)(d) and section 24. Irregular expenditure and incomplete consequence evidence limit accountability and transparency under sections 195(1)(f) and 195(1)(g), while procurement remains governed by section 217(1). Unequal access across poor and distant settlements bears on sections 9 and 10.

The C- records a municipality moving out of deeper distress, but not yet securely recovered. The first priority is to rebuild cash, sustain the unqualified opinion, exit debt relief and intervention on a sound footing, and complete expenditure-control action. The trajectory is improving because audit assurance, billing controls and compliance with recovery conditions strengthened, although liquidity remains too thin for a durable C.

CONCLUSION

The constitutional standard is attainable

South African local government is neither uniformly broken nor uniformly sound. The evidence points to institutions—and to the disciplines that sustain them.

“The report’s central conclusion is demanding but practical: the country already possesses evidence of what functional municipal government requires. The task is to make those disciplines ordinary rather than exceptional.”

The 50 municipalities assessed in this report do not form a single narrative of success or collapse. They reveal a system in which institutional quality varies sharply—even between municipalities facing comparable economic pressures, historic backlogs and legal duties. Stronger administrations tend to make several disciplines reinforce one another: credible budgets, sustained collections, stable professional leadership, functioning oversight, maintained assets, completed capital projects and public information that permits scrutiny.

The inverse is equally clear. Weak collections reduce cash; limited cash delays creditors and maintenance; deteriorating infrastructure raises losses and service interruptions; poor delivery further weakens payment and public trust; and unstable leadership or incomplete consequence management prevents correction. The weakest results are therefore seldom the product of one dramatic failure. They arise when several ordinary controls cease to work together.

A favourable audit remains important, but it is not a substitute for reliable water, safe wastewater treatment, passable roads or equitable access. Conversely, visible projects cannot compensate indefinitely for unfunded budgets, weak billing, unpaid bulk accounts or repeat audit findings. Municipal performance is sustainable only when service delivery, finance, governance, integrity and inclusion support one another.

The Constitution provides the measure. Sections 152 and 153 require democratic and accountable government, sustainable services, development, a safe and healthy environment, community involvement and planning that prioritises basic needs. Section 195 requires efficient, economic, effective, accountable and transparent administration. These are not competing aspirations. They describe one institutional duty: to convert lawful authority and public resources into durable public value.

RECOMMENDATIONS

A practical reform agenda

The report's strongest and weakest cases point to the same immediate institutional priorities.

1**Protect infrastructure before failure becomes systemic**

Municipalities should adopt credible condition assessments, ring-fence preventive maintenance and publish the gap between maintenance needs and funded work. Capital expenditure should receive credit only when completed assets function and reduce losses, backlogs or resilience risk.

2**Rebuild the revenue chain**

Billing data, meters, reconciliations, customer service, indigent support and credit control must operate as one system. Collection improvement should be reported on a consistently calculated basis, while affordability support protects qualifying households without disguising weak administration.

3**Stabilise professional administration**

Councils should fill the municipal manager, chief financial officer and critical technical posts lawfully and permanently, protect professional implementation from improper interference and disclose the operational effect of senior vacancies and acting appointments.

4**Turn audit findings into completed correction**

Every material finding should have a root cause, responsible official, deadline and documentary closure record. Investigation is not consequence management; recovery, discipline, referral or lawful resolution must follow where responsibility is established.

RECOMMENDATIONS

From diagnosis to durable improvement

Municipal recovery should be visible in services, finances, administration and the lived experience of residents.

5

Make transparency the default

Budgets, annual reports, council records, procurement information and performance data should be current, searchable and accessible. Publication is not a communications exercise; it is part of the municipality's accountability infrastructure.

6

Target spatial and environmental inequality

Ward- and settlement-level evidence should guide capital priorities. Informal settlements, rural communities and historically neglected areas require measurable improvement in reliability, environmental safety, access and response—not only inclusion in plans.

7

Differentiate support, but keep the constitutional standard

National and provincial support should respond to the actual constraint: technical capability, revenue administration, governance instability, bulk debt or failing infrastructure. Context should shape the remedy; it should not lower the resident's entitlement to dignity, accountability or sustainable service.

8

Track recovery publicly and consistently

Recovery plans should use a small set of comparable service, financial and governance indicators, with dated milestones and published results. Interventions should be judged by completed correction and improved outcomes rather than the existence of plans or committees.

The purpose of the report card is not to declare municipal government beyond repair. It is to identify, with equal standards and traceable evidence, where institutions are converting constitutional duty into public value and where they are not. The final responsibility remains practical: protect the systems that work, correct those that do not, and ensure that a resident's municipality no longer determines whether constitutional promises are experienced as reality or merely read on the page.

SELECTION REGISTER

Appendix A: Final sample and inclusion reasons

Official municipal categories were verified against National Treasury's municipal classification data.

No.	Municipality	Province / category	Selection reason
1	Buffalo City Metropolitan Municipality	Eastern Cape Category A metropolitan municipality	Included automatically as one of South Africa's eight metropolitan municipalities.
2	Nelson Mandela Bay Metropolitan Municipality	Eastern Cape Category A metropolitan municipality	Included automatically as one of South Africa's eight metropolitan municipalities.
3	Kouga Local Municipality	Eastern Cape Category B3 small-town local municipality	Selected as a category b3 small-town local municipality centred on Jeffreys Bay in Sarah Baartman District Municipality, contributing geographic, settlement, economic and performance diversity within Eastern Cape's allocated places.
4	Makana Local Municipality	Eastern Cape Category B2 large-town local municipality	Selected as a category b2 large-town local municipality centred on Makhaia in Sarah Baartman District Municipality, contributing geographic, settlement, economic and performance diversity within Eastern Cape's allocated places.
5	Enoch Mgijima Local Municipality	Eastern Cape Category B2 large-town local municipality	Selected as a category b2 large-town local municipality centred on Komani in Chris Hani District Municipality, contributing geographic, settlement, economic and performance diversity within Eastern Cape's allocated places.
6	King Sabata Dalindyebo Local Municipality	Eastern Cape Category B2 large-town local municipality	Selected as a category b2 large-town local municipality centred on Mthatha in O. R. Tambo District Municipality, contributing geographic, settlement, economic and performance diversity within Eastern Cape's allocated places.
7	Mbhashe Local Municipality	Eastern Cape Category B4 predominantly rural local municipality	Selected as a category b4 predominantly rural local municipality centred on Duthwa, also known as Iduthwa in Amathole District Municipality, contributing geographic, settlement, economic and performance diversity within Eastern Cape's allocated places.
8	Matatiele Local Municipality	Eastern Cape Category B3 small-town local municipality	Selected as a category b3 small-town local municipality centred on Matatiele in Alfred Nzo District Municipality, contributing geographic, settlement, economic and performance diversity within Eastern Cape's allocated places.
9	Mangaung Metropolitan Municipality	Free State Category A metropolitan municipality	Included automatically as one of South Africa's eight metropolitan municipalities.
10	Dihlabeng Local Municipality	Free State Category B2 large-town local municipality	Selected as a category b2 large-town local municipality centred on Bethlehem in Thabo Mofutsanyana District Municipality, contributing geographic, settlement, economic and performance diversity within Free State's allocated places.
11	Metsimaholo Local Municipality	Free State Category B2 large-town local municipality	Selected as a category b2 large-town local municipality centred on Sasolburg in Fezile Dabi District Municipality, contributing geographic, settlement, economic and performance diversity within Free State's allocated places.
12	Maluti-a-Phofung Local Municipality	Free State Category B3 small-town local municipality	Selected as a category b3 small-town local municipality centred on Phuthaditjhaba in Thabo Mofutsanyana District Municipality, contributing geographic, settlement, economic and performance diversity within Free State's allocated places.
13	Matjhabeng Local Municipality	Free State Category B1 secondary-city local municipality	Selected as a category b1 secondary-city local municipality centred on Welkom in Lejweleputswa District Municipality, contributing geographic, settlement, economic and performance diversity within Free State's allocated places.

SELECTION REGISTER

Appendix A: Final sample and inclusion reasons continued

Official municipal categories were verified against National Treasury's municipal classification data.

No.	Municipality	Province / category	Selection reason
14	City of Johannesburg Metropolitan Municipality	Gauteng Category A metropolitan municipality	Included automatically as one of South Africa's eight metropolitan municipalities.
15	City of Tshwane Metropolitan Municipality	Gauteng Category A metropolitan municipality	Included automatically as one of South Africa's eight metropolitan municipalities.
16	City of Ekurhuleni Metropolitan Municipality	Gauteng Category A metropolitan municipality	Included automatically as one of South Africa's eight metropolitan municipalities.
17	Midvaal Local Municipality	Gauteng Category B2 large-town local municipality	Selected as a category b2 large-town local municipality centred on Meyerton in Sedibeng District Municipality, contributing geographic, settlement, economic and performance diversity within Gauteng's allocated places.
18	Emfuleni Local Municipality	Gauteng Category B1 secondary-city local municipality	Selected as a category b1 secondary-city local municipality centred on Vanderbijlpark in Sedibeng District Municipality, contributing geographic, settlement, economic and performance diversity within Gauteng's allocated places.
19	Mogale City Local Municipality	Gauteng Category B1 secondary-city local municipality	Selected as a category b1 secondary-city local municipality centred on Krugersdorp in West Rand District Municipality, contributing geographic, settlement, economic and performance diversity within Gauteng's allocated places.
20	eThekweni Metropolitan Municipality	KwaZulu-Natal Category A metropolitan municipality	Included automatically as one of South Africa's eight metropolitan municipalities.
21	uMngeni Local Municipality	KwaZulu-Natal Category B2 large-town local municipality	Selected as a category b2 large-town local municipality centred on Howick in uMgungundlovu District Municipality, contributing geographic, settlement, economic and performance diversity within KwaZulu-Natal's allocated places.
22	Msunduzi Local Municipality	KwaZulu-Natal Category B1 secondary-city local municipality	Selected as a category b1 secondary-city local municipality centred on Pietermaritzburg in uMgungundlovu District Municipality, contributing geographic, settlement, economic and performance diversity within KwaZulu-Natal's allocated places.
23	Newcastle Local Municipality	KwaZulu-Natal Category B1 secondary-city local municipality	Selected as a category b1 secondary-city local municipality centred on Newcastle, including Madadeni and Osizweni in Amajuba District Municipality, contributing geographic, settlement, economic and performance diversity within KwaZulu-Natal's allocated places.
24	City of uMhlathuze Local Municipality	KwaZulu-Natal Category B1 secondary-city local municipality	Selected as a category b1 secondary-city local municipality centred on uMhlathuze in King Cetshwayo District Municipality, contributing geographic, settlement, economic and performance diversity within KwaZulu-Natal's allocated places.
25	Ray Nkonyeni Local Municipality	KwaZulu-Natal Category B2 large-town local municipality	Selected as a category b2 large-town local municipality centred on Port Shepstone in Ugu District Municipality, contributing geographic, settlement, economic and performance diversity within KwaZulu-Natal's allocated places.
26	uMhlabyalingana Local Municipality	KwaZulu-Natal Category B4 predominantly rural local municipality	Selected as a category b4 predominantly rural local municipality centred on Manguzi, also known as Kwangwanase in uMkhanyakude District Municipality, contributing geographic, settlement, economic and performance diversity within KwaZulu-Natal's allocated places.

SELECTION REGISTER

Appendix A: Final sample and inclusion reasons continued

Official municipal categories were verified against National Treasury's municipal classification data.

No.	Municipality	Province / category	Selection reason
27	Polokwane Local Municipality	Limpopo Category B1 secondary-city local municipality	Selected as a category b1 secondary-city local municipality centred on Polokwane in Capricorn District Municipality, contributing geographic, settlement, economic and performance diversity within Limpopo's allocated places.
28	Greater Tzaneen Local Municipality	Limpopo Category B4 predominantly rural local municipality	Selected as a category b4 predominantly rural local municipality centred on Tzaneen in Mopani District Municipality, contributing geographic, settlement, economic and performance diversity within Limpopo's allocated places.
29	Lephalale Local Municipality	Limpopo Category B3 small-town local municipality	Selected as a category b3 small-town local municipality centred on Lephalale in Waterberg District Municipality, contributing geographic, settlement, economic and performance diversity within Limpopo's allocated places.
30	Fetakgomo Tubatse Local Municipality	Limpopo Category B4 predominantly rural local municipality	Selected as a category b4 predominantly rural local municipality centred on Burgersfort in Sekhukhune District Municipality, contributing geographic, settlement, economic and performance diversity within Limpopo's allocated places.
31	Musina Local Municipality	Limpopo Category B3 small-town local municipality	Selected as a category b3 small-town local municipality centred on Musina in Vhembe District Municipality, contributing geographic, settlement, economic and performance diversity within Limpopo's allocated places.
32	City of Mbombela Local Municipality	Mpumalanga Category B1 secondary-city local municipality	Selected as a category b1 secondary-city local municipality centred on Mbombela in Ehlanzeni District Municipality, contributing geographic, settlement, economic and performance diversity within Mpumalanga's allocated places.
33	Steve Tshwete Local Municipality	Mpumalanga Category B1 secondary-city local municipality	Selected as a category b1 secondary-city local municipality centred on Middelburg in Nkangala District Municipality, contributing geographic, settlement, economic and performance diversity within Mpumalanga's allocated places.
34	Govan Mbeki Local Municipality	Mpumalanga Category B1 secondary-city local municipality	Selected as a category b1 secondary-city local municipality centred on Secunda in Gert Sibande District Municipality, contributing geographic, settlement, economic and performance diversity within Mpumalanga's allocated places.
35	Bushbuckridge Local Municipality	Mpumalanga Category B4 predominantly rural local municipality	Selected as a category b4 predominantly rural local municipality centred on Bushbuckridge in Ehlanzeni District Municipality, contributing geographic, settlement, economic and performance diversity within Mpumalanga's allocated places.
36	Rustenburg Local Municipality	North West Category B1 secondary-city local municipality	Selected as a category b1 secondary-city local municipality centred on Rustenburg in Bojanala Platinum District Municipality, contributing geographic, settlement, economic and performance diversity within North West's allocated places.
37	Mahikeng Local Municipality	North West Category B2 large-town local municipality	Selected as a category b2 large-town local municipality centred on Mahikeng in Ngaka Modiri Molema District Municipality, contributing geographic, settlement, economic and performance diversity within North West's allocated places.
38	JB Marks Local Municipality	North West Category B1 secondary-city local municipality	Selected as a category b1 secondary-city local municipality centred on Potchefstroom in Dr Kenneth Kaunda District Municipality, contributing geographic, settlement, economic and performance diversity within North West's allocated places.

SELECTION REGISTER

Appendix A: Final sample and inclusion reasons continued

Official municipal categories were verified against National Treasury's municipal classification data.

No.	Municipality	Province / category	Selection reason
39	Greater Taung Local Municipality	North West Category B4 predominantly rural local municipality	Selected as a category b4 predominantly rural local municipality centred on Taung in Dr Ruth Segomotsi Mompati District Municipality, contributing geographic, settlement, economic and performance diversity within North West's allocated places.
40	Sol Plaatje Local Municipality	Northern Cape Category B1 secondary-city local municipality	Selected as a category b1 secondary-city local municipality centred on Kimberley in Frances Baard District Municipality, contributing geographic, settlement, economic and performance diversity within Northern Cape's allocated places.
41	Dawid Kruiper Local Municipality	Northern Cape Category B2 large-town local municipality	Selected as a category b2 large-town local municipality centred on Upington in ZF Mgcawu District Municipality, contributing geographic, settlement, economic and performance diversity within Northern Cape's allocated places.
42	Nama Khoi Local Municipality	Northern Cape Category B3 small-town local municipality	Selected as a category b3 small-town local municipality centred on Springbok in Namakwa District Municipality, contributing geographic, settlement, economic and performance diversity within Northern Cape's allocated places.
43	Renosterberg Local Municipality	Northern Cape Category B3 small-town local municipality	Selected as a category b3 small-town local municipality centred on Petrusville in Pixley ka Seme District Municipality, contributing geographic, settlement, economic and performance diversity within Northern Cape's allocated places.
44	Gamagara Local Municipality	Northern Cape Category B3 small-town local municipality	Selected as a category b3 small-town local municipality centred on Kathu in John Taolo Gaetsewe District Municipality, contributing geographic, settlement, economic and performance diversity within Northern Cape's allocated places.
45	City of Cape Town Metropolitan Municipality	Western Cape Category A metropolitan municipality	Included automatically as one of South Africa's eight metropolitan municipalities.
46	Stellenbosch Local Municipality	Western Cape Category B1 secondary-city local municipality	Selected as a category b1 secondary-city local municipality centred on Stellenbosch in Cape Winelands District Municipality, contributing geographic, settlement, economic and performance diversity within Western Cape's allocated places.
47	George Local Municipality	Western Cape Category B1 secondary-city local municipality	Selected as a category b1 secondary-city local municipality centred on George in Garden Route District Municipality, contributing geographic, settlement, economic and performance diversity within Western Cape's allocated places.
48	Swartland Local Municipality	Western Cape Category B3 small-town local municipality	Selected as a category b3 small-town local municipality centred on Malmesbury in West Coast District Municipality, contributing geographic, settlement, economic and performance diversity within Western Cape's allocated places.
49	Theewaterskloof Local Municipality	Western Cape Category B3 small-town local municipality	Selected as a category b3 small-town local municipality centred on Caledon in Overberg District Municipality, contributing geographic, settlement, economic and performance diversity within Western Cape's allocated places.
50	Beaufort West Local Municipality	Western Cape Category B3 small-town local municipality	Selected as a category b3 small-town local municipality centred on Beaufort West in Central Karoo District Municipality, contributing geographic, settlement, economic and performance diversity within Western Cape's allocated places.

ALL 50 MUNICIPALITIES

Appendix B: Results at a glance

Equal scores share the same performance position and are listed alphabetically for navigation.

Rank	Municipality	Province	Services	Finance	Gov.	Integrity	Inclusion	Total	Grade	Trajectory
1	Swartland Local Municipality	Western Cape	24.0	24.5	15.0	14.0	12.5	90.0	A	Improving
2	George Local Municipality	Western Cape	23.0	24.0	14.0	14.0	12.5	87.5	A	Improving
3	Stellenbosch Local Municipality	Western Cape	23.5	23.0	13.5	13.5	12.5	86.0	A	Stable
4	Midvaal Local Municipality	Gauteng	23.0	23.5	13.5	13.0	11.5	84.5	A-	Stable
5	City of uMhlathuze Local Municipality	KwaZulu-Natal	21.5	22.0	14.0	14.0	11.5	83.0	A-	Deteriorating
6	Kouga Local Municipality	Eastern Cape	22.5	23.0	13.5	11.5	12.0	82.5	A-	Stable
7	uMngeni Local Municipality	KwaZulu-Natal	24.0	19.5	13.5	12.0	12.5	81.5	A-	Improving
8	City of Cape Town Metropolitan Municipality	Western Cape	24.0	20.5	13.5	11.5	11.5	81.0	A-	Stable
9	Greater Tzaneen Local Municipality	Limpopo	19.5	20.0	14.0	10.5	11.5	75.5	B+	Improving
10	Polokwane Local Municipality	Limpopo	18.5	20.0	12.0	10.0	11.5	72.0	B	Improving
10	Steve Tshwete Local Municipality	Mpumalanga	20.0	18.5	12.0	11.0	10.5	72.0	B	Deteriorating
12	Mbhashe Local Municipality	Eastern Cape	18.0	20.0	12.0	10.0	11.0	71.0	B	Improving
13	uMhlabyalingana Local Municipality	KwaZulu-Natal	18.5	14.0	14.0	9.5	12.0	68.0	B-	Improving
14	Ray Nkonyeni Local Municipality	KwaZulu-Natal	16.5	14.5	13.0	11.5	12.0	67.5	B-	Stable
15	Matatiele Local Municipality	Eastern Cape	15.8	18.5	11.5	9.0	11.0	65.8	B-	Stable
16	Fetakgomo Tubatse Local Municipality	Limpopo	17.3	16.5	11.5	8.5	10.5	64.3	C+	Improving
17	King Sabata Dalindyebo Local Municipality	Eastern Cape	16.5	14.5	11.0	8.0	9.5	59.5	C	Improving

ALL 50 MUNICIPALITIES

Appendix B: Results at a glance continued

Equal scores share the same performance position and are listed alphabetically for navigation.

Rank	Municipality	Province	Services	Finance	Gov.	Integrity	Inclusion	Total	Grade	Trajectory
18	Mogale City Local Municipality	Gauteng	17.0	13.0	9.5	8.5	10.5	58.5	C	Stable
18	Nama Khoi Local Municipality	Northern Cape	14.0	18.5	9.0	7.0	10.0	58.5	C	Improving
20	Buffalo City Metropolitan Municipality	Eastern Cape	17.5	12.0	10.0	7.0	11.5	58.0	C	Deteriorating
21	City of Mbombela Local Municipality	Mpumalanga	15.0	10.0	12.0	8.5	11.5	57.0	C	Deteriorating
21	Dawid Kruiper Local Municipality	Northern Cape	17.5	12.0	9.5	7.5	10.5	57.0	C	Improving
21	JB Marks Local Municipality	North West	17.5	9.0	11.0	9.0	10.5	57.0	C	Improving
24	City of Ekurhuleni Metropolitan Municipality	Gauteng	18.0	9.5	10.5	7.5	10.5	56.0	C	Deteriorating
25	Bushbuckridge Local Municipality	Mpumalanga	16.5	11.0	9.5	8.5	10.0	55.5	C	Stable
25	Nelson Mandela Bay Metropolitan Municipality	Eastern Cape	14.5	13.5	8.5	7.0	12.0	55.5	C	Stable
27	Rustenburg Local Municipality	North West	18.0	10.5	9.5	7.0	10.0	55.0	C	Stable
28	Gamagara Local Municipality	Northern Cape	17.0	10.0	10.0	6.5	9.5	53.0	C-	Improving
29	City of Tshwane Metropolitan Municipality	Gauteng	15.5	10.0	9.0	7.5	10.5	52.5	C-	Improving
29	Musina Local Municipality	Limpopo	15.0	12.5	10.0	5.5	9.5	52.5	C-	Deteriorating
29	eThekweni Metropolitan Municipality	KwaZulu-Natal	11.0	15.5	9.0	7.0	10.0	52.5	C-	Stable
32	Mahikeng Local Municipality	North West	15.0	10.0	9.0	8.0	10.0	52.0	C-	Stable
33	Lephalale Local Municipality	Limpopo	15.5	11.5	8.0	6.5	9.5	51.0	C-	Deteriorating
34	Beaufort West Local Municipality	Western Cape	16.0	9.0	9.0	7.0	9.5	50.5	C-	Improving

ALL 50 MUNICIPALITIES

Appendix B: Results at a glance continued

Equal scores share the same performance position and are listed alphabetically for navigation.

Rank	Municipality	Province	Services	Finance	Gov.	Integrity	Inclusion	Total	Grade	Trajectory
35	City of Johannesburg Metropolitan Municipality	Gauteng	14.0	9.5	9.0	7.0	10.0	49.5	D+	Deteriorating
36	Greater Taung Local Municipality	North West	14.0	11.0	8.5	6.0	9.5	49.0	D+	Improving
37	Govan Mbeki Local Municipality	Mpumalanga	14.5	7.5	8.5	7.5	10.5	48.5	D+	Stable
38	Newcastle Local Municipality	KwaZulu-Natal	16.5	6.5	8.5	5.0	10.0	46.5	D+	Deteriorating
39	Dihlabeng Local Municipality	Free State	13.0	8.0	9.0	7.5	8.5	46.0	D+	Improving
40	Enoch Mgijima Local Municipality	Eastern Cape	15.0	5.0	8.5	5.5	11.5	45.5	D+	Stable
40	Metsimaholo Local Municipality	Free State	12.0	9.0	9.5	5.5	9.5	45.5	D+	Stable
42	Mangaung Metropolitan Municipality	Free State	12.0	5.5	10.5	6.5	8.5	43.0	D	Deteriorating
43	Theewaterskloof Local Municipality	Western Cape	15.5	5.5	7.0	5.0	9.0	42.0	D	Deteriorating
44	Msunduzi Local Municipality	KwaZulu-Natal	9.0	7.5	9.0	7.5	8.5	41.5	D	Improving
45	Sol Plaatje Local Municipality	Northern Cape	10.5	5.0	8.0	6.5	8.5	38.5	D-	Deteriorating
46	Matjhabeng Local Municipality	Free State	8.5	5.0	7.0	7.0	7.0	34.5	F	Deteriorating
47	Emfuleni Local Municipality	Gauteng	6.5	5.0	7.0	8.0	7.0	33.5	F	Deteriorating
48	Makana Local Municipality	Eastern Cape	6.5	1.5	7.5	4.5	9.5	29.5	F	Stable at a distressed level
49	Renosterberg Local Municipality	Northern Cape	10.5	3.0	6.0	3.5	6.0	29.0	F	Deteriorating
50	Maluti-a-Phofung Local Municipality	Free State	5.5	0.5	5.5	4.5	8.0	24.0	F	Deteriorating

CONSOLIDATED SOURCE REGISTER

Appendix G: Municipal evidence sources

Each municipal chapter contains live hyperlinks connecting material claims to the underlying source records. The register below identifies the principal evidence used to assess performance. Population, leadership and classification metadata are sourced directly in each municipal profile.

1. Buffalo City Metropolitan Municipality

[1] Buffalo City Metropolitan Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.
[2] Buffalo City Metropolitan Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] Department of Water and Sanitation regulatory assessment - official water and wastewater evidence. Considered by 13 July 2026.
[4] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

2. Nelson Mandela Bay Metropolitan Municipality

[1] Nelson Mandela Bay Metropolitan Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.
[2] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[3] Department of Water and Sanitation regulatory assessment - official water and wastewater evidence. Considered by 13 July 2026.
[4] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

3. Kouga Local Municipality

[1] Department of Water and Sanitation regulatory assessment - official water and wastewater evidence. Considered by 13 July 2026.
[2] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[3] Executive Mayor Hattingh Bornman - supporting evidence (kouga.gov.za). Considered by 13 July 2026.
[4] Democratic Alliance majority administration - supporting evidence (municipalities.co.za). Considered by 13 July 2026.

4. Makana Local Municipality

[1] Makana Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.
[2] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[3] Department of Water and Sanitation regulatory assessment - official water and wastewater evidence. Considered by 13 July 2026.
[4] Executive Mayor Yandiswa Vara - supporting evidence (makana.gov.za). Considered by 13 July 2026.

5. Enoch Mgijima Local Municipality

[1] Enoch Mgijima Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.
[2] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.
[4] Executive Mayor Madoda Papiyana - supporting evidence (enochmgijima.gov.za). Considered by 13 July 2026.

6. King Sabata Dalindyebo Local Municipality

[1] King Sabata Dalindyebo Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.
[2] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[3] Executive Mayor Mkhanyiseli Dudumayo - supporting evidence (ksd.gov.za). Considered by 13 July 2026.
[4] Responsibilities of O. R. Tambo District Municipality - supporting evidence (ortambodm.gov.za). Considered by 13 July 2026.

7. Mbhashe Local Municipality

[1] Mbhashe Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.
[2] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[3] Mayor Samkelo Nicholas Janda - supporting evidence (mbhashemun.gov.za). Considered by 13 July 2026.
[4] Dutywa, Willowvale, Elliotdale and a large, dispersed traditional-authority area - supporting evidence (mbhashemun.gov.za). Considered by 13 July 2026.

APPENDIX G · MUNICIPAL EVIDENCE SOURCES

8. Matatiele Local Municipality

[1] Matatiele Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[3] Mayor Patrick Stuurman - supporting evidence (matatiele.gov.za). Considered by 13 July 2026.

[4] African National Congress majority administration - supporting evidence (municipalities.co.za). Considered by 13 July 2026.

9. Mangaung Metropolitan Municipality

[1] Mangaung Metropolitan Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[3] Department of Water and Sanitation regulatory assessment - official water and wastewater evidence. Considered by 13 July 2026.

[4] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

10. Dihlabeng Local Municipality

[1] Dihlabeng Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[3] Department of Water and Sanitation regulatory assessment - official water and wastewater evidence. Considered by 13 July 2026.

[4] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

11. Metsimaholo Local Municipality

[1] Metsimaholo Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[3] Department of Water and Sanitation regulatory assessment - official water and wastewater evidence. Considered by 13 July 2026.

[4] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

12. Maluti-a-Phofung Local Municipality

[1] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[2] Department of Water and Sanitation regulatory assessment - official water and wastewater evidence. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[4] Executive Mayor Tumelo Thebe - supporting evidence (gov.za). Considered by 13 July 2026.

13. Matjhabeng Local Municipality

[1] Department of Water and Sanitation regulatory assessment - official water and wastewater evidence. Considered by 13 July 2026.

[2] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[3] Executive Mayor Thanduxolo Khalipha - supporting evidence (gov.za). Considered by 13 July 2026.

[4] Vaal Central Water were about R6.84 billion - supporting evidence (parliament.gov.za). Considered by 13 July 2026.

14. City of Johannesburg Metropolitan Municipality

[1] City of Johannesburg Metropolitan Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] City of Johannesburg Metropolitan Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[4] Department of Water and Sanitation regulatory assessment - official water and wastewater evidence. Considered by 13 July 2026.

15. City of Tshwane Metropolitan Municipality

[1] City of Tshwane Metropolitan Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] City of Tshwane Metropolitan Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[4] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

16. City of Ekurhuleni Metropolitan Municipality

[1] City of Ekurhuleni Metropolitan Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] City of Ekurhuleni Metropolitan Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[4] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

APPENDIX G · MUNICIPAL EVIDENCE SOURCES

17. Midvaal Local Municipality

[1] Midvaal Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] Midvaal Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] Executive Mayor Peter Teixeira - supporting evidence (midvaal.gov.za). Considered by 13 July 2026.

[4] Controls are strong and findings limited - supporting evidence (midvaal.gov.za). Considered by 13 July 2026.

18. Emfuleni Local Municipality

[1] Emfuleni Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] Department of Water and Sanitation regulatory assessment - official water and wastewater evidence. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[4] Executive Mayor Hassan Mosola Mako - supporting evidence (x.com). Considered by 13 July 2026.

19. Mogale City Local Municipality

[1] Mogale City Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] Mogale City Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[4] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

20. eThekweni Metropolitan Municipality

[1] eThekweni Metropolitan Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] eThekweni Metropolitan Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[4] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

21. uMngeni Local Municipality

[1] uMngeni Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] uMngeni Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[4] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

22. Msunduzi Local Municipality

[1] Msunduzi Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[4] Mayor Mzimkhulu Thebolla - supporting evidence (iol.co.za). Considered by 13 July 2026.

23. Newcastle Local Municipality

[1] Newcastle Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] Newcastle Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[4] Inkatha Freedom Party-led coalition in a hung council - supporting evidence (municipalities.co.za). Considered by 13 July 2026.

24. City of uMhlathuze Local Municipality

[1] City of uMhlathuze Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] City of uMhlathuze Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[4] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

25. Ray Nkonyeni Local Municipality

[1] Ray Nkonyeni Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] Ray Nkonyeni Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[4] African National Congress majority administration - supporting evidence (en.wikipedia.org). Considered by 13 July 2026.

APPENDIX G · MUNICIPAL EVIDENCE SOURCES

26. uMhlabuyalingana Local Municipality

[1] uMhlabuyalingana Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] uMhlabuyalingana Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[4] Inkatha Freedom Party-led coalition in a hung council - supporting evidence (coalitions.accord.org.za). Considered by 13 July 2026.

27. Polokwane Local Municipality

[1] Polokwane Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] Polokwane Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[4] Executive Mayor Makoro John Mpe - supporting evidence (polokwane.gov.za). Considered by 13 July 2026.

28. Greater Tzaneen Local Municipality

[1] Greater Tzaneen Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] Greater Tzaneen Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[4] African National Congress majority administration - supporting evidence (municipalities.co.za). Considered by 13 July 2026.

29. Lephalale Local Municipality

[1] Lephalale Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] Lephalale Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[4] Mayor Thabitha Modise - supporting evidence (lephalale.gov.za). Considered by 13 July 2026.

30. Fetakgomo Tubatse Local Municipality

[1] Fetakgomo Tubatse Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[4] Mayor Eddie Edwin Maila - supporting evidence (ftlm.gov.za). Considered by 13 July 2026.

31. Musina Local Municipality

[1] Musina Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] Musina Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] Mayor Nkhanedzeni Godfrey Mawela - supporting evidence (gov.za). Considered by 13 July 2026.

[4] African National Congress majority administration - supporting evidence (municipalities.co.za). Considered by 13 July 2026.

32. City of Mbombela Local Municipality

[1] City of Mbombela Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[3] Executive Mayor Sibongile Makushe-Mazibuko - supporting evidence (mbombela.gov.za). Considered by 13 July 2026.

[4] African National Congress majority administration - supporting evidence (municipalities.co.za). Considered by 13 July 2026.

33. Steve Tshwete Local Municipality

[1] Steve Tshwete Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] Steve Tshwete Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] African National Congress-led administration in a hung council - supporting evidence (municipalities.co.za). Considered by 13 July 2026.

34. Govan Mbeki Local Municipality

[1] Govan Mbeki Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[3] Executive Mayor Nhlakanipho G. Zuma - supporting evidence (govanmbeki.gov.za). Considered by 13 July 2026.

[4] Contains Secunda, eMbalenhle, Bethal, Evander and Kinross - supporting evidence (gov.za). Considered by 13 July 2026.

APPENDIX G · MUNICIPAL EVIDENCE SOURCES

35. Bushbuckridge Local Municipality

[1] Bushbuckridge Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[3] Executive Mayor Matlanatso Lydia Moroane - supporting evidence (bushbuckridge.gov.za). Considered by 13 July 2026.

[4] Distribution and free basic electricity duties continue - supporting evidence (bushbuckridge.gov.za). Considered by 13 July 2026.

36. Rustenburg Local Municipality

[1] Rustenburg Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[3] Executive Mayor Shiela Mabale-Huma - supporting evidence (rustenburg.gov.za). Considered by 13 July 2026.

[4] African National Congress-led administration in a hung council - supporting evidence (municipalities.co.za). Considered by 13 July 2026.

37. Mahikeng Local Municipality

[1] Mahikeng Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[3] Executive Mayor Tshepiso Mpehlo - supporting evidence (mahikeng.gov.za). Considered by 13 July 2026.

[4] African National Congress majority administration - supporting evidence (municipalities.co.za). Considered by 13 July 2026.

38. JB Marks Local Municipality

[1] JB Marks Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] JB Marks Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] Executive Mayor Gaba Thithiba Ka Qhele - supporting evidence (jbmaks.co.za). Considered by 13 July 2026.

[4] African National Congress-led administration in a hung council - supporting evidence (municipalities.co.za). Considered by 13 July 2026.

39. Greater Taung Local Municipality

[1] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[2] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[3] Mayor Nicholas Khonkhobe - supporting evidence (gov.za). Considered by 13 July 2026.

[4] African National Congress majority administration - supporting evidence (municipalities.co.za). Considered by 13 July 2026.

40. Sol Plaatje Local Municipality

[1] Sol Plaatje Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] Department of Water and Sanitation regulatory assessment - official water and wastewater evidence. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[4] Executive Mayor Martha Bartlett - supporting evidence (gov.za). Considered by 13 July 2026.

41. Dawid Kruiper Local Municipality

[1] Dawid Kruiper Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[4] Dawid Kruiper Local Municipality oversight and assurance record - council and audit evidence. Considered by 13 July 2026.

42. Nama Khoi Local Municipality

[1] Nama Khoi Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[4] Mayor Rodney Kritzinger - supporting evidence (gov.za). Considered by 13 July 2026.

APPENDIX G · MUNICIPAL EVIDENCE SOURCES

43. Renosterberg Local Municipality

[1] Renosterberg Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[3] Mayor Andrew Samson; African National Congress-led administration - supporting evidence (municipalities.co.za). Considered by 13 July 2026.

[4] Basic access and support receive limited credit - supporting evidence (municipalities.co.za). Considered by 13 July 2026.

44. Gamagara Local Municipality

[1] Gamagara Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[2] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[3] Mayor Johannes Theophilus Roman - supporting evidence (gamagara.gov.za). Considered by 13 July 2026.

[4] African National Congress-led administration in a hung council - supporting evidence (municipalities.co.za). Considered by 13 July 2026.

45. City of Cape Town Metropolitan Municipality

[1] City of Cape Town Metropolitan Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[3] Department of Water and Sanitation regulatory assessment - official water and wastewater evidence. Considered by 13 July 2026.

[4] Executive Mayor Geordin Hill-Lewis; Democratic Alliance majority administration - supporting evidence (web1.capetown.gov.za). Considered by 13 July 2026.

46. Stellenbosch Local Municipality

[1] Stellenbosch Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] Stellenbosch Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[4] Executive Mayor Jeremy Fasser - supporting evidence (stellenbosch.gov.za). Considered by 13 July 2026.

47. George Local Municipality

[1] George Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] George Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] Executive Mayor Browen Johnson - supporting evidence (george.gov.za). Considered by 13 July 2026.

[4] Democratic Alliance-led administration - supporting evidence (municipalities.co.za). Considered by 13 July 2026.

48. Swartland Local Municipality

[1] Swartland Municipality Annual Report 2024/25 - performance, economic, governance and service evidence. Considered by 13 July 2026.

[2] Swartland Municipality audited annual-report annexures 2024/25 - clean-audit and financial evidence. Considered by 13 July 2026.

[3] Swartland Water Services Development Plan - Blue Drop, losses and wastewater evidence. Considered by 13 July 2026.

[4] Swartland Municipality 2025/26 Adjustment Budget - liquidity, funding and capital evidence. Considered by 13 July 2026.

[5] Swartland Human Settlements Plan - housing, farmworker and spatial inclusion evidence. Considered by 13 July 2026.

[6] Swartland official investigation notice - governance and integrity evidence. Considered by 13 July 2026.

[7] Swartland official SAPS referral notice - integrity and consequence-management evidence. Considered by 13 July 2026.

49. Theewaterskloof Local Municipality

[1] Theewaterskloof Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] Theewaterskloof Local Municipality Audited Annual Financial Statements 2024/25 - audited financial evidence. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[4] Intervention and a mandatory recovery - supporting evidence (westerncape.gov.za). Considered by 13 July 2026.

50. Beaufort West Local Municipality

[1] Beaufort West Local Municipality Annual Report 2024/25 - performance, governance and service evidence. Considered by 13 July 2026.

[2] Auditor-General of South Africa 2024/25 local government audit outcome - independent audit findings. Considered by 13 July 2026.

[3] National Treasury municipal profile or budget review - official financial and classification evidence. Considered by 13 July 2026.

[4] Executive Mayor Georgina Duimpies - supporting evidence (beaufortwestmun.co.za). Considered by 13 July 2026.

APPENDIX G · IMAGE REGISTER

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5	Enoch Mgijima Local Municipality	Morn · van Rooyen · Attribution
6	King Sabata Dalindyebo Local Municipality	Uyingcwele · CC BY-S
7	Mbhashe Local Municipality	Fihliwe from Hobart, Australia · CC BY-S
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13	Matjhabeng Local Municipality	Caracal Rooikat · CC BY-S
14	City of Johannesburg Metropolitan Municipality	Mark Hillary · CC BY 2.0
15	City of Tshwane Metropolitan Municipality	Davinci77 · CC BY-S
16	City of Ekurhuleni Metropolitan Municipality	PretoriaTravel · CC BY-S
17	Midvaal Local Municipality	Simisa (talk · contribs) · CC BY-S
18	Emfuleni Local Municipality	Ceejayludick13 · CC BY-S
19	Mogale City Local Municipality	JMK · CC BY-S
20	eThekweni Metropolitan Municipality	Dennis Sylvester Hurd · CC BY 2.0
21	uMngeni Local Municipality	Stevan.Karalic · CC BY 3.0
22	Msunduzi Local Municipality	Janek Szymanowski · CC BY-S
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24	City of uMhlathuze Local Municipality	Ossewa · CC BY-S
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