



**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**





## ABOUT THIS PUBLICATION

## RESEARCH, AUTHORSHIP AND SCOPE

## SCOPE AND PURPOSE

## 50 MUNICIPALITIES ACROSS ALL NINE PROVINCES - NOT A NATIONAL CENSUS

All eight metros and a purposive, stratified sample of 42 local municipalities are assessed to explain why some fulfil their constitutional and service-delivery mandates while others fall short.

## TITLE

Local Government Report Card 2026 -  
Media Edition

## 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

## IMPORTANT NOTE

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



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## 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.

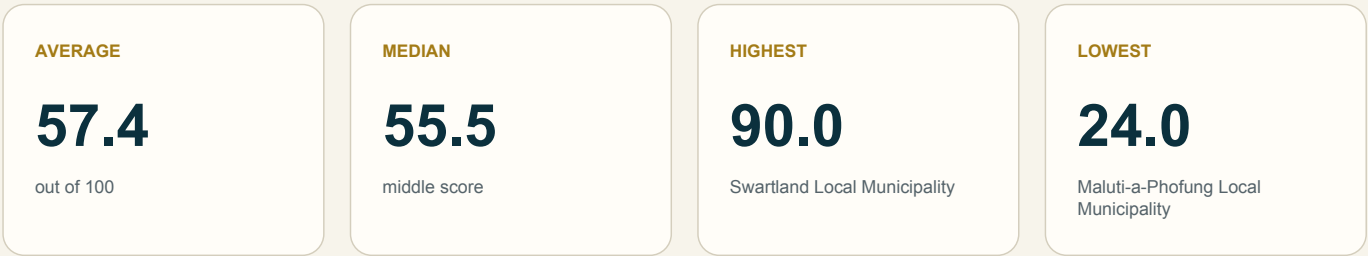
This report is neither a catalogue of failure nor a celebration of selected success. It is an instrument of constitutional accountability. It seeks to help residents ask sharper questions, journalists test public claims, councils confront institutional weaknesses, officials identify priorities and municipalities 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.

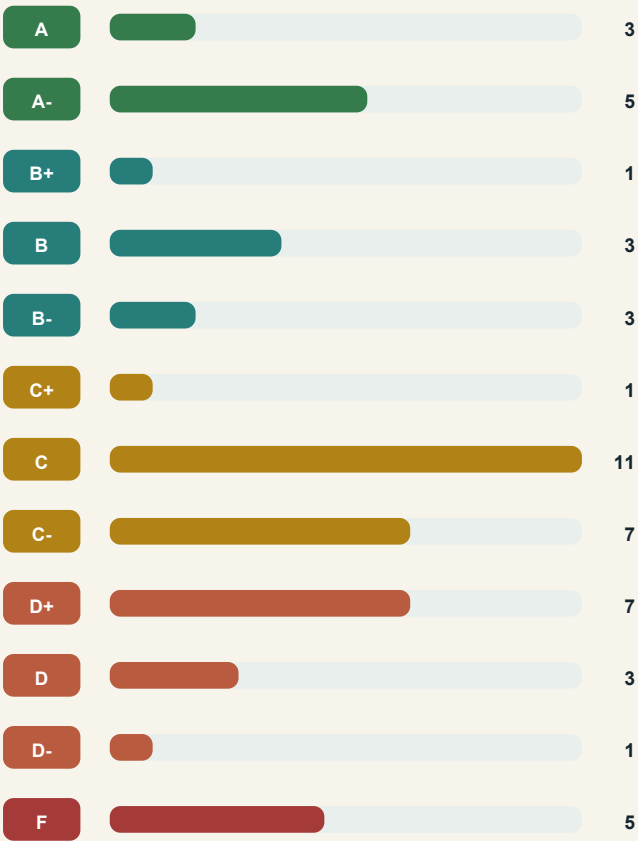
THE NATIONAL PICTURE

# ONE SYSTEM, SHARPLY DIFFERENT INSTITUTIONAL REALITIES

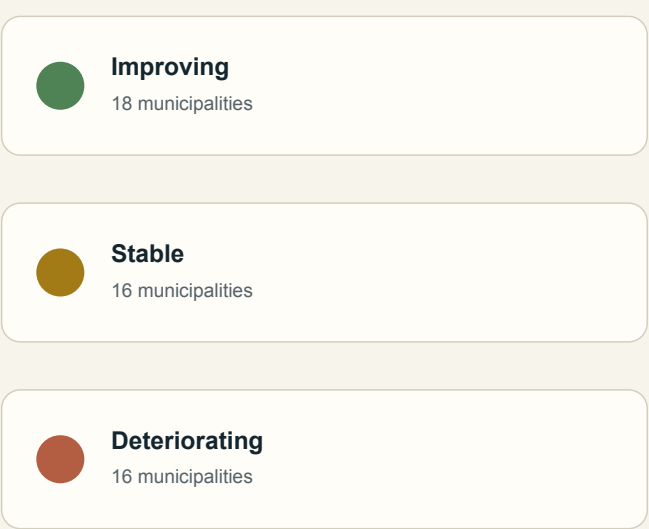
The 50-municipality sample is broad but not statistically representative.



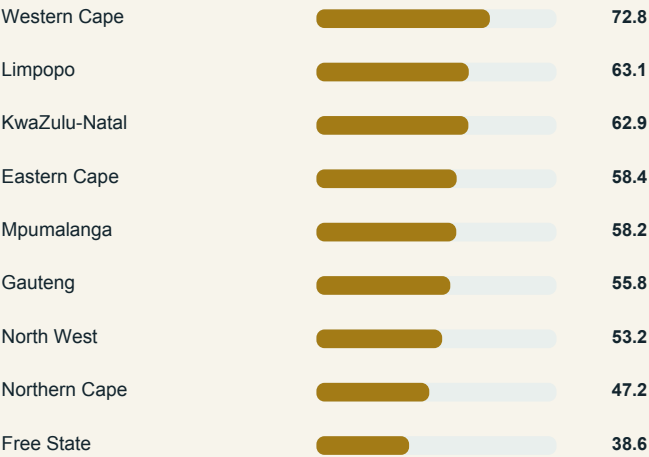
GRADE DISTRIBUTION



DIRECTION OF TRAVEL



PROVINCIAL AVERAGES



## ALL 50 MUNICIPALITIES

## NATIONAL RANKING 1-17

Scores determine grades automatically; trajectory is reported separately.

| RANK | MUNICIPALITY                                | PROVINCE      | SCORE | GRADE | DIRECTION     |
|------|---------------------------------------------|---------------|-------|-------|---------------|
| 1    | Swartland Local Municipality                | Western Cape  | 90.0  | A     | Improving     |
| 2    | George Local Municipality                   | Western Cape  | 87.5  | A     | Improving     |
| 3    | Stellenbosch Local Municipality             | Western Cape  | 86.0  | A     | Stable        |
| 4    | Midvaal Local Municipality                  | Gauteng       | 84.5  | A-    | Stable        |
| 5    | City of uMhlathuze Local Municipality       | KwaZulu-Natal | 83.0  | A-    | Deteriorating |
| 6    | Kouga Local Municipality                    | Eastern Cape  | 82.5  | A-    | Stable        |
| 7    | uMngeni Local Municipality                  | KwaZulu-Natal | 81.5  | A-    | Improving     |
| 8    | City of Cape Town Metropolitan Municipality | Western Cape  | 81.0  | A-    | Stable        |
| 9    | Greater Tzaneen Local Municipality          | Limpopo       | 75.5  | B+    | Improving     |
| 10   | Polokwane Local Municipality                | Limpopo       | 72.0  | B     | Improving     |
| 10   | Steve Tshwete Local Municipality            | Mpumalanga    | 72.0  | B     | Deteriorating |
| 12   | Mbhashe Local Municipality                  | Eastern Cape  | 71.0  | B     | Improving     |
| 13   | uMhlabuyalingana Local Municipality         | KwaZulu-Natal | 68.0  | B-    | Improving     |
| 14   | Ray Nkonyeni Local Municipality             | KwaZulu-Natal | 67.5  | B-    | Stable        |
| 15   | Matatiele Local Municipality                | Eastern Cape  | 65.8  | B-    | Stable        |
| 16   | Fetakgomo Tubatse Local Municipality        | Limpopo       | 64.3  | C+    | Improving     |
| 17   | King Sabata Dalindyebo Local Municipality   | Eastern Cape  | 59.5  | C     | Improving     |



## ALL 50 MUNICIPALITIES

## NATIONAL RANKING 18-34

Scores determine grades automatically; trajectory is reported separately.

| RANK | MUNICIPALITY                                 | PROVINCE      | SCORE | GRADE | DIRECTION     |
|------|----------------------------------------------|---------------|-------|-------|---------------|
| 18   | Mogale City Local Municipality               | Gauteng       | 58.5  | C     | Stable        |
| 18   | Nama Khoi Local Municipality                 | Northern Cape | 58.5  | C     | Improving     |
| 20   | Buffalo City Metropolitan Municipality       | Eastern Cape  | 58.0  | C     | Deteriorating |
| 21   | City of Mbombela Local Municipality          | Mpumalanga    | 57.0  | C     | Deteriorating |
| 21   | Dawid Kruiper Local Municipality             | Northern Cape | 57.0  | C     | Improving     |
| 21   | JB Marks Local Municipality                  | North West    | 57.0  | C     | Improving     |
| 24   | City of Ekurhuleni Metropolitan Municipality | Gauteng       | 56.0  | C     | Deteriorating |
| 25   | Bushbuckridge Local Municipality             | Mpumalanga    | 55.5  | C     | Stable        |
| 25   | Nelson Mandela Bay Metropolitan Municipality | Eastern Cape  | 55.5  | C     | Stable        |
| 27   | Rustenburg Local Municipality                | North West    | 55.0  | C     | Stable        |
| 28   | Gamagara Local Municipality                  | Northern Cape | 53.0  | C-    | Improving     |
| 29   | City of Tshwane Metropolitan Municipality    | Gauteng       | 52.5  | C-    | Improving     |
| 29   | Musina Local Municipality                    | Limpopo       | 52.5  | C-    | Deteriorating |
| 29   | eThekweni Metropolitan Municipality          | KwaZulu-Natal | 52.5  | C-    | Stable        |
| 32   | Mahikeng Local Municipality                  | North West    | 52.0  | C-    | Stable        |
| 33   | Lephalale Local Municipality                 | Limpopo       | 51.0  | C-    | Deteriorating |
| 34   | Beaufort West Local Municipality             | Western Cape  | 50.5  | C-    | Improving     |

## ALL 50 MUNICIPALITIES

## NATIONAL RANKING 35-50

Scores determine grades automatically; trajectory is reported separately.

| RANK | MUNICIPALITY                                   | PROVINCE      | SCORE | GRADE | DIRECTION                                                                                                          |
|------|------------------------------------------------|---------------|-------|-------|--------------------------------------------------------------------------------------------------------------------|
| 35   | City of Johannesburg Metropolitan Municipality | Gauteng       | 49.5  | D+    |  Deteriorating                  |
| 36   | Greater Taung Local Municipality               | North West    | 49.0  | D+    |  Improving                      |
| 37   | Govan Mbeki Local Municipality                 | Mpumalanga    | 48.5  | D+    |  Stable                         |
| 38   | Newcastle Local Municipality                   | KwaZulu-Natal | 46.5  | D+    |  Deteriorating                  |
| 39   | Dihlabeng Local Municipality                   | Free State    | 46.0  | D+    |  Improving                      |
| 40   | Enoch Mgijima Local Municipality               | Eastern Cape  | 45.5  | D+    |  Stable                       |
| 40   | Metsimaholo Local Municipality                 | Free State    | 45.5  | D+    |  Stable                       |
| 42   | Mangaung Metropolitan Municipality             | Free State    | 43.0  | D     |  Deteriorating                |
| 43   | Theewaterskloof Local Municipality             | Western Cape  | 42.0  | D     |  Deteriorating                |
| 44   | Msunduzi Local Municipality                    | KwaZulu-Natal | 41.5  | D     |  Improving                    |
| 45   | Sol Plaatje Local Municipality                 | Northern Cape | 38.5  | D-    |  Deteriorating                |
| 46   | Matjhabeng Local Municipality                  | Free State    | 34.5  | F     |  Deteriorating                |
| 47   | Emfuleni Local Municipality                    | Gauteng       | 33.5  | F     |  Deteriorating                |
| 48   | Makana Local Municipality                      | Eastern Cape  | 29.5  | F     |  Stable at a distressed level |
| 49   | Renosterberg Local Municipality                | Northern Cape | 29.0  | F     |  Deteriorating                |
| 50   | Maluti-a-Phofung Local Municipality            | Free State    | 24.0  | F     |  Deteriorating                |

## SCORING LOGIC

# THE GRADE IS THE SCORE - NOT AN EDITORIAL IMPRESSION

*One hundred tests produce five pillar totals; their sum fixes the grade.*

|                             |                      |            |                            |                          |
|-----------------------------|----------------------|------------|----------------------------|--------------------------|
| Services and infrastructure | Financial management | Governance | Integrity and transparency | Constitutional inclusion |
| 30                          | 25                   | 15         | 15                         | 15                       |

Full award = 1 point   Partial award = 0.5   Not met = 0  
**Five pillar totals = score /100 = automatic grade**

## AUTOMATIC GRADE SCALE

|                                                                                      |                                                                                |
|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <b>A+</b><br><b>95.0-100.0</b><br>Exceptional and constitutionally exemplary         | <b>C</b><br><b>55.0-59.9</b><br>Important strengths coexist with serious risks |
| <b>A</b><br><b>85.0-94.9</b><br>Excellent institutional performance                  | <b>C-</b><br><b>50.0-54.9</b><br>Fragile and under significant pressure        |
| <b>A-</b><br><b>80.0-84.9</b><br>Very strong, with identifiable remaining weaknesses | <b>D+</b><br><b>45.0-49.9</b><br>Weak                                          |
| <b>B+</b><br><b>75.0-79.9</b><br>Strong                                              | <b>D</b><br><b>40.0-44.9</b><br>Very weak                                      |
| <b>B</b><br><b>70.0-74.9</b><br>Good                                                 | <b>D-</b><br><b>35.0-39.9</b><br>Severely distressed                           |
| <b>B-</b><br><b>65.0-69.9</b><br>Generally sound, with material shortcomings         | <b>F</b><br><b>0.0-34.9</b><br>Institutional failure or near-failure           |
| <b>C+</b><br><b>60.0-64.9</b><br>Mixed but broadly functional                        |                                                                                |

## READER'S GUIDE

# HOW EACH MUNICIPAL BRIEF EXPLAINS ITS GRADE

*Every page joins the numeric score to the evidence that raised or reduced it.*

1

## IDENTITY AND SCORE

The municipality, province, automatic grade and current trajectory appear together.

2

## WHY THIS GRADE

The report's own grade verdict is reproduced prominently so the summary cannot contradict the score.

3

## FIVE-PILLAR TRACE

Each pillar shows the points earned, the maximum available and the decisive finding that shaped the award.

4

## MUNICIPAL RECORD

Longer verbatim extracts retain both positive evidence and the failures that held the score back.

5

## CONSTITUTIONAL READOUT

The closing extract connects service, finance and governance evidence to constitutional duties.

6

## DIRECTION IS SEPARATE

Improving, stable or deteriorating describes movement over time; it does not raise or lower the current grade.



## KEY FINDINGS

## EXECUTIVE SUMMARY

*A sharply uneven constitutional landscape. 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.

## WHAT THE EVIDENCE SHOWS

# SIX FINDINGS THAT EXPLAIN THE SCORE PATTERNS

*Institutional strength - or failure - compounds across pillars.*

## 1

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.

## 2

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.

## 3

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.

## 4

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.

## 5

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.

## 6

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.

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

Eastern Cape - Metropolitan municipality

## 58.0

**GRADE C**  
DETERIORATING

### PRINCIPAL CENTRE

East London

### CATEGORY / CODE

Category A metropolitan municipality | BUF

### LEADERSHIP / CONTROL

Executive Mayor Princess Faku | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE C

$17.5 + 12.0 + 10.0 + 7.0 + 11.5 = 58.0/100$

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

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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. The deductions concern reliability and renewal. Wastewater is the decisive weakness.

#### FINANCIAL MANAGEMENT

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. Average creditor payment took about 46 days rather than the statutory 30 days.

#### GOVERNANCE, INTEGRITY & INCLUSION

Governance is comparatively stronger. The municipal manager, chief financial officer and principal management structure were substantially in place. 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. Inclusion is Buffalo City's strongest proportional pillar.

#### CONSTITUTIONAL READOUT

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). Unequal ward-level outcomes also remain relevant to sections 9 and 10, concerning equality and dignity.

# Nelson Mandela Bay Metropolitan Municipality

Eastern Cape - Metropolitan municipality

## 55.5

GRADE C

STABLE

### PRINCIPAL CENTRE

Gqeberha

### CATEGORY / CODE

Category A metropolitan municipality | NMA

### LEADERSHIP / CONTROL

Executive Mayor Babalwa Lobishe | African National Congress-led coalition administration

### WHY THE EVIDENCE PRODUCES GRADE C

$14.5 + 13.5 + 8.5 + 7.0 + 12.0 = 55.5/100$

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

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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. The condition of the networks explains the deductions. Water losses were approximately 52.7%, while non-technical electricity losses were around 18.8%. Wastewater performance is poor.

#### FINANCIAL MANAGEMENT

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. 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.

#### GOVERNANCE, INTEGRITY & 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. Integrity earns 7.0/15. The metro's indigent programme, free-basic-services support and ward structures across all 60 wards justify a strong inclusion score.

#### CONSTITUTIONAL READOUT

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).



# Kouga Local Municipality

Eastern Cape - Sarah Baartman District Municipality

# 82.5

**GRADE A-**  
STABLE

## PRINCIPAL CENTRE

Jeffreys Bay

## CATEGORY / CODE

Category B3 small-town local municipality | EC108

## LEADERSHIP / CONTROL

Executive Mayor Hattingh Bornman | Democratic Alliance majority administration

## WHY THE EVIDENCE PRODUCES GRADE A-

22.5 + 23.0 + 13.5 + 11.5 + 12.0 = 82.5/100

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

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.

## FIVE-PILLAR SCORE TRACE

### 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.

## THE MUNICIPAL RECORD

### CONTEXT

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.

### SERVICES & INFRASTRUCTURE

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. The score is not higher because the method tests outcomes rather than reputation. Non-revenue water of about 36% limits the water-loss award. Wastewater is the principal weakness.

### FINANCIAL MANAGEMENT

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. The two deductions are mechanical. The municipality is therefore treated as financially strong, not flawless.

### GOVERNANCE, INTEGRITY & 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. Integrity scores 11.5/15. 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.

### CONSTITUTIONAL READOUT

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.

# Makana Local Municipality

Eastern Cape - Sarah Baartman District Municipality

## 29.5

**GRADE F**

STABLE AT A  
DISTRESSED LEVEL

### PRINCIPAL CENTRE

Makhanda

### CATEGORY / CODE

Category B2 large-town local municipality | EC104

### LEADERSHIP / CONTROL

Executive Mayor Yandiswa Vara | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE F

$6.5 + 1.5 + 7.5 + 4.5 + 9.5 = 29.5/100$

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

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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. Wastewater presents an acute public-health and environmental risk. No asset-stewardship point is awarded.

#### FINANCIAL MANAGEMENT

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. This is more serious than a qualification. 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.

#### GOVERNANCE, INTEGRITY & 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. 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. Makana's strongest proportional pillar is inclusion.

#### CONSTITUTIONAL READOUT

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). The lived consequences are also relevant to dignity under section 10.



# Enoch Mgijima Local Municipality

Eastern Cape - Chris Hani District Municipality

## 45.5

**GRADE D+**  
STABLE

### PRINCIPAL CENTRE

Komani

### CATEGORY / CODE

Category B2 large-town local municipality | EC139

### LEADERSHIP / CONTROL

Executive Mayor Madoda Papiyana | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE D+

15.0 + 5.0 + 8.5 + 5.5 + 11.5 = 45.5/100

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

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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. The service system remains weak. Electricity is the central failure.

#### FINANCIAL MANAGEMENT

The municipality submitted its statements and received a qualified opinion, accounting for two audit points. 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.

#### GOVERNANCE, INTEGRITY & 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%. Integrity earns 5.5/15. An audit-action plan, supply chain management rules, disclosure requirements and ethics mechanisms exist. The municipality reviewed its indigent register and reported a funded support package with ward-based application assistance.

#### CONSTITUTIONAL READOUT

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).



# King Sabata Dalindyebo Local Municipality

Eastern Cape - O. R. Tambo District Municipality

## 59.5

**GRADE C**  
IMPROVING

### PRINCIPAL CENTRE

Mthatha

### CATEGORY / CODE

Category B2 large-town local municipality | EC157

### LEADERSHIP / CONTROL

Executive Mayor Mkhanyiseli Dudumayo | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE C

$16.5 + 14.5 + 11.0 + 8.0 + 9.5 = 59.5/100$

***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.***

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

King Sabata Dalindyebo combines Mthatha and Mqanduli with extensive rural settlements and traditional-authority areas. It is the principal urban and economic centre of the O. R.

#### SERVICES & INFRASTRUCTURE

The score covers the municipality's own electricity network where licensed, refuse removal, local roads, stormwater, public facilities, planning and asset management. 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. Capital expenditure was approximately R121.4 million against an adjusted R220.5 million - about 55%.

#### FINANCIAL MANAGEMENT

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.

#### GOVERNANCE, INTEGRITY & INCLUSION

Council, audit, risk and Municipal Public Accounts Committee structures functioned. The unqualified audit and accessible annual report improve accountability, but they do not automatically resolve integrity questions. 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.

#### CONSTITUTIONAL READOUT

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.



# Mbhashe Local Municipality

Eastern Cape - Amathole District Municipality

# 71.0

**GRADE B**  
IMPROVING

## PRINCIPAL CENTRE

Dutywa, also known as Idutywa

## CATEGORY / CODE

Category B4 predominantly rural local municipality | EC121

## LEADERSHIP / CONTROL

Mayor Samkelo Nicholas Janda | African National Congress majority administration

## WHY THE EVIDENCE PRODUCES GRADE B

18.0 + 20.0 + 12.0 + 10.0 + 11.0 = 71.0/100

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

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.

## FIVE-PILLAR SCORE TRACE

### 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.

## THE MUNICIPAL RECORD

### CONTEXT

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.

### SERVICES & INFRASTRUCTURE

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. The 18.0/30 result should therefore be read carefully.

### FINANCIAL MANAGEMENT

Mbhashe retained an unqualified audit opinion for 2024/25. The score stops at 20.0 as per 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.

### GOVERNANCE, INTEGRITY & 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. Integrity scores 10.0/15. 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.

### CONSTITUTIONAL READOUT

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.



# Matatiele Local Municipality

Eastern Cape - Alfred Nzo District Municipality

## 65.8

**GRADE B-**  
STABLE

### PRINCIPAL CENTRE

Matatiele

### CATEGORY / CODE

Category B3 small-town local municipality | EC441

### LEADERSHIP / CONTROL

Mayor Patrick Stuurman | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE B-

15.8 + 18.5 + 11.5 + 9.0 + 11.0 = 65.8/100

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

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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. The municipality has built a comparatively strong cash position and continues capital work.

#### SERVICES & INFRASTRUCTURE

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.

#### FINANCIAL MANAGEMENT

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. The municipality received a qualified audit opinion, so it cannot obtain the unqualified or clean-audit points.

#### GOVERNANCE, INTEGRITY & 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. Integrity earns 9.0/15. Rural roads, electrification, refuse, social programmes and indigent support are central to Matatiele's inclusion score.

#### CONSTITUTIONAL READOUT

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.

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

Free State - Metropolitan municipality

## 43.0

**GRADE D**  
DETERIORATING

### PRINCIPAL CENTRE

Bloemfontein

### CATEGORY / CODE

Category A metropolitan municipality | MAN

### LEADERSHIP / CONTROL

Executive Mayor Gregory Nthatsi | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE D

$12.0 + 5.5 + 10.5 + 6.5 + 8.5 = 43.0/100$

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

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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. Wastewater is particularly serious.

#### FINANCIAL MANAGEMENT

The municipality submitted annual financial statements, but the audit opinion regressed to qualified. 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.

#### GOVERNANCE, INTEGRITY & INCLUSION

Mangaung rebuilt much of its senior structure. 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. Integrity scores 6.5/15. Ward and public-participation machinery continues across the metro and some township and infrastructure programmes advance inclusion.

#### CONSTITUTIONAL READOUT

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). Poor wastewater, disposal and environmental control engage sections 152(1)(d) and 24.



# Dihlabeng Local Municipality

Free State - Thabo Mofutsanyana District Municipality

## 46.0

**GRADE D+**  
IMPROVING

### PRINCIPAL CENTRE

Bethlehem

### CATEGORY / CODE

Category B2 large-town local municipality | FS192

### LEADERSHIP / CONTROL

Executive Mayor Tseki Tseki | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE D+

13.0 + 8.0 + 9.0 + 7.5 + 8.5 = 46.0/100

**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.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

Dihlabeng serves Bethlehem, Clarens, Fouriesburg, Paul Roux and Rosendal, combining a regional service centre, tourism, agriculture and smaller settlements. That progress is real. It does not erase a deeply distressed cash position or unsafe wastewater systems.

#### SERVICES & INFRASTRUCTURE

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.

#### FINANCIAL MANAGEMENT

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. The assessment-period budget was not sustainably funded. Problem expenditure was recorded and the audit movement supports some correction credit.

#### GOVERNANCE, INTEGRITY & 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. 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. Free basic services, ward structures and geographically accessible consultation continue.

#### CONSTITUTIONAL READOUT

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. Uneven indigent and settlement outcomes remain relevant to section 9.



# Metsimaholo Local Municipality

Free State - Fezile Dabi District Municipality

## 45.5

GRADE D+

STABLE

### PRINCIPAL CENTRE

Sasolburg

### CATEGORY / CODE

Category B2 large-town local municipality | FS204

### LEADERSHIP / CONTROL

Executive Mayor Jack Malindi | African Independent Congress-led coalition administration

### WHY THE EVIDENCE PRODUCES GRADE D+

12.0 + 9.0 + 9.5 + 5.5 + 9.5 = 45.5/100

**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.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

Water provision continues and losses of about 31% are at least measured. Wastewater is the decisive service failure. 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.

#### FINANCIAL MANAGEMENT

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. Revenue collection is the principal financial weakness. There is a genuine improvement in expenditure reporting.

#### GOVERNANCE, INTEGRITY & 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. Integrity is weaker than governance. The municipality maintains a reviewed indigent programme, funds free basic services and conducts public consultation across Sasolburg, Zamdela and the smaller settlements.

#### CONSTITUTIONAL READOUT

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. 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.



# Maluti-a-Phofung Local Municipality

Free State - Thabo Mofutsanyana District Municipality

## 24.0

**GRADE F**  
DETERIORATING

### PRINCIPAL CENTRE

Phuthaditjhaba

### CATEGORY / CODE

Category B3 small-town local municipality | FS194

### LEADERSHIP / CONTROL

Executive Mayor Tumelo Thebe | multiparty coalition administration

### WHY THE EVIDENCE PRODUCES GRADE F

$5.5 + 0.5 + 5.5 + 4.5 + 8.0 = 24.0/100$

**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.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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. The wider service record is one of acute distress. Wastewater is the clearest objective failure. That result follows directly from the regulatory evidence rather than from editorial description.

#### FINANCIAL MANAGEMENT

The financial score is almost nil because the positive standards could not be established. 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.

#### GOVERNANCE, INTEGRITY & 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. Recovery plans, procurement rules, ethical controls and some public material exist. The municipality's draft record identified approximately 36 821 indigent households and a free-basic-services framework.

#### CONSTITUTIONAL READOUT

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). Universal critical wastewater status engages section 24's environmental right and undermines dignity under section 10.



# Matjhabeng Local Municipality

Free State - Lejweleputswa District Municipality

# 34.5

**GRADE F**  
DETERIORATING

## PRINCIPAL CENTRE

Welkom

## CATEGORY / CODE

Category B1 secondary-city local municipality | FS184

## LEADERSHIP / CONTROL

Executive Mayor Thanduxolo Khalipha | African National Congress majority administration

## WHY THE EVIDENCE PRODUCES GRADE F

$8.5 + 5.0 + 7.0 + 7.0 + 7.0 = 34.5/100$

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

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.

## FIVE-PILLAR SCORE TRACE

### 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.

## THE MUNICIPAL RECORD

### CONTEXT

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.

### SERVICES & INFRASTRUCTURE

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. The severity lies in system loss and deterioration. About 43% of service-charge revenue was associated with estimated consumption. Wastewater blockages, pollution and slow remediation prevent points for compliant conveyance, treatment and environmental risk reduction.

### FINANCIAL MANAGEMENT

The municipality submitted statements and received a qualified rather than adverse or disclaimed opinion, earning two audit points. Almost every sustainability test then fails. Collections were approximately 51%, far below the first 80% threshold as per our grading. Unauthorised expenditure was approximately R946.3 million. Matjhabeng receives credit for recording and limited referral.

### GOVERNANCE, INTEGRITY & 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. Audit-action, supply chain management, ethical and disclosure systems exist, and core reports are public. The municipality funds indigent support and free basic services and maintains ward and planning consultations.

### CONSTITUTIONAL READOUT

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. 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).



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

Gauteng - Metropolitan municipality

## 49.5

**GRADE D+**  
DETERIORATING

### PRINCIPAL CENTRE

Johannesburg

### CATEGORY / CODE

Category A metropolitan municipality | JHB

### LEADERSHIP / CONTROL

Executive Mayor Sello "Dada" Morero | African National Congress-led Government of Local Unity

### WHY THE EVIDENCE PRODUCES GRADE D+

14.0 + 9.5 + 9.0 + 7.0 + 10.0 = 49.5/100

***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.***

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

Household access to water, sanitation, electricity and refuse remains broad. The condition of the systems is much weaker. Non-revenue water was approximately 44.8%, valued at about R3.84 billion. Electricity losses were approximately 29.8% of purchases. Road and stormwater work continues, yet pothole and flooding backlogs remain visible and the evidence does not establish timely citywide closure.

#### FINANCIAL MANAGEMENT

The consolidated municipal group received an unqualified opinion with findings, while the core municipality was qualified on sundry debtors and expenditure cut-off. Liquidity is the decisive weakness. Collections of approximately 85.9% clear the 80% and 85% thresholds as per our grading, but not 90% or 95%. The group recorded approximately R2.37 billion in irregular expenditure and R2.38 billion in unauthorised expenditure.

#### GOVERNANCE, INTEGRITY & INCLUSION

Repeated mayoral changes since 2016 disrupted priorities and the continuity needed for maintenance and revenue reform. The City retains sophisticated plans and entities, but results remain poor. Johannesburg publishes budgets, annual reports, financial statements and extensive performance and investor information. The expanded social package supports indigent households, and clinics, libraries, emergency services, housing and informal-settlement programmes have wide reach.

#### CONSTITUTIONAL READOUT

Broad access, the social package and participatory institutions advance sections 152(1)(a), 152(1)(b) and 152(1)(e). 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).



# City of Tshwane Metropolitan Municipality

Gauteng - Metropolitan municipality

52.5

GRADE C-  
IMPROVING

## PRINCIPAL CENTRE

Pretoria

## CATEGORY / CODE

Category A metropolitan municipality | TSH

## LEADERSHIP / CONTROL

Executive Mayor Nasiphi Moya | ActionSA-led multiparty coalition

## WHY THE EVIDENCE PRODUCES GRADE C-

15.5 + 10.0 + 9.0 + 7.5 + 10.5 = 52.5/100

***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.***

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.

## FIVE-PILLAR SCORE TRACE

### 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.

## THE MUNICIPAL RECORD

### CONTEXT

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.

### SERVICES & INFRASTRUCTURE

Tshwane operates all core metropolitan systems and continues large water, sanitation, electricity, road, refuse and public-facility programmes. Access and monitoring remain substantial. The networks remain under severe strain. Sanitation backlogs are material. Road, stormwater, lighting and facility programmes receive partial credit because work occurs across the metro, while backlogs and response times remain uneven.

### FINANCIAL MANAGEMENT

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. Current liabilities of approximately R22.92 billion exceeded current assets of about R16.51 billion. The audit opinion remained qualified. Collections cleared 80% on the consistent measure used, as per our grading.

### GOVERNANCE, INTEGRITY & INCLUSION

Mayor Moya took office in October 2024 after another coalition realignment. Performance is the main constraint. Tshwane publishes detailed audited reports, financial statements and an oversight report and maintains enquiry and complaint channels. This transparency makes recovery claims testable. The City maintains an indigent register, a funded social package and extensive ward and public-participation structures.

### CONSTITUTIONAL READOUT

The social package, participatory channels and capital investment advance sections 152(1)(b), 152(1)(e) and 153(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).



# City of Ekurhuleni Metropolitan Municipality

Gauteng - Metropolitan municipality

## 56.0

**GRADE C**  
DETERIORATING

### PRINCIPAL CENTRE

Germiston

### CATEGORY / CODE

Category A metropolitan municipality | EKU

### LEADERSHIP / CONTROL

Executive Mayor Nkosindiphile Xhakaza | African National Congress-led multiparty administration

### WHY THE EVIDENCE PRODUCES GRADE C

$18.0 + 9.5 + 10.5 + 7.5 + 10.5 = 56.0/100$

**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.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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. These strengths give Ekurhuleni the strongest service score of the three Gauteng metros in this batch. They do not establish uniformly reliable delivery. Asset stewardship illustrates the balance.

#### FINANCIAL MANAGEMENT

The audit regressed to a qualified opinion because of material weaknesses in consumer receivables and related information-technology controls. The adjusted budget was unfunded. Collections of approximately 86.7% earn the 80% and 85% points, but not 90%, as per our grading. Material unauthorised, irregular, fruitless and wasteful expenditure and procurement exposures were recorded.

#### GOVERNANCE, INTEGRITY & INCLUSION

Ekurhuleni's governance machinery remains comparatively capable. Permanent top leadership, most senior posts, a detailed performance system and functioning council structures support continuity. Audit-action, supply chain management, ethics and disclosure systems exist. The City publishes detailed reports, financial statements and substantial council information. The City funds a large indigent and free-basic-services programme and directs capital investment to townships and informal settlements.

#### CONSTITUTIONAL READOUT

Broad service access, township investment, indigent support and participatory structures advance sections 152(1)(b), 152(1)(c), 152(1)(e) and 153(a). 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). Recurring procurement-control findings reduce assurance under section 217(1).



# Midvaal Local Municipality

Gauteng - Sedibeng District Municipality

## 84.5

GRADE A-  
STABLE

### PRINCIPAL CENTRE

Meyerton

### CATEGORY / CODE

Category B2 large-town local municipality | GT422

### LEADERSHIP / CONTROL

Executive Mayor Peter Teixeira | Democratic Alliance majority administration

### WHY THE EVIDENCE PRODUCES GRADE A-

23.0 + 23.5 + 13.5 + 13.0 + 11.5 = 84.5/100

**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.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

Electricity is the strongest service component. Distribution, reliability, maintenance, metering and investment were credibly established, while losses of approximately 7.3% had declined materially. The deductions are material rather than cosmetic. Water losses were approximately 34.8%. Asset and capital systems are credible, and capital execution cleared both the 75% and 85% thresholds, as per our grading.

#### FINANCIAL MANAGEMENT

Finance is Midvaal's strongest pillar. The collection rate was approximately 90.4%, clearing the 80%, 85% and 90% thresholds but not 95%, as per our grading. Small irregular and fruitless and wasteful expenditure balances were disclosed, including a landfill-licence matter considered through the Municipal Public Accounts Committee.

#### GOVERNANCE, INTEGRITY & INCLUSION

Permanent qualified senior leadership, low disruption and stable political-administrative relations satisfy all five leadership tests. Repeated clean audits support the finding that remediation is effective and repeat findings limited. 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.

#### CONSTITUTIONAL READOUT

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.



# Emfuleni Local Municipality

Gauteng - Sedibeng District Municipality

# 33.5

**GRADE F**  
DETERIORATING

## PRINCIPAL CENTRE

Vanderbijlpark

## CATEGORY / CODE

Category B1 secondary-city local municipality | GT421

## LEADERSHIP / CONTROL

Executive Mayor Hassan Mosola Mako | African National Congress-led coalition administration

## WHY THE EVIDENCE PRODUCES GRADE F

6.5 + 5.0 + 7.0 + 8.0 + 7.0 = 33.5/100

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

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.

## FIVE-PILLAR SCORE TRACE

### 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.

## THE MUNICIPAL RECORD

### CONTEXT

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.

### SERVICES & INFRASTRUCTURE

Emfuleni still operates networks and retains broad inherited access. The 2024/25 record reports a strong drinking-water-quality result. Reliability and environmental safety are the constitutional problem. The municipality retains electricity responsibilities, yet ageing assets, theft, illegal connections, outages and financial attachments undermine the system. Fleet, disposal, illegal-dumping and complaint-response standards were not met. Asset information itself remained incomplete or contested.

### FINANCIAL MANAGEMENT

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. Billing machinery exists, but collections and debtor quality do not reach the first 80% threshold, as per our grading. The Auditor-General reported approximately R3.04 billion in overspending.

### GOVERNANCE, INTEGRITY & INCLUSION

A permanent municipal manager and chief financial officer provide an administrative base, while council, planning and oversight structures continue. Integrity is proportionally the strongest pillar because the public record contains core reports and evidence of a specific completed consequence. That earns the consequence point. Indigent support, free basic services and ward and Integrated Development Plan participation continue.

### CONSTITUTIONAL READOUT

The continuing indigent programme and participation processes provide limited advancement of sections 152(1)(e) and 153(a). 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).



# Mogale City Local Municipality

Gauteng - West Rand District Municipality

## 58.5

### GRADE C

STABLE

#### PRINCIPAL CENTRE

Krugersdorp

#### CATEGORY / CODE

Category B1 secondary-city local municipality | GT481

#### LEADERSHIP / CONTROL

Executive Mayor Lucky Godfrey Sele | African National Congress-led multiparty administration

#### WHY THE EVIDENCE PRODUCES GRADE C

$17.0 + 13.0 + 9.5 + 8.5 + 10.5 = 58.5/100$

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

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.

#### FIVE-PILLAR SCORE TRACE

##### 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.

#### THE MUNICIPAL RECORD

##### CONTEXT

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.

##### SERVICES & INFRASTRUCTURE

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. The evidence does not establish consistently good performance. Asset and capital systems exist and at least 75% of the adjusted capital programme was executed.

##### FINANCIAL MANAGEMENT

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. Billing and collection processes operate, but the consistent collection measure did not securely clear 80% and debtor impairment remained material. Expenditure control is a relative strength.

##### GOVERNANCE, INTEGRITY & INCLUSION

Permanent top administration, adopted plans and operating council and oversight structures support 9.5/15 in governance. Planning and performance reports exist, but reliability, target achievement and corrective outcomes support only partial awards beyond formal adoption. Audit-action, supply chain management and ethical systems exist, and the unqualified opinion was maintained. Indigent support, free basic services and extensive ward and sector consultation are documented.

##### CONSTITUTIONAL READOUT

Continued service provision, extensive participation and investment in disadvantaged areas advance sections 152(1)(b), 152(1)(c), 152(1)(e) and 153(a). 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.

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



# eThekweni Metropolitan Municipality

KwaZulu-Natal - Metropolitan municipality

## 52.5

GRADE C-  
STABLE

### PRINCIPAL CENTRE

Durban

### CATEGORY / CODE

Category A metropolitan municipality | ETH

### LEADERSHIP / CONTROL

Mayor Cyril Xaba | African National Congress-led multiparty administration

### WHY THE EVIDENCE PRODUCES GRADE C-

11.0 + 15.5 + 9.0 + 7.0 + 10.0 = 52.5/100

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

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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. Water reliability remained unacceptable in many communities. Wastewater is the defining constitutional failure. Waste collection continues, but landfill non-compliance, illegal dumping and environmental risk prevent most waste-management points.

#### FINANCIAL MANAGEMENT

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 audit was not clean. The largest financial deduction concerns expenditure control.

#### GOVERNANCE, INTEGRITY & INCLUSION

Cyril Xaba's election in July 2024 created a more stable political centre after earlier turbulence. Implementation is the main weakness. The Auditor-General identified material performance and project-tracking failures. eThekweni publishes extensive budgets, financial statements and reports, and maintains public and ward channels. The municipality funds a large indigent and free-basic-services programme and invests in townships, informal settlements and peri-urban communities.

#### CONSTITUTIONAL READOUT

The funded social package, broad access, participation and capital investment advance sections 152(1)(b), 152(1)(c), 152(1)(e) and 153(a). 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.



# uMngeni Local Municipality

KwaZulu-Natal - uMgungundlovu District Municipality

# 81.5

**GRADE A-**  
IMPROVING

## PRINCIPAL CENTRE

Howick

## CATEGORY / CODE

Category B2 large-town local municipality | KZN222

## LEADERSHIP / CONTROL

Mayor Chris Pappas | Democratic Alliance majority administration

## WHY THE EVIDENCE PRODUCES GRADE A-

24.0 + 19.5 + 13.5 + 12.0 + 12.5 = 81.5/100

***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.***

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.

## FIVE-PILLAR SCORE TRACE

### 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.

## THE MUNICIPAL RECORD

### CONTEXT

uMngeni joins Howick, Mpophomeni, Hilton, Merrivale, Nottingham Road and extensive farming and rural areas. 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.

### SERVICES & INFRASTRUCTURE

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. uMngeni spent approximately R82.27 million against a final adjusted PPE acquisition budget of R109.44 million, or 75.18%.

### FINANCIAL MANAGEMENT

Finance is a material strength. uMngeni received an unqualified audit opinion with findings and improved over the current administrative term. The budget and credible in-year position were funded and the current ratio exceeded 1.35. Cash is the principal weakness.

### GOVERNANCE, INTEGRITY & INCLUSION

Permanent senior leadership and stable political-administrative relations support the full 5.0/5 leadership result. 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. Indigent arrangements and free basic services are funded for assigned functions.

### CONSTITUTIONAL READOUT

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). The municipality is not constitutionally complete.



# Msunduzi Local Municipality

KwaZulu-Natal - uMgungundlovu District Municipality

# 41.5

**GRADE D**  
IMPROVING

## PRINCIPAL CENTRE

Pietermaritzburg

## CATEGORY / CODE

Category B1 secondary-city local municipality | KZN225

## LEADERSHIP / CONTROL

Mayor Mzimkhulu Thebolla | African National Congress-led minority administration

## WHY THE EVIDENCE PRODUCES GRADE D

$9.0 + 7.5 + 9.0 + 7.5 + 8.5 = 41.5/100$

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

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.

## FIVE-PILLAR SCORE TRACE

### 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.

## THE MUNICIPAL RECORD

### CONTEXT

Msunduzi governs Pietermaritzburg and surrounding township, peri-urban and rural communities. Its responsibilities and revenue base are substantial. Mayor Mzimkhulu Thebolla provides current political continuity, but this is an institutional assessment of council, administration and oversight across the evidence period.

### SERVICES & INFRASTRUCTURE

Msunduzi continues to operate water, sanitation, electricity, refuse, roads and public facilities. The Auditor-General identified severely deteriorated roads, inadequate drainage, sewage spillages, deficient routine maintenance and delayed responses to defects. Electricity distribution continues, but outages, losses, unsafe connections and an estimated 25 000 illegal connections weaken reliability, safety, metering and revenue protection.

### FINANCIAL MANAGEMENT

The most important positive result is the audit. Msunduzi improved to an unqualified opinion with findings for the first time in four years. That improvement cannot be counted again as liquidity. Msunduzi's audit outcome improved, but liquidity remained weak. Cash and cash equivalents increased from R495.99 million to R746.66 million.

### GOVERNANCE, INTEGRITY & INCLUSION

Permanent senior leadership, mayoral continuity, statutory plans, council, internal assurance and the Municipal Public Accounts Committee provide an institutional base. Audit remediation deserves credit because it produced a better opinion. 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. Indigent support, free basic services, ward structures and public consultation continue.

### CONSTITUTIONAL READOUT

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).



# Newcastle Local Municipality

KwaZulu-Natal - Amajuba District Municipality

## 46.5

**GRADE D+**  
DETERIORATING

### PRINCIPAL CENTRE

Newcastle, including Madadeni and Osizweni

### CATEGORY / CODE

Category B1 secondary-city local municipality | KZN252

### LEADERSHIP / CONTROL

Mayor Xolani Dube | Inkatha Freedom Party-led coalition in a hung council

### WHY THE EVIDENCE PRODUCES GRADE D+

16.5 + 6.5 + 8.5 + 5.0 + 10.0 = 46.5/100

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

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

Newcastle still provides water, sanitation, electricity, refuse, roads and community facilities at secondary-city scale. 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. A major gravity-main project delivered only 0.18 kilometres of a planned 8.5 kilometres.

#### FINANCIAL MANAGEMENT

Newcastle submitted its statements and ultimately received an unqualified audit opinion. The balance sheet is the decisive weakness. Current liabilities exceeded current assets by approximately R499.78 million. The municipality recorded a deficit of approximately R361.51 million. Payables rose to approximately R1.24 billion and creditors were not consistently paid within 30 days.

#### GOVERNANCE, INTEGRITY & 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. Integrity is the lowest non-financial pillar. 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.

#### CONSTITUTIONAL READOUT

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).



# City of uMhlathuze Local Municipality

KwaZulu-Natal - King Cetshwayo District Municipality

## 83.0

**GRADE A-**  
DETERIORATING

### PRINCIPAL CENTRE

Richards Bay and Empangeni

### CATEGORY / CODE

Category B1 secondary-city local municipality | KZN282

### LEADERSHIP / CONTROL

Mayor Xolani Ngwezi | Inkatha Freedom Party-led multiparty coalition

### WHY THE EVIDENCE PRODUCES GRADE A-

21.5 + 22.0 + 14.0 + 14.0 + 11.5 = 83.0/100

**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.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

The City retains capable technical departments and broad water, electricity and refuse reach. The Auditor-General reported no material finding on selected performance information. Water and wastewater provide the decisive deductions. The performance report recorded total water losses of 31% against a target below 29%. Only 57% of wastewater samples complied with water-use-licence conditions against a target above 90%.

#### FINANCIAL MANAGEMENT

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. Liquidity prevents a perfect finance result.

#### GOVERNANCE, INTEGRITY & 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. Integrity also scores 14.0/15. The City funds indigent support and free basic services across urban and traditional-authority areas.

#### CONSTITUTIONAL READOUT

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). 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.



# Ray Nkonyeni Local Municipality

KwaZulu-Natal - Ugu District Municipality

## 67.5

**GRADE B-**  
STABLE

### PRINCIPAL CENTRE

Port Shepstone

### CATEGORY / CODE

Category B2 large-town local municipality | KZN216

### LEADERSHIP / CONTROL

Mayor Zodwa Mzindle | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE B-

$16.5 + 14.5 + 13.0 + 11.5 + 12.0 = 67.5/100$

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

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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. Ugu District Municipality is the water-services authority.

#### SERVICES & INFRASTRUCTURE

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. Those percentages are not allowed to determine the whole service mark. Electricity losses remained a major challenge.

#### FINANCIAL MANAGEMENT

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. Revenue collection is a clear strength. Liquidity is the counterweight. The municipality also recorded approximately R188.23 million in current-year unauthorised expenditure.

#### GOVERNANCE, INTEGRITY & 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. Integrity receives a comparatively sound 11.5/15. 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.

#### CONSTITUTIONAL READOUT

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). 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).



# uMhlabuyalingana Local Municipality

KwaZulu-Natal - uMkhanyakude District Municipality

## 68.0

**GRADE B-**  
IMPROVING

### PRINCIPAL CENTRE

Manguzi, also known as Kwangwanase

### CATEGORY / CODE

Category B4 predominantly rural local municipality | KZN271

### LEADERSHIP / CONTROL

Mayor T. S. Khumalo | Inkatha Freedom Party-led coalition in a hung council

### WHY THE EVIDENCE PRODUCES GRADE B-

$18.5 + 14.0 + 14.0 + 9.5 + 12.0 = 68.0/100$

**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.**

The B- is generally sound after function adjustment, not a claim that all essential services are reliable. The trajectory is improving because 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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

uMhlabuyalingana stretches from dispersed traditional-authority settlements around Manguzi towards Kosi Bay and the Mozambique border. Poverty, distance, weak own-revenue capacity and environmental sensitivity shape municipal work. The function rule is essential.

#### SERVICES & INFRASTRUCTURE

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. Waste performance is less secure. The asset register and capital programme support good proportional awards.

#### FINANCIAL MANAGEMENT

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. Revenue collection is the serious weakness. Operating expenditure remained close to the adjusted budget.

#### GOVERNANCE, INTEGRITY & INCLUSION

The annual report states that the municipal manager, chief financial officer and other senior posts were filled. Organisational target achievement was 78%. Integrity scores lower because the public record is less complete about outcomes. The municipality's strongest constitutional work is rural access: roads, ward committees, public meetings, indigent-policy administration and free basic services.

#### CONSTITUTIONAL READOUT

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. Dispersed poverty and unequal access engage sections 9 and 10.

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

GREATER TZANEEN

LEPHALALE

FETAKGOMO TUBATSE

MUSINA



# Polokwane Local Municipality

Limpopo - Capricorn District Municipality

## 72.0

**GRADE B**  
IMPROVING

### PRINCIPAL CENTRE

Polokwane

### CATEGORY / CODE

Category B1 secondary-city local municipality | LIM354

### LEADERSHIP / CONTROL

Executive Mayor Makoro John Mpe | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE B

18.5 + 20.0 + 12.0 + 10.0 + 11.5 = 72.0/100

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

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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. The score recognises genuine financial and administrative strength.

#### SERVICES & INFRASTRUCTURE

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. Loss control deteriorated. Water distribution losses rose from 24% to 33%, with an audited value of approximately R112.82 million. Waste planning also requires attention.

#### FINANCIAL MANAGEMENT

Polokwane received an unqualified audit opinion after correcting material misstatements. The balance sheet is strong. Current assets of approximately R2.290 billion were about 1.92 times current liabilities. Customer receipts relative to rates and service-charge billing securely cleared the 80%, 85% and 90% thresholds, as per our grading. Expenditure control is the principal financial deduction.

#### GOVERNANCE, INTEGRITY & 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. Integrity scores 10.0/15. Polokwane funds indigent relief, ward committees, free basic services and capital projects across the city and rural settlements.

#### CONSTITUTIONAL READOUT

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).



# Greater Tzaneen Local Municipality

Limpopo - Mopani District Municipality

## 75.5

**GRADE B+**  
IMPROVING

### PRINCIPAL CENTRE

Tzaneen

### CATEGORY / CODE

Category B4 predominantly rural local municipality | LIM333

### LEADERSHIP / CONTROL

Mayor Odas Ngobeni | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE B+

19.5 + 20.0 + 14.0 + 10.5 + 11.5 = 75.5/100

**Strong cash, capital execution and sharply improving electricity losses support a high score, while debtor growth, incomplete projects and procurement-control failures remain material.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

Greater Tzaneen is an agricultural, tourism and service hub covering Tzaneen, Nkowankowa, Lenyenye, Haenertsburg and many rural settlements. Mopani District Municipality is the water-services authority, while Greater Tzaneen performs a documented provider role.

#### SERVICES & INFRASTRUCTURE

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. Electricity performance improved materially. The deductions concern the scale and proof of resilience. Several road, bridge, electrical and facility targets were not completed.

#### FINANCIAL MANAGEMENT

Greater Tzaneen received an unqualified opinion after audit corrections. It earns submission, non-adverse and unqualified points, but not clean-audit points. Cash receipts from rates and services were approximately 93% of the corresponding billed revenue, clearing the 80%, 85% and 90% thresholds. The deductions arise from debtors and compliance.

#### GOVERNANCE, INTEGRITY & 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. Integrity is lower at 10.5/15. Indigent support, ward structures, roads and public facilities reach township and rural communities.

#### CONSTITUTIONAL READOUT

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).



# Lephalale Local Municipality

Limpopo - Waterberg District Municipality

## 51.0

**GRADE C-**  
DETERIORATING

### PRINCIPAL CENTRE

Lephalale

### CATEGORY / CODE

Category B3 small-town local municipality | LIM362

### LEADERSHIP / CONTROL

Mayor Thabitha Modise | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE C-

15.5 + 11.5 + 8.0 + 6.5 + 9.5 = 51.0/100

**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.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

Lephalale is an energy, mining, agriculture and tourism centre in the Waterberg. Mayor Thabitha Modise took office in May 2026.

#### SERVICES & INFRASTRUCTURE

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 operating trend was weaker. Planned water and sanitation connections recorded no annual achievement. Major bulk-storage and pipeline projects remained at approximately 64% and 62% completion.

#### FINANCIAL MANAGEMENT

Lephalale sustained an unqualified audit opinion. Material financial and performance misstatements and compliance findings remained, so the result was not clean. The current ratio of approximately 1.68 exceeded the 1.5 norm. Revenue collection was approximately 75%, below the first locked threshold of 80%. Unauthorised expenditure of approximately R2.38 million was recorded.

#### GOVERNANCE, INTEGRITY & 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. Integrity scores 6.5/15 because the distance between policy and consequence remains large. Lephalale maintains indigent support, free basic services and public participation across urban and village communities.

#### CONSTITUTIONAL READOUT

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). Unequal village outcomes engage sections 9 and 10.

# Fetakgomo Tubatse Local Municipality

Limpopo - Sekhukhune District Municipality

## 64.3

**GRADE C+**  
IMPROVING

### PRINCIPAL CENTRE

Burgersfort

### CATEGORY / CODE

Category B4 predominantly rural local municipality | LIM476

### LEADERSHIP / CONTROL

Mayor Eddie Edwin Maila | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE C+

$17.3 + 16.5 + 11.5 + 8.5 + 10.5 = 64.3/100$

***A third unqualified opinion, solid capital delivery and growing cash support improvement, while maintenance, procurement and rapid-growth pressures constrain the grade.***

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

Fetakgomo Tubatse combines Burgersfort, mining settlements, traditional-authority areas and a large rural population. Water and sanitation gaps remain critical to residents, but exclusive district operations are not scored as failures of the local council.

#### SERVICES & INFRASTRUCTURE

The municipality delivered electrification, roads and community projects, including several electrification schemes reported at full grant expenditure. Total capital expenditure was approximately R283 million. Maintenance and service reach are less secure. Repairs and maintenance did not match the 8% benchmark. Water and sanitation projects administered by the district remain constitutionally important.

#### FINANCIAL MANAGEMENT

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. Revenue was approximately R1.23 billion and the municipality reported a surplus of roughly R165.4 million. Creditor and bulk-payment systems were generally functional.

#### GOVERNANCE, INTEGRITY & INCLUSION

Stable senior administration, functioning planning structures and a detailed annual report support 11.5/15 for governance. Council, internal assurance and oversight continued. Repeated unqualified opinions support remediation credit under integrity, but do not prove full consequence management. Inclusion is judged against an unusually demanding local context.

#### CONSTITUTIONAL READOUT

Roads, electrification, indigent assistance and participation advance sections 152(1)(b), 152(1)(c), 152(1)(e) and 153(a). 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.



# Musina Local Municipality

Limpopo - Vhembe District Municipality

## 52.5

**GRADE C-**  
DETERIORATING

### PRINCIPAL CENTRE

Musina

### CATEGORY / CODE

Category B3 small-town local municipality | LIM341

### LEADERSHIP / CONTROL

Mayor Nkhanedzeni Godfrey Mawela | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE C-

$15.0 + 12.5 + 10.0 + 5.5 + 9.5 = 52.5/100$

***A strategically important border municipality remains functional, but weak project completion, late payment and unresolved expenditure controls are increasing institutional risk.***

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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. They do not alter the scoring thresholds. Vhembe District Municipality holds the principal water-services authority responsibility.

#### SERVICES & INFRASTRUCTURE

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. The deductions arise at the point where activity must become a completed result. These are not isolated accounting variances. Maintenance and resilience evidence is similarly mixed.

#### FINANCIAL MANAGEMENT

Musina submitted financial statements and received an unqualified audit opinion. That secures the submission, non-adverse and unqualified reporting points. The municipality maintained billing and a reported collection rate in the middle eighties. Liquidity and payment discipline are less secure. The audited record also identifies approximately R35.59 million in irregular expenditure.

#### GOVERNANCE, INTEGRITY & 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. Integrity scores only 5.5/15. Inclusion earns 9.5/15.

#### CONSTITUTIONAL READOUT

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). Incomplete capital projects and uneven maintenance weaken sustainable service provision under section 152(1)(b). Divided water responsibility also makes cooperative government under section 41(1)(h) essential.

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

Mpumalanga - Ehlanzeni District Municipality

## 57.0

**GRADE C**  
DETERIORATING

### PRINCIPAL CENTRE

Mbombela

### CATEGORY / CODE

Category B1 secondary-city local municipality | MP326

### LEADERSHIP / CONTROL

Executive Mayor Sibongile Makushe-Mazibuko | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE C

15.0 + 10.0 + 12.0 + 8.5 + 11.5 = 57.0/100

***A capable capital and governance platform is being overwhelmed by a severe working-capital crisis, rising electricity losses and incomplete infrastructure.***

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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. Electricity losses are a particularly clear warning.

#### FINANCIAL MANAGEMENT

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. The balance sheet explains the concern. Collection cleared the first 80% threshold, as per our grading, but did not securely meet the higher cumulative standards. Expenditure control is the weakest component.

#### GOVERNANCE, INTEGRITY & 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. Integrity receives 8.5/15. 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.

#### CONSTITUTIONAL READOUT

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 working-capital deficit, limited cash and late payment fall short of the efficient and economic use of resources required by section 195(1)(b).

# Steve Tshwete Local Municipality

Mpumalanga - Nkangala District Municipality

72.0

GRADE B  
DETERIORATING

## PRINCIPAL CENTRE

Middelburg

## CATEGORY / CODE

Category B1 secondary-city local municipality | MP313

## LEADERSHIP / CONTROL

Executive Mayor Petros Mhlonishwa Masilela | African National Congress-led administration in a hung council

## WHY THE EVIDENCE PRODUCES GRADE B

20.0 + 18.5 + 12.0 + 11.0 + 10.5 = 72.0/100

**A capable municipal platform remains financially and operationally strong, but audit regression is a serious warning against complacency.**

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.

## FIVE-PILLAR SCORE TRACE

### 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.

## THE MUNICIPAL RECORD

### CONTEXT

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.

### SERVICES & INFRASTRUCTURE

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. The remaining ten points are lost across resilience tests rather than through a single collapse. Asset and capital systems are functioning, yet maintenance did not securely reach the report's 8% benchmark for property, plant and equipment.

### FINANCIAL MANAGEMENT

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. The central deduction is the audit opinion. Expenditure controls remain comparatively sound.

### GOVERNANCE, INTEGRITY & INCLUSION

Governance earns 12.0/15. The municipal manager, chief financial officer and critical senior structures were substantially in place. 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. Integrity receives 11.0/15. Inclusion scores 10.5/15.

### CONSTITUTIONAL READOUT

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). The qualified opinion falls short of financial accountability and transparency under sections 195(1)(f) and 195(1)(g).



# Govan Mbeki Local Municipality

Mpumalanga - Gert Sibande District Municipality

## 48.5

GRADE D+

STABLE

### PRINCIPAL CENTRE

Secunda

### CATEGORY / CODE

Category B1 secondary-city local municipality | MP307

### LEADERSHIP / CONTROL

Executive Mayor Nhlakanipho G. Zuma | African National Congress-led administration

### WHY THE EVIDENCE PRODUCES GRADE D+

14.5 + 7.5 + 8.5 + 7.5 + 10.5 = 48.5/100

***A better audit opinion sits above deep insolvency, bulk debt and wastewater risk in a municipality with a powerful industrial tax base.***

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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. Reliability and lawful treatment are materially weaker. Electricity interruptions, losses, illegal connections and limited renewal evidence reduce that component.

#### FINANCIAL MANAGEMENT

The audit outcome improved to unqualified with findings. It did not achieve a clean audit. That reporting improvement sits above a severe balance-sheet problem. Consumer debtors were approximately R3.57 billion, of which about R2.95 billion was impaired. The expenditure-control award recognises that records exist and that the audit opinion improved.

#### GOVERNANCE, INTEGRITY & INCLUSION

Governance earns 8.5/15. Senior management, statutory plans, council and assurance structures continued to operate. Integrity receives 7.5/15. Audit action and supply chain management systems exist, and important documents are published. 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.

#### CONSTITUTIONAL READOUT

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). Wastewater pollution and material environmental risk fall short of section 152(1)(d) and engage the environmental right in section 24.

# Bushbuckridge Local Municipality

Mpumalanga - Ehlanzeni District Municipality

55.5

GRADE C

STABLE

## PRINCIPAL CENTRE

Bushbuckridge

## CATEGORY / CODE

Category B4 predominantly rural local municipality | MP325

## LEADERSHIP / CONTROL

Executive Mayor Matlanatso Lydia Moroane | African National Congress majority administration

## WHY THE EVIDENCE PRODUCES GRADE C

16.5 + 11.0 + 9.5 + 8.5 + 10.0 = 55.5/100

**A large rural municipality has credible institutional continuity, but profound sanitation, refuse and road backlogs still shape residents' daily reality.**

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.

## FIVE-PILLAR SCORE TRACE

### 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.

## THE MUNICIPAL RECORD

### CONTEXT

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. The evidence contains a sharp contrast.

### SERVICES & INFRASTRUCTURE

Electricity is the strongest component. Distribution and free basic electricity duties continue, access is extensive and local electrification programmes are visible. Water access and projects earn baseline and partial points, but reliability, losses and funded renewal are not consistently demonstrated. The road network is extensive and includes large gravel and rural backlogs.

### FINANCIAL MANAGEMENT

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. Liquidity is weak. The reviewed cash and current-ratio evidence does not meet the upper funded-budget and prudent-buffer standards. Creditor records and bulk-payment systems continued to operate, producing a moderate award.

### GOVERNANCE, INTEGRITY & 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. Integrity earns 8.5/15. An audit action plan and oversight processes exist, while important reports and procurement information are published. Inclusion receives 10.0/15.

### CONSTITUTIONAL READOUT

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). 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).



## 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

North West - Bojanala Platinum District Municipality

## 55.0

GRADE C

STABLE

### PRINCIPAL CENTRE

Rustenburg

### CATEGORY / CODE

Category B1 secondary-city local municipality | NW373

### LEADERSHIP / CONTROL

Executive Mayor Shiela Mabale-Huma | African National Congress-led administration in a hung council

### WHY THE EVIDENCE PRODUCES GRADE C

18.0 + 10.5 + 9.5 + 7.0 + 10.0 = 55.0/100

**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.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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. Operational outcomes are more mixed. The asset register and capital programme are functioning.

#### FINANCIAL MANAGEMENT

Rustenburg submitted financial statements, and the opinion was neither adverse nor disclaimed. 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. Collection remained below the first 80% threshold, as per our grading. Operating and problem expenditure were recorded, while financial and procurement controls continued to function in part.

#### GOVERNANCE, INTEGRITY & INCLUSION

Governance receives 9.5/15. Senior administration, council and assurance structures remain operational, and statutory plans are produced. Integrity scores 7.0/15. Audit-action, supply chain management and ethics arrangements exist and important public documents are accessible. Inclusion earns 10.0/15. Indigent support, ward structures and capital investment reach townships, mining settlements and poorer areas.

#### CONSTITUTIONAL READOUT

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). Negative working capital and collection below 80% weaken sustainable service provision and efficient resource use under sections 152(1)(b) and 195(1)(b).



# Mahikeng Local Municipality

North West - Ngaka Modiri Molema District Municipality

## 52.0

GRADE C-  
STABLE

### PRINCIPAL CENTRE

Mahikeng

### CATEGORY / CODE

Category B2 large-town local municipality | NW383

### LEADERSHIP / CONTROL

Executive Mayor Tshepiso Mpehlo | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE C-

15.0 + 10.0 + 9.0 + 8.0 + 10.0 = 52.0/100

**The provincial capital remains operational, but qualified reporting, weak liquidity, low refuse coverage and public-realm decline constrain constitutional performance.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

Mahikeng is the administrative capital of North West and includes the urban centre, Mmabatho, townships, villages and rural settlements. The function rule is essential. Mahikeng is not marked down for district-only treatment, network or pump duties.

#### SERVICES & INFRASTRUCTURE

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. Road, stormwater and public-facility work continued in the provincial capital and surrounding settlements. The asset register and capital programme earn partial credit.

#### FINANCIAL MANAGEMENT

The municipality submitted financial statements and the opinion was neither adverse nor disclaimed. Liquidity is the principal financial weakness. Creditor balances were disclosed and the reviewed evidence did not establish a bulk default at the scale found in the most distressed municipalities.

#### GOVERNANCE, INTEGRITY & INCLUSION

Governance earns 9.0/15. Senior leadership and the statutory planning cycle continued, council and essential committees functioned and assurance structures were present. Integrity receives 8.0/15. Audit-remediation, supply chain management and oversight mechanisms exist. Repeat qualification shows that action was not fully effective. Inclusion scores 10.0/15. Indigent assistance, participation processes and capital work extend beyond the stronger administrative core.

#### CONSTITUTIONAL READOUT

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). Weak liquidity and collection threaten sustainable service provision and efficient resource use under sections 152(1)(b) and 195(1)(b). Unequal public-realm and service outcomes bear on sections 9 and 10.



# JB Marks Local Municipality

North West - Dr Kenneth Kaunda District Municipality

## 57.0

**GRADE C**  
IMPROVING

### PRINCIPAL CENTRE

Potchefstroom

### CATEGORY / CODE

Category B1 secondary-city local municipality | NW405

### LEADERSHIP / CONTROL

Executive Mayor Gaba Thithiba Ka Qhele | African National Congress-led administration in a hung council

### WHY THE EVIDENCE PRODUCES GRADE C

$17.5 + 9.0 + 11.0 + 9.0 + 10.5 = 57.0/100$

**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.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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. Continuity and condition remain uneven. Road, facility and capital programmes receive partial credit, but preventive maintenance and documented fault closure are not uniformly demonstrated.

#### FINANCIAL MANAGEMENT

The audit opinion improved to unqualified with findings. 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. Collection remained below 80%, so only partial credit is available for the existence of billing and credit-control systems.

#### GOVERNANCE, INTEGRITY & INCLUSION

Governance earns 11.0/15. The municipal manager, chief financial officer and principal administration were substantially in place. 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. Inclusion scores 10.5/15. Indigent support, ward participation and investment reach Ikageng, Ventersdorp, rural areas and smaller settlements.

#### CONSTITUTIONAL READOUT

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). 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).



# Greater Taung Local Municipality

North West - Dr Ruth Segomotsi Mompati District Municipality

## 49.0

**GRADE D+**  
IMPROVING

### PRINCIPAL CENTRE

Taung

### CATEGORY / CODE

Category B4 predominantly rural local municipality | NW394

### LEADERSHIP / CONTROL

Mayor Itumeleng Maribe | African National Congress majority administration

### WHY THE EVIDENCE PRODUCES GRADE D+

14.0 + 11.0 + 8.5 + 6.0 + 9.5 = 49.0/100

**The audit improved to unqualified with findings, while local projects and cash reserves continue, but weak expenditure control and a narrow directly assigned service bundle hold the result to D+.**

The D+ reflects an operating local council whose audit opinion improved but which has not yet demonstrated reliable expenditure control or consistent completion. The first priority is to convert audit improvement into durable controls and a complete evidence trail from expenditure to functioning projects. The trajectory is improving from a low base: the audit opinion moved favourably, while maintenance, project completion and accountability weaknesses still require decisive correction.

### FIVE-PILLAR SCORE TRACE

#### 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-with-findings audit improves reporting credit, while grant dependence and weak expenditure control constrain recovery.

#### Governance

8.5/15

Senior administration and statutory structures function, while capacity and implementation remain uneven.

#### Integrity

6.0/15

Action plans and oversight exist, but weak expenditure records and limited proof of completed consequences reduce the result.

#### Inclusion

9.5/15

Rural roads, facilities and local economic programmes matter, while district backlogs still shape lived conditions.

### THE MUNICIPAL RECORD

#### CONTEXT

Greater Taung is a dispersed rural municipality of villages, agricultural land and traditional communities. 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.

#### SERVICES & INFRASTRUCTURE

The municipality continued road projects, high-mast lighting, community-facility work, refuse activities and local economic programmes. The 2024/25 evidence records continuing service work, but completion evidence remains uneven. 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.

#### FINANCIAL MANAGEMENT

The 2024/25 audit 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, while material findings remain. Greater Taung is heavily grant-dependent, and weak expenditure control, register quality and incomplete recovery continue to limit the financial result.

#### GOVERNANCE, INTEGRITY & INCLUSION

Governance earns 8.5/15. Senior leadership, the Integrated Development Plan, budget, performance system, council and assurance structures continued to function. Integrity is 6.0/15. Audit-action, supply chain management and oversight arrangements exist, but remaining findings and misstated expenditure registers show that remediation and quality control are not yet effective enough. Inclusion receives 9.5/15. Partial points recognise this effort.

#### CONSTITUTIONAL READOUT

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 audit supports accountability, but weak expenditure registers and incomplete consequences still fall short of transparent administration under sections 195(1)(f) and 195(1)(g).

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 KUIPER

GAMAGARA

NAMA KHOI



# Sol Plaatje Local Municipality

Northern Cape - Frances Baard District Municipality

## 38.5

**GRADE D-**  
DETERIORATING

### PRINCIPAL CENTRE

Kimberley

### CATEGORY / CODE

Category B1 secondary-city local municipality | NC091

### LEADERSHIP / CONTROL

Executive Mayor Martha Bartlett | African National Congress-led administration

### WHY THE EVIDENCE PRODUCES GRADE D-

$10.5 + 5.0 + 8.0 + 6.5 + 8.5 = 38.5/100$

**Kimberley's broad inherited service networks are being undermined by catastrophic water losses, bulk debt, qualified reporting and weak remediation.**

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.

### FIVE-PILLAR SCORE TRACE

#### Services and infrastructure

10.5/30

Broad access remains, but water and electricity losses, interruptions 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.

### THE MUNICIPAL RECORD

#### CONTEXT

Sol Plaatje centres on Kimberley and serves townships, suburbs and surrounding settlements through extensive inherited water, sanitation, electricity, refuse and road networks.

#### SERVICES & INFRASTRUCTURE

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. The Auditor-General recorded water losses of approximately 67%. Sol Plaatje's 2024 Green Drop score was 32.4%, down from 34.0% in 2021 and still within the poor-performance range. Refuse is the strongest service component because scheduled collection reaches a broad share of households.

#### FINANCIAL MANAGEMENT

Financial statements were submitted and the opinion was neither adverse nor disclaimed, earning two audit points. Severe liquidity and going-concern pressure fail all five funded-budget and cash tests. Creditors were approximately R1.40 billion, including Eskom debt of about R1.03 billion and material water-related arrears. The November 2025 Section 71 report recorded a 69% ward-based collection result and an approximately 79% broader municipal average. Operating and problem expenditure were disclosed, which is recognised.

#### GOVERNANCE, INTEGRITY & INCLUSION

Governance earns 8.0/15. Senior leadership, statutory planning, council and assurance structures continued to function. Integrity receives 6.5/15. Audit-action, supply chain management and oversight mechanisms exist, and the municipality publishes important plans and financial documents. Inclusion scores 8.5/15.

#### CONSTITUTIONAL READOUT

Broad inherited access, indigent support and ward participation provide partial fulfilment of sections 152(1)(b), 152(1)(c) and 152(1)(e). 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).



# Dawid Kruiper Local Municipality

Northern Cape - ZF Mgcawu District Municipality

## 57.0

**GRADE C**  
IMPROVING

### PRINCIPAL CENTRE

Uptington

### CATEGORY / CODE

Category B2 large-town local municipality | NC087

### LEADERSHIP / CONTROL

Executive Mayor Dawid Kazi | African National Congress-led administration

### WHY THE EVIDENCE PRODUCES GRADE C

$17.5 + 12.0 + 9.5 + 7.5 + 10.5 = 57.0/100$

**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.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

Dawid Kruiper joins Uptington to an extensive, sparsely settled Kalahari hinterland. Uptington carries the principal commercial and administrative load, while distance increases the cost of road maintenance, refuse collection, water operations and emergency response.

#### SERVICES & INFRASTRUCTURE

The service score begins with a functioning municipal platform. Water, sanitation, electricity, refuse, roads and community facilities continued to operate. The distinction between a partial and full award is nevertheless important. The same discipline applies to maintenance and asset resilience. Refuse, roads and stormwater programmes continue across a difficult geography.

#### FINANCIAL MANAGEMENT

The audit outcome improved from qualified to unqualified with findings. Liquidity is the more serious restraint. 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. The expenditure-control award recognises disclosure and formal section 32 processes for unauthorised, irregular, fruitless and wasteful expenditure.

#### GOVERNANCE, INTEGRITY & INCLUSION

Governance earns 9.5/15. Council, the audit committee, internal assurance, planning and statutory reporting structures operated. Integrity receives 7.5/15. Audit-action, supply chain management and disclosure arrangements exist, and important reports are published. Inclusion scores 10.5/15. Indigent support, free basic services and network investment benefit poorer households and remote communities.

#### CONSTITUTIONAL READOUT

Continued water, sanitation, electricity and refuse services advance sustainable service provision under section 152(1)(b) of the Constitution. High water losses, incomplete maintenance and unequal geographic reliability qualify fulfilment of section 152(1)(b). Unequal service experience also bears on dignity and equality under sections 10 and 9.



# Nama Khoi Local Municipality

Northern Cape - Namakwa District Municipality

## 58.5

**GRADE C**  
IMPROVING

### PRINCIPAL CENTRE

Springbok

### CATEGORY / CODE

Category B3 small-town local municipality | NC062

### LEADERSHIP / CONTROL

Mayor Rodney Kritzinger | coalition administration in a hung council

### WHY THE EVIDENCE PRODUCES GRADE C

14.0 + 18.5 + 9.0 + 7.0 + 10.0 = 58.5/100

***A stronger balance sheet and an unqualified opinion are genuine advances, but slow capital delivery and large unresolved expenditure balances keep the recovery incomplete.***

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.

### FIVE-PILLAR SCORE TRACE

#### Services and infrastructure

14.0/30

Core services continue, but weak maintenance and severe capital underspending limit resilience.

#### Financial management

18.5/25

Liquidity met all five tests and 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.

### THE MUNICIPAL RECORD

#### CONTEXT

Nama Khoi serves Springbok, Okiep, Nababeep, Steinkopf, Kleinzee and remote settlements across an arid mining and agricultural region.

#### SERVICES & INFRASTRUCTURE

Water, sanitation, electricity, refuse and road services continued. The audited distribution-loss trends were positive. Capital implementation remained the principal infrastructure weakness. Physical implementation was mixed. Maintenance rose from R4.60 million to R16.54 million (1.92% of PPE), still below the 8% benchmark. The asset-and-capital component therefore earns only partial credit.

#### FINANCIAL MANAGEMENT

Finance remains Nama Khoi's strongest pillar. Liquidity met all five tests. Current assets of R483.51 million exceeded current liabilities of R185.99 million, and gross cash covered about 7.27 months of annual expenditure. Operating cash flow also improved materially. The reported annual surplus of R750.39 million was influenced by R339.14 million in debt waived, R266.04 million in private-enterprise transfers and subsidies, and R212.21 million in contributed assets. These transactions improved the balance sheet and reduced liabilities. Collection improved to a reported 90%, and creditor pressure eased. The expenditure-control position remains much weaker than liquidity: current operating unauthorised expenditure was R57.56 million; current capital unauthorised expenditure was R87.88 million; fruitless and wasteful expenditure was R2.61 million; and irregular expenditure was R2.52 million. These balances temper the result despite the recovery in liquidity.

#### GOVERNANCE, INTEGRITY & INCLUSION

Governance scores 9.0/15. Integrity receives 7.0/15. Detailed reports and audited statements improve transparency. Large section 32 balances remain unresolved. Inclusion earns 10.0/15.

#### CONSTITUTIONAL READOUT

Continued basic services and indigent support advance sections 152(1)(b) and 152(1)(c). Severe capital underspending, falling maintenance 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.

# Renosterberg Local Municipality

Northern Cape - Pixley ka Seme District Municipality

## 29.0

**GRADE F**  
DETERIORATING

### PRINCIPAL CENTRE

Petrusville

### CATEGORY / CODE

Category B3 small-town local municipality | NC075

### LEADERSHIP / CONTROL

Mayor Andrew Samson | African National Congress-led administration

### WHY THE EVIDENCE PRODUCES GRADE F

$10.5 + 3.0 + 6.0 + 3.5 + 6.0 = 29.0/100$

**Basic services continue, but prolonged intervention, severe negative working capital and rapidly accumulating problem expenditure leave the institution constitutionally distressed.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

Water, sanitation, electricity and refuse services continue at a basic level, and formal household access remains significant. 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. Renosterberg did submit performance information for audit after years in which it had not done so.

#### FINANCIAL MANAGEMENT

The balance sheet is the report's clearest evidence of distress. Current unauthorised expenditure was approximately R34.7 million. 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.

#### GOVERNANCE, INTEGRITY & INCLUSION

Governance earns 6.0/15. Council and statutory structures continue to exist, and the renewed submission of performance information deserves credit. 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. Inclusion receives 6.0/15. Indigent support and basic access matter greatly in a municipality with limited household income.

#### CONSTITUTIONAL READOUT

The continued provision of basic services and indigent assistance provides limited fulfilment of sections 152(1)(b) and 152(1)(c). 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).



# Gamagara Local Municipality

Northern Cape - John Taolo Gaetsewe District Municipality

## 53.0

**GRADE C-**  
IMPROVING

### PRINCIPAL CENTRE

Kathu

### CATEGORY / CODE

Category B3 small-town local municipality | NC453

### LEADERSHIP / CONTROL

Mayor Johannes Theophilus Roman | African National Congress-led administration in a hung council

### WHY THE EVIDENCE PRODUCES GRADE C-

$17.0 + 10.0 + 10.0 + 6.5 + 9.5 = 53.0/100$

**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-.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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. The annual performance result also improved. Overall institutional target achievement increased from approximately 60% to 74%. The water component is lower at 2.5/5.

#### FINANCIAL MANAGEMENT

Gamagara retained an unqualified opinion. That is meaningful: statements were submitted and the accounts were not qualified, adverse or disclaimed. The municipality's prior audited record showed a deficit, weak cash and substantial unauthorised, irregular, fruitless and wasteful expenditure. This treatment keeps audit assurance separate from financial sustainability.

#### GOVERNANCE, INTEGRITY & 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. Integrity scores 6.5/15. Audit-action, supply chain management, ethics and disclosure systems exist. Inclusion receives 9.5/15. Indigent support, free basic services, ward participation and infrastructure investment benefit poorer households and growing settlements.

#### CONSTITUTIONAL READOUT

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). 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).

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

Western Cape - Metropolitan municipality; no district

# 81.0

**GRADE A-**  
STABLE

## PRINCIPAL CENTRE

Cape Town

## CATEGORY / CODE

Category A metropolitan municipality | CPT

## LEADERSHIP / CONTROL

Executive Mayor Geordin Hill-Lewis | Democratic Alliance majority administration

## WHY THE EVIDENCE PRODUCES GRADE A-

24.0 + 20.5 + 13.5 + 11.5 + 11.5 = 81.0/100

**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.**

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.

## FIVE-PILLAR SCORE TRACE

### 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.

## THE MUNICIPAL RECORD

### CONTEXT

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.

### SERVICES & INFRASTRUCTURE

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. The withheld point in each component prevents scale from becoming a proxy for perfection.

### FINANCIAL MANAGEMENT

Revenue excluding capital was approximately R67.5 billion, the final surplus about R5.7 billion and cash roughly R19.2 billion. The 2024/25 opinion was unqualified with findings after three clean audits. 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.

### GOVERNANCE, INTEGRITY & 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. Integrity scores 11.5/15. Supply chain management, ethics, forensic, whistleblowing and public-disclosure systems are extensive. Inclusion receives 11.5/15. Indigent support, free basic services, human-settlement investment, public transport and capital programmes reach millions of residents.

### CONSTITUTIONAL READOUT

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). 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).

# Stellenbosch Local Municipality

Western Cape - Cape Winelands District Municipality

## 86.0

GRADE A

STABLE

### PRINCIPAL CENTRE

Stellenbosch

### CATEGORY / CODE

Category B1 secondary-city local municipality | WC024

### LEADERSHIP / CONTROL

Executive Mayor Jeremy Fasser | Democratic Alliance-led administration

### WHY THE EVIDENCE PRODUCES GRADE A

23.5 + 23.0 + 13.5 + 13.5 + 12.5 = 86.0/100

**Strong liquidity, substantial capital investment, mature governance and a final clean audit sustain an A, while infrastructure pressure and unequal settlement outcomes reserve the remaining points.**

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 is stable because the institutional base remained strong without sufficient comparable evidence of a material system-wide improvement or decline.

### FIVE-PILLAR SCORE TRACE

#### 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

Strong cash and control are reinforced by the final clean audit and published annual and oversight reports.

#### Governance

13.5/15

Permanent leadership, aligned planning and functioning oversight produce a mature institutional platform.

#### Integrity

13.5/15

The clean audit closes the earlier assurance gap, with small deductions only for complete consequence and closure evidence.

#### Inclusion

12.5/15

Support and participation are substantial, while housing, land and settlement inequality remain material.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

Water, sanitation, electricity, refuse, roads and community facilities were broadly functional. Capital expenditure increased to approximately R473.1 million, supporting infrastructure and service expansion. The reserved points are not cosmetic. Assets and capital receive 3.5/5. The scale of capital investment and functioning asset-management systems clear the first expenditure thresholds.

#### FINANCIAL MANAGEMENT

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. The score was supported by a final 2024/25 annual report and oversight report published before the research cut-off. The clean audit earns full audit credit. Collections and creditors receive 4.5/5 each because billing, revenue and payment systems are strong; expenditure control receives full credit under the locked rubric.

#### GOVERNANCE, INTEGRITY & INCLUSION

Governance earns 13.5/15. The municipal manager, chief financial officer and principal senior structure were permanent and functioning. 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. Integrity scores 13.5/15. Inclusion receives 12.5/15.

#### CONSTITUTIONAL READOUT

Reliable core services strongly advance section 152(1)(b). 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.



# George Local Municipality

Western Cape - Garden Route District Municipality

## 87.5

**GRADE A**  
IMPROVING

### PRINCIPAL CENTRE

George

### CATEGORY / CODE

Category B1 secondary-city local municipality | WC044

### LEADERSHIP / CONTROL

Executive Mayor Browen Johnson | Democratic Alliance-led administration

### WHY THE EVIDENCE PRODUCES GRADE A

23.0 + 24.0 + 14.0 + 14.0 + 12.5 = 87.5/100

**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.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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. Water receives 3.5/5. The service score therefore conveys a clear judgment. George has substantial technical and operating capacity.

#### FINANCIAL MANAGEMENT

George achieved a fourth consecutive clean audit. 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. Liquidity and collections each receive 4.5/5.

#### GOVERNANCE, INTEGRITY & 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. Integrity also earns 14.0/15. The clean audit, accessible final annual report and established oversight culture demonstrate effective remediation, procurement control and transparency. Inclusion receives 12.5/15.

#### CONSTITUTIONAL READOUT

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). 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.

# Swartland Local Municipality

Western Cape - West Coast District Municipality

## 90.0

### GRADE A

IMPROVING

#### PRINCIPAL CENTRE

Malmesbury

#### CATEGORY / CODE

Category B3 small-town local municipality | WC015

#### LEADERSHIP / CONTROL

Executive Mayor Harold Cleophas | Democratic Alliance-led majority administration

#### WHY THE EVIDENCE PRODUCES GRADE A

24.0 + 24.5 + 15.0 + 14.0 + 12.5 = 90.0/100

**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.**

Swartland is an excellent, improving municipality and a clear A. Clean assurance, cash, collections, permanent administration and operational delivery reinforce one another. The 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.

#### FIVE-PILLAR SCORE TRACE

##### Services and infrastructure

24.0/30

High access, low electricity losses and 91.5% capital execution; wastewater, stormwater and maintenance reserve points.

##### Financial management

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.

#### THE MUNICIPAL RECORD

##### CONTEXT

Swartland links Malmesbury and Moorreesburg to surrounding coastal and rural towns. Manufacturing supplied 21.9%, agriculture, forestry and fishing 17.9%, and trade, catering and accommodation 15.0% of local GDP in 2023. Wheat, canola, dairy, olives and wine make municipal reliability part of the agricultural value chain.

##### SERVICES & INFRASTRUCTURE

Blue Drop 2023 recorded 93.76%; water losses were 19.66%. Electricity losses fell from 5.73% to 3.20%, capital execution reached 91.52% and 2 135 potholes were repaired. Sanitation reserves points because the last comparable Green Drop score was 89%; maintenance was 2.79% against this report's 8% reference. Riverlands water repairs were completed while road and stormwater recovery remained.

##### FINANCIAL MANAGEMENT

The Auditor-General issued an unqualified opinion with no material findings for 2024/25, Swartland's thirteenth clean outcome since 2010/11. The current ratio was 6.83, cost coverage 11 months, collections 96.71% and creditors 19 days. Near-full rather than perfect credit reflects investigated and written-off irregular expenditure.

##### GOVERNANCE, INTEGRITY & INCLUSION

Permanent senior management, internal audit and MPAC oversight support full governance credit; Provincial Treasury recorded 21 of 21 strategic goals achieved. Political competition did not paralyse council; reported disputes do not establish current administrative infighting or adjudicated wrongdoing. A funded package reached 8 613 indigent households, while a 16 981-household backlog, farmworker housing pressure and weak turnout reserve inclusion points.

##### CONSTITUTIONAL READOUT

Reliable services and disaster response advance section 152(1)(b); indigent support, housing and agricultural infrastructure advance section 152(1)(c); participation supports section 152(1)(e); and capital planning gives effect to section 153(a). Wastewater, stormwater, maintenance and unequal rural outcomes limit full fulfilment and engage sections 9, 10 and 24.



# Theewaterskloof Local Municipality

Western Cape - Overberg District Municipality

## 42.0

**GRADE D**  
DETERIORATING

### PRINCIPAL CENTRE

Caledon

### CATEGORY / CODE

Category B3 small-town local municipality | WC031

### LEADERSHIP / CONTROL

Executive Mayor Lincoln de Bruyn | Democratic Alliance-led administration

### WHY THE EVIDENCE PRODUCES GRADE D

$15.5 + 5.5 + 7.0 + 5.0 + 9.0 = 42.0/100$

***An unfunded budget, persistent cash-flow stress, a qualified audit and mandatory recovery plan outweigh the continuation of core services.***

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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 recovery plan itself identifies service-delivery challenges and infrastructure deficiencies. Housing pressure, informal-settlement growth and cash constraints affect reliability. This approach prevents access figures from concealing future risk.

#### FINANCIAL MANAGEMENT

Current assets of approximately R121.0 million were far below current liabilities of about R329.5 million, and operating cash flow was negative. These facts explain the 0.5/5 liquidity component. The qualified audit and reporting weaknesses limit audit assurance to 1.5/5.

#### GOVERNANCE, INTEGRITY & 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. Integrity receives 5.0/15. Publication of the recovery plan and provincial monitoring improve transparency. Inclusion earns 9.0/15. Indigent support, participation and services across several towns and rural areas continue.

#### CONSTITUTIONAL READOUT

Continued core services and indigent assistance provide partial fulfilment of sections 152(1)(b) and 152(1)(c). 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.



# Beaufort West Local Municipality

Western Cape - Central Karoo District Municipality

## 50.5

GRADE C-  
IMPROVING

### PRINCIPAL CENTRE

Beaufort West

### CATEGORY / CODE

Category B3 small-town local municipality | WC053

### LEADERSHIP / CONTROL

Executive Mayor Georgina Duimpies | Democratic Alliance-led coalition administration

### WHY THE EVIDENCE PRODUCES GRADE C-

16.0 + 9.0 + 9.0 + 7.0 + 9.5 = 50.5/100

**An improved unqualified opinion and compliance with Eskom debt-relief conditions lift the result, but thin cash, recovery dependence and weak expenditure control remain.**

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.

### FIVE-PILLAR SCORE TRACE

#### 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.

### THE MUNICIPAL RECORD

#### CONTEXT

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.

#### SERVICES & INFRASTRUCTURE

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. 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 score recognises Beaufort West's difficult environment without lowering the standard.

#### FINANCIAL MANAGEMENT

The audit outcome improved from qualified to unqualified with findings. 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. Billing, collection and creditor systems each receive 2.0/5.

#### GOVERNANCE, INTEGRITY & 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. Integrity receives 7.0/15. Publication improved and the audit opinion strengthened. Audit-action, supply chain management and disciplinary structures exist. Inclusion scores 9.5/15. Indigent support, free basic services and settlement projects reach poorer households.

#### CONSTITUTIONAL READOUT

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). 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.



## CONCLUSION

# THE CONSTITUTIONAL STANDARD IS ATTAINABLE

*South African local government is neither uniformly broken nor uniformly sound.*

**"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.

## INSTITUTIONS

**STABLE LEADERSHIP AND  
FUNCTIONING OVERSIGHT**

## DISCIPLINES

**CREDIBLE BUDGETS,  
COLLECTIONS AND  
MAINTENANCE**

## PUBLIC VALUE

**DURABLE, INCLUSIVE AND  
ACCOUNTABLE DELIVERY**



## RECOMMENDATIONS

# A PRACTICAL REFORM AGENDA

*The strongest and weakest cases point to the same 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

*The strongest and weakest cases point to the same institutional priorities.*

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.

## SUPPORT THE FOUNDATION

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## MEDIA OUTREACH

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