



ANNUAL REPORT 2023/2024

PURPOSE

Section 121(1) of the Municipal Finance Management Act No 56 of 2003, "Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129".

TABLE OF CONTENTS

CHAPTER 1 - FOREWORDS AND EXECUTIVE SUMMARY

- 1.1. FOREWORD BY THE MAYOR
- 1.2. FOREWORD BY THE MUNICIPAL MANAGER
- 1.3. MUNICIPAL OVERVIEW
- 1.4. BACKGROUND OF AMAJUBA DISTRICT MUNICIPALITY (ADM)
- 1.5. SECTOR PLANS

CHAPTER 2 – GOVERNANCE

- 2.1. INSTITUTIONAL FRAMEWORK
- 2.2. POLITICAL GOVERNANCE
- 2.3. COUNCILLOR COMMITTEE ALLOCATION 2021 - 2026
- 2.4. ADMINISTRATIVE GOVERNANCE
- 2.5. INTERGOVERNMENTAL RELATIONS
- 2.6. PUBLIC ACCOUNTABILITY AND PARTICIPATION
- 2.7. CORPORATE GOVERNANCE

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

CHAPTER 4 - ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

- 4.1. INTRODUCTION TO THE MUNICIPAL WORKFORCE
- 4.2. EMPLOYMENT EQUITY DEVELOPMENT
- 4.3. SKILLS DEVELOPMENT
- 4.4. EXPENDITURE MANAGEMENT OF EMPLOYEES AND COUNCIL

CHAPTER 5 – FINANCIAL PERFORMANCE

- 5.1. GRANTS AND SUBSIDIES
- 5.2. OPERATING INCOME
- 5.3. TAXES AND SERVICE CHARGES
- 5.4. DISCLOSURE OF COUNCILLORS IN ARREARS
- 5.5. CAPITAL PROJECT - MIG
- 5.6. EXPENDITURE
- 5.7. BORROWINGS AND INVESTMENTS

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

REPORT SIGN-OFF

LIST OF REFERENCES

NOTES

TABLES

- Table 1.1** : Population Density
- Table 1.2** : Population size
- Table 1.3** : Population distribution
- Table 1.4** : Status of sector plans

- Table 2.1** : List of councillors and representation
- Table 2.2** : Municipal Public Accounts Committee
- Table 2.3** : Portfolio Committees
- Table 2.4** : Functionality of Oversight Structures – ExCo, Council, MPAC, Whips and PoCos
- Table 2.5** : Intergovernmental Structures Functionality
- Table 2.6** : Top Five Risks 2023/2024

- Table 4.1** : Section 54/56 managers
- Table 4.2** : Permanently Employed Staff Complement
- Table 4.3** : Month to Month Contractual Staff Complement
- Table 4.4** : Occupational level representation
- Table 4.5** : Employee demographics profiles
- Table 4.6A** : Personnel expenditure
- Table 4.6B** : Councillor expenditure
- Table 4.7A** : Summary of pension funds
- Table 4.7B** : Summary of medical aid funds and membership

- Table 5.1** : Grants and subsidies
- Table 5.2** : Operating income
- Table 5.3** : Taxes and services charges
- Table 5.4** : Councillors in arrears
- Table 5.5** : Key Capital Projects 2023/2024
- Table 5.6** : MIG Expenditure on Capital Projects
- Table 5.7** : Completed Capital Projects
- Table 5.8** : Operating and capital expenditure
- Table 5.9** : Borrowings
- Table 5.10** : investment analysis

FIGURES

- Figure 1** : Spatial Locality of ADM

ANNEXURES

- Annexure A:** Annual Performance Report
- Annexure B:** Audited Annual Financial Statements
- Annexure C:** Audit Committee Report and Recommendations
- Annexure D:** Auditor General Report
- Annexure E:** Audit Response Plan

CHAPTER 1 - FOREWORDS AND EXECUTIVE SUMMARY

1.1. FOREWORD BY THE ACTING MAYOR

His Worship, the Acting Mayor

Cllr T Mthembu

1.2 FOREWORD BY THE ACTING MUNICIPAL MANAGER

Mr TB Dube

Acting Municipal Manager

1.3 MUNICIPAL OVERVIEW

Vision: Amajuba will be a leading and pioneering District characterised by sustainable development and quality services.

Mission: Amajuba District Municipality will champion good governance through:

- effective public participation
- vibrant local economic development
- integrated service delivery, and
- intergovernmental relations

Values: The following values to be followed by the organisation were identified:

- Integrity
- Responsiveness
- Accountability
- Commitment
- Effectiveness

Priorities: The following priorities are the cornerstone to the operation of the ADM:

- Economic Development
- Integrated Service Delivery
- Social Facilitation and Development
- Institutional and Governance
- Municipal Planning
- Environmental Management

Primary purpose of Amajuba District Municipality: The priorities of the Amajuba District Municipality are embedded strongly in the provision of water and sanitation as it is a Water Service Authority for Emadlangeni and Dannhauser local municipalities respectively. The municipality is also vested in the programmes aimed at the upliftment of the communities within its jurisdiction in partnership with sector departments.

1.4 BACKGROUND OF AMAJUBA DISTRICT MUNICIPALITY (ADM)

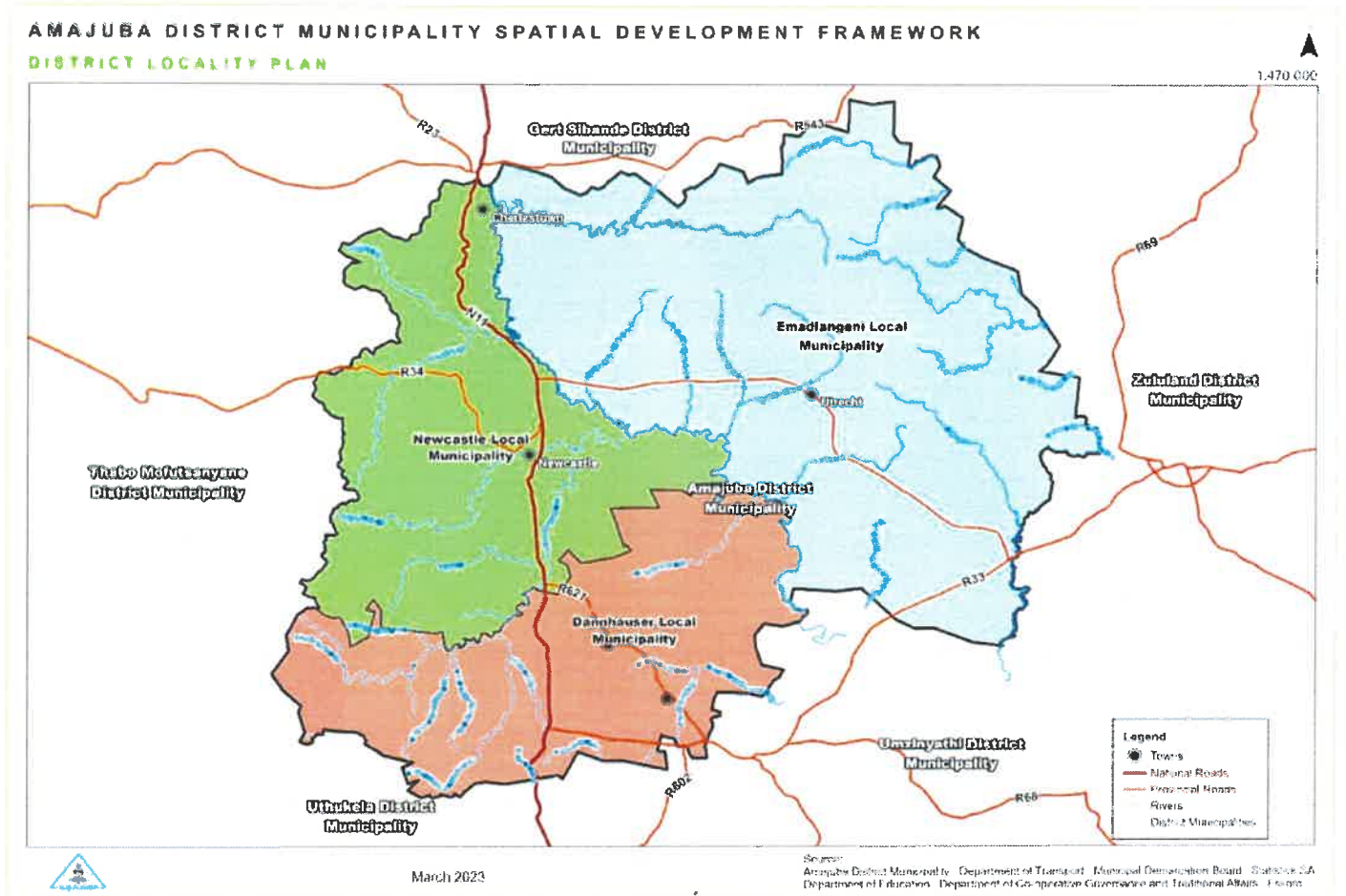
Location: ADM is located in the north-western corner of KwaZulu-Natal and comprises the three local municipalities namely:

- Newcastle (KZ252),
- Utrecht (KZ253) and
- Dannhauser (KZ254).

The ADM is 6910km² in size with Utrecht occupying the largest area of 3539km², Newcastle some 1855km² and Dannhauser some 1 516km².

The main transportation routes linking the District to its surroundings; including the N11 which is the alternative route to Johannesburg from Durban, and the rail line which is the main line from the Durban harbour to Gauteng. The R34 also bisects the district in an east-west direction and provides a linkage from the port city of Richards Bay to the interior.

Figure 1: Spatial Locality of Amajuba District Municipality



Population density: Population density is a measurement of population per unit area, or exceptionally unit volume; it is a quantity of type number density. To calculate the population density, you will divide the population by the size of the area. Thus, Population Density = Number of People/Land Area. The unit of land area should be square kilometres. You can use square feet or meters if you are finding the density of a smallish space. The population density in the ADM jurisdiction is 99,4 people per square meter. Population density per local municipality is as table 1.1 below.

Table 1.1: Population Density

Municipality	Population	Land Area	Persons per km ²
Newcastle Local	507 710	1 855 km ²	273,7
Dannhauser	142 750	1 516 km ²	94,2
Emadlangeni	36 948	3 539 km ²	10,4
Amajuba DM	687 408	6 910 km ²	99,4

Source: Statistics SA – Census 2022

Population size and distribution: Amajuba district comprises of a total population which is estimated at 687 408 people who are accommodated on 150 239 households. Newcastle has the highest population which is estimated at 507 710 people (116 763 households) within 34 wards followed by Dannhauser 142 750 people (25 479 households) within 13 wards and Emadlangeni with 36 948 people (7 998 households) within 6 wards.

Table 1.2: Population Size

Municipality	Total Population			Population increase	
	2011	2016	2022	(2011-2016)	(2011-2022)
Newcastle Local	363 236	389 116	507 710	7.1%	39.8%
Emadlangeni Local	34 442	36 869	36 948	7.0%	7.3%
Dannhauser Local	102 161	105 341	142 750	3.1%	38.7%
Amajuba District	499 839	531 327	687 408	6.3%	37.3%

Source: Statistics SA, Census 2022

Table 1.3: Population Distributions

Category	Newcastle		Dannhauser		Emadlangeni	
	2022	2011	2022	2011	2022	2011
Total population	507 710	363 236	142 750	102 937	36 948	34 442
Young children (0-14 years)	27,8%	32,2%	32,5%	38,2%	29,3%	35,9%
Working age population (15-64 years)	66,3%	63,3%	61,8%	56,7%	64,3%	59,1%
Elderly (65+ years)	5,9%	4,5%	5,7%	5,1%	6,4%	5,1%

Category	Newcastle		Dannhauser		Emadlangeni	
	2022	2011	2022	2011	2022	2011
Dependency ratio	50,8	58,0	61,8	76,3	55,6	69,3
Sex ratio	92,1	90,8	93,1	90,0	97,0	103,1
No schooling (20+ years)	4,6%	7,1%	6,4%	9,0%	11,2%	14,9%
Higher education (20+years)	13,1%	10,7%	5,5%	3,5%	7,6%	4,8%
Number of households	116 763	84 271	25 479	20 580	7 998	6 252
Average household size	4,3	4,3	5,6	5,0	4,6	5,5
Formal dwellings	96,0%	91,1%	85,5%	82,3%	81,7%	58,3%
Flush toilets connected to sewerage	75,6%	57,8%	23,8%	12,9%	43,0%	33,2%
Weekly refuse disposal service	73,2%	71,0%	21,9%	11,5%	38,6%	24,2%
Access to piped water in the dwelling	58,2%	50,0%	25,4%	19,5%	43,7%	27,0%
Electricity for lighting	96,6%	87,2%	93,9%	80,7%	72,1%	48,5%

Source: Statistics SA – Census 2022

1.5 SECTOR PLANS

Sector plans have been established to channel service delivery. These sector plans are aligned to the IDP and are continuously developed, reviewed and implemented to ensure that they are in line with the new national development goals and the municipal strategies objectives. All projects identified in the sector plans are included in the projects section and the contents of the sector plans form part of the strategies section. Table 1.3 demonstrates the status of the sector plans at the end of the year under review.

Table 1.4: Status of Sector Plans

	Sector Plan	In Place (Yes/No)	Status (Adopted by Council / Outdated - Under Review / Being Developed)
1	Integrated Waste Management Plan	Yes	Outdated - Under Review
2	Air Quality Management Plan	Yes since 28 June 2019	Outdated - Under Review
3	Climate Change Response Plan	Yes since 28 June 2019	Outdated - Under Review
4	Water and Sanitation Development Plan	Yes	Outdated since 2020 - Under Review
5	Spatial Development Framework / Plan	Yes	Adopted by Council
6	Disaster Management Plans	Yes	Adopted by Council
7	Environmental Management Framework	Yes	Outdated - Under Review
8	Local Economic Development Strategy / Plan	Yes	Outdated - Under Review
9	Tourism Development Strategy / Plan	Yes	Outdated - Under Review
10	Investment Promotion and Facilitation Strategy	Yes	Outdated - Under Review
11	Human Resource Strategy 2020 - 2026	Yes	Adopted by Council
12	Employment Equity Plan 2020 - 2024	Yes	Adopted by Council
13	Workplan Skills Plan	Yes	Adopted by Council
14	Integrated Transport Plan 2022	No (Draft)	Being Developed
15	District Development Plan	Yes	Adopted by Council

Source: *Integrated Development Plan 2022 - 2027*

CHAPTER 2 – GOVERNANCE

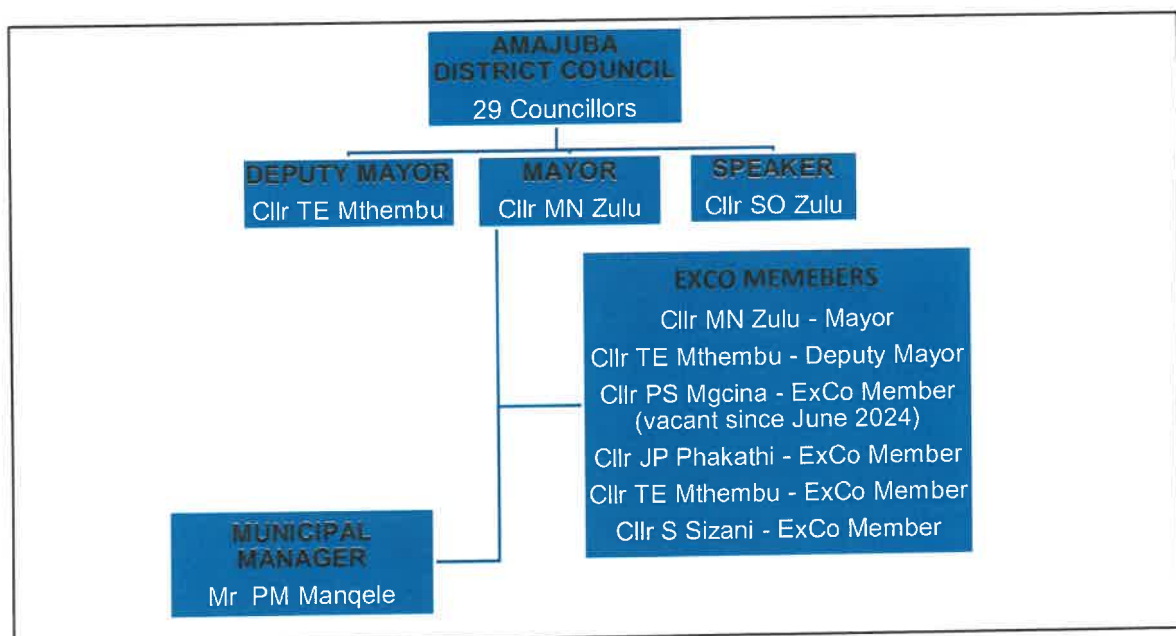
COMPONENT A: POLITICAL GOVERNANCE STRUCTURE AND ADMINISTRATIVE GOVERNANCE STRUCTURE

2.1 INSTITUTIONAL FRAMEWORK

Political and administrative governance at Amajuba District Municipality comprises of the elected Councillors and senior managers. Administratively, senior management is accountable for the efficient and effective day to day operations of the municipality. Whereas, political office bearers play an oversight on the administration of the municipality in terms of the organizational structure being implemented effectively and efficiently to ensure service delivery. Both political and administrative personnel work together on a day-to-day basis in order to achieve service delivery goals and targets. Intergovernmental relations comprise of structures and processes by which municipality forges relationships with other sector departments in order to carry out its day to day activities. The municipality has strong relations with sector departments such as National and Provincial Treasury (NT and PT), the Auditor General South Africa (AGSA) and the National and Provincial Co-operative Governance and Traditional Affairs (CoGTA). Amajuba District Municipality political and administrative office bearers strive for ethical leadership, sustainable development, stakeholder inclusivity, integrated thinking and integrated reporting.

2.2 POLITICAL GOVERNANCE

The Amajuba District Municipality continues to enjoy political stability in Council with Councillors from different political parties always treating each other with respect and having a conducive space to make their contributions towards the enhancement of the lives of our people. Political structure of Amajuba District municipality is as per structure below.



The Municipality consists of 29 Councillors (as depicted in table 2.1 below) of which:

- 10 are from Inkatha Freedom Party (IFP),
- 9 are from African National Congress (ANC) of which 2 became vacant in the year under review,
- 4 are from Economic Freedom Fighters (EFF),
- 3 are from Team Sugar South Africa (TSSA),
- 2 are from Democratic Alliance (DA), and
- 1 is Action South Africa (ASA).

2.3 COUNCILLOR COMMITTEE ALLOCATION 2021 - 2026

Amajuba DM established and appointed Committees in terms of Section 79 and 80 of the Local Government Municipal Structures Act, No. 117 of 1998. These Committees have been established for the effective and efficient performance of the municipality. The council committees allocations for a five-year council period, i.e. 2021 to 2026, has been established as per table 2.1 below. Council Committees established are as follows:

- Executive Committee (ExCo) consisting of five (5) members;
- Municipal Public Accounts Committee (MPAC) consisting of nine (9) members;
- Three (3) Standing Portfolio Committees representing each municipal department; and
- Whip Committee consisting of nine (9) members.

Council: In total, Amajuba District Municipality consists of 29 councillors, of which 2 were vacant during the period under review. There are three (3) recognised traditional leaders to attend municipal council, of which 1 was vacant during the year under review. Table below outlines the list of councillors and representation.

Table 2.1: List of Councillors and Representation

No.	Name & Surname	Gender	Party	Designation
1	Cllr SO Zulu	Male	IFP	Speaker
2	Cllr MN Zulu (Inaugurated 05 Dec 2022)	Male	IFP	Mayor
3	Cllr TE Mthembu	Male	IFP	Deputy Mayor
4	Cllr PS Mgcina	Female	ANC	ExCo Councillor
	Vacant (since June 2024)	Not Applicable	ANC	ExCo Councillor
5	Cllr JP Phakathi	Female	ANC	ExCo Councillor
6	Cllr S Sizani	Male	EFF	ExCo Councillor

No.	Name & Surname	Gender	Party	Designation
7	Cllr AT Nkosi	Male	TSSA	Whip of Council
8	Cllr ES Kunene (inaugurated January 2024)	Male	DA	MPAC Chairperson
9	Cllr ME Hlatshwayo	Male	IFP	Ordinary Councillor
10	Cllr SN Ndlovu	Female	IFP	Ordinary Councillor
11	Cllr SEC Kunene	Male	IFP	Ordinary Councillor
12	Cllr LN Zulu	Male	IFP	MPAC Member
13	Cllr IS Sithole	Male	IFP	MPAC Member
14	Cllr RS Langa	Male	IFP	MPAC Member
15	Cllr SM Khoza	Female	IFP	Ordinary Councillor
16	Cllr ZC Msibi	Female	ANC	MPAC Member
17	Cllr GMB Thwala	Male	ANC	MPAC Member
18	Cllr MT Makhoba	Female	ANC	MPAC Member
19	Cllr BG Madi	Male	ANC	Ordinary Councillor
20	Cllr vacant since November 2023		ANC	Ordinary Councillor
21	Cllr NP Shabalala	Female	ANC	Ordinary Councillor
22	Cllr SE Myaka	Male	ANC	Ordinary Councillor
23	Cllr NA Zulu	Male	EFF	MPAC Member
24	Cllr SB Buthelezi	Female	EFF	Ordinary Councillor
25	Cllr T Dlamini	Male	EFF	Ordinary Councillor
26	Cllr VF Hadebe	Female	TSSA	MPAC Member
27	Cllr SK Thwala	Male	TSSA	Ordinary Councillor
28	Cllr EJ Cronje	Female	DA	Ordinary Councillor
29	Cllr S Singh	Male	ASA	Ordinary Councillor
30	Inkosi PSS Khumalo (until September 2023)	Male	Not Applicable	Traditional House
	Inkosi vacancy since October 2023	Not Applicable		
31	Inkosi M Mbatha	Male	Not Applicable	Traditional House
32	Inkosi GM Nkosi	Male	Not Applicable	Traditional House

Source: Corporate Services – Council Support

Municipal Public Accounts Committee (MPAC): The MPAC fulfils the oversight role of Council. On behalf on Council, the MPAC is delegated with the following responsibilities:

- To undertake a review and analysis of the annual report.
- To invite, receive, and consider inputs from Councillors and Portfolio Committees, on the annual report.
- To consider written comments received on the annual report.
- To conduct meetings and to hold public hearing(s) to allow the local community or any organs of state to make representations on the annual report. Timely notice of all meetings should be given and all meetings held by the MPAC must be open to the public and minutes of the meetings must be submitted to Council meetings.
- To receive and consider Council’s Audit Committee views and comments on the AFS and the performance report.
- Finally, to prepare an oversight report, taking into consideration, the views and inputs of the public, representative(s) of the Auditor-General, organs of state, Council’s Audit Committee and Councillors.

The MPAC as outlined in table 2.2 below was established on 30th of November 2021 and is made up of nine (9) political party members – 3 from Inkatha Freedom Party (IFP), 3 from African National Congress (ANC), 1 from Democratic Alliance (DA), 1 Economic Freedom Fighters (EFF) and 1 from Team Sugar South Africa (TSSA). There is one (1) additional traditional leader.

Table 2.2: Municipal Public Accounts Committee

	Name	Designation	Political Party
1	Cllr JS Thusi (resigned December 2023)	Chairperson	DA
	Cllr ES Kunene (inaugurated January 2024)		
2	Cllr IS Sithole	Councillor	IFP
3	Cllr LN Zulu	Councillor	IFP
4	Cllr RS Langa	Councillor	IFP
5	Cllr MT Makhoba	Councillor	ANC
6	Cllr ZC Msibi	Councillor	ANC
7	Cllr GMB Thwala	Councillor	ANC
8	Cllr VF Hadebe	Councillor	TSSA
9	Cllr NA Zulu	Councillor	EFF
10	Inkosi PSS Khumalo (until September 2023)	Traditional Leader	Not Applicable
	Vacant since October 2023		

Source: Corporate Services – Council Support

Section 79 and 80 Committees: These are Portfolio Committees which are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the Mayor on policy matters and make recommendations to the Mayor. Portfolio Committees core function is to run the affairs of Amajuba District Municipality efficiently, a system of committees was established in terms of the Municipal Structures Act, to attend to the daily business of the municipality.

Table 2.3: Portfolio Committees

Description	Name	Party Affiliation	Designation
Budget and Treasury Office and Corporate Services Portfolio Committee (11 Members)	Cllr MN Zulu (Mayor)	IFP	Chairperson
	Cllr SN Ndlovu	IFP	Member
	Cllr LN Zulu	IFP	Member
	Cllr ME Hlatshwayo	IFP	Member
	Cllr EJC Cronje	DA	Member
	Cllr A Nkosi (Chief Whip)	TSSA	Member
	Cllr PS Mgcina (resigned June 2024)	ANC	Member
	Cllr MT Makhoba	ANC	Member
	Cllr MJ Dladla resigned November 2023	ANC	Member
	Cllr SB Buthelezi	EFF	Member
	Vacant	INKOSI	Member
Socio-Economic, Community Services, and Planning and Development Portfolio Committee (12 Members)	Cllr MN Zulu (Mayor)	IFP	Chairperson
	Cllr IS Sithole	IFP	Member
	Cllr RS Langa	IFP	Member
	Cllr SEC Kunene	IFP	Member
	Cllr GMB Thwala	ANC	Member
	Cllr NP Shabalala	ANC	Member
	Cllr SE Myaka	ANC	Member
	Cllr EJC Cronje	DA	Member
	Cllr TN Dlamini	EFF	Member
	Cllr S Singh	ASA	Member
	Cllr SK Thwala	TSSA	Member
	Inkosi GM Nkosi	INKOSI	Member
Engineering Services Committee (12 Members)	Cllr TE Mthembu (Deputy Mayor)	IFP	Chairperson
	Cllr SM Khoza	IFP	Member
	Cllr SN Ndlovu	IFP	Member

Description	Name	Party Affiliation	Designation
	Cllr ME Hlatshwayo	IFP	Member
	Cllr NA Zulu	EFF	Member
	Cllr S Sizani (ExCo)	EFF	Member
	Cllr VF Hadebe	TSSA	Member
	Cllr EJC Cronje	DA	Member
	Cllr JP Phakathi (ExCo)	ANC	Member
	Cllr ZC Msibi	ANC	Member
	Cllr BG Madi	ANC	Member
	Inkosi M Mbatha	INKOSI	Member

Source: Corporate Services – Council Support

Table 2.4: Functionality of Oversight Structures – ExCo, Council, MPAC, Whips and 3 PoCos

Schedule Meeting Dates	Date Meeting was held	Leave of Absence (Yes/No)	Quorum (Yes/No)	Meeting Convened (Yes/No)	Submitted to Payroll (Yes/No)
Executive Committee (ExCo)					
20/07/2023	20/07/2023	No- Cllr PS Mgcina	Yes	Yes	No
24/08/2023	24/08/2023	No- Cllr PS Mgcina	Yes	Yes	No
21/09/2023	21/09/2023	No- Cllr PS Mgcina	Yes	Yes	No
19/10/2023	19/10/2023	Nil	Yes	Yes	No
23/11/2023	23/11/2023	Nil	Yes	Yes	No
21/12/2023	13/12/2023	Yes- Cllr S Sizani	Yes	Yes	No
18/01/2024	17/01/2024 23/01/2024 (special)	Yes-Cllr PS Mgcina No-Cllr S Sizani	Yes	Yes	No
22/02/2024	22/02/2024	No-Cllr S Sizani	Yes	Yes	No
22/03/2024	22/03/2024	No-Cllr S Sizani	Yes	Yes	No
23/04/2024	24/04/2024	Nil	Yes	Yes	No
22/05/2024	15/05/2024	No-Cllr S Sizani, Cllr PS Mgcina and Cllr JP Khumalo	No	Yes	No
26/06/2024	25/06/2024	No-Cllr PS Mgcina	Yes	Yes	No

Schedule Meeting Dates	Date Meeting was held	Leave of Absence (Yes/No)	Quorum (Yes/No)	Meeting Convened (Yes/No)	Submitted to Payroll (Yes/No)
Council					
27/07/2023	11/07/2023 Special	Yes- Cllr ECJ Cronje No-Cllr SE Kunene, Cllr PS Mgcina & Cllr NA Zulu	Yes Yes	Yes Yes	Yes Yes
	27/07/2023	Yes-Cllr MS Khoza & VF Hadebe No- Cllr PS Mgcina & Cllr IS Sithole			
Nil	15/08/2023- Special	Yes-Cllr SEC Kunene & Cllr SE Myaka	Yes	Yes	Yes
	31/08/2023	No-Cllr RS Langa, Cllr JS Thusi, Cllr PS Mgcina, Cllr SK Thwala, Cllr VF Hadebe & Cllr AT Nkosi Yes- Cllr ZC Msibi, Cllr S Sizani, Cllr T Dhlamini & Cllr NA Zulu No-Cllr SE Kunene, Cllr RS Langa & Cllr RS Langa	Yes	Yes	Yes
Nil	27/09/2023	Yes-Cllr ECJ Cronje	Yes	Yes	Yes
31/10/2023	03/10/2023- Special	Yes- Cllr VF Hadebe No-Cllr PS Mgcina	Yes	Yes	Yes
	31/10/2023	Yes Cllr RS Langa, Cllr SEC Kunene, Cllr ECJ Cronje, No-PS Mgcina, Cllr SE Myaka	Yes	Yes	Yes
Nil	30/11/2023	No-Cllr PS Mngcina	Yes	Yes	Yes
Nil	Nil	Nil	Nil	Nil	Nil
25/01/2024	25/01/2024	Yes- Cllr SEC Kunene, Cllr S Sizani and Cllr NA Zulu, Cllr VF Hadebe and AT Nkosi	Yes	Yes	Yes
29/02/2024	28/02/2024 (special)	Yes-Cllr SM Khoza, Cllr MTD Makhoba No- Cllr PS Mgcina & Cllr ECJ Cronje	Yes	Yes	Yes

Schedule Meeting Dates	Date Meeting was held	Leave of Absence (Yes/No)	Quorum (Yes/No)	Meeting Convened (Yes/No)	Submitted to Payroll (Yes/No)
28/03/2024	28/03/2024	Cllr S Sizani	Yes	Yes	Yes
Nil	Nil	Nil	Nil	Nil	Nil
29/05/2024	17/05/2024 (special)	No-Cllr PS Mgcina, Cllr JP Khumalo, Cllr SE Myaka, Cllr S Sizani, Cllr NA Zulu & Cllr AT Nkosi	Yes	No	Yes
	23/05/2024 (Special)	Cllr PS Mgcina, Cllr JP Khumalo, Cllr MTD Makhoba, Cllr AT Nkosi & Cllr SK Thwala	Yes	No	Yes
	30/05/2024	No- Cllr SEC Kunene, Cllr PS Mgcina, Cllr ZC Msibi, Cllr GMB Thwala, Cllr JP Khumalo, Cllr MTD Makhoba, Cllr NP Shabalala, Cllr SE Myaka, Cllr S Sizani, Cllr NA Zulu, Cllr SB Buthelezi, Cllr TN Dlamini, Cllr VF Hadebe	Yes	Yes	Yes
	13/06/2024 (special)	Yes – Cllr SO Zulu, Cllr VF Hadebe, Cllr PS Mgcina No- Inkosi Mbatha	Yes	No	Yes
	26/06/2024	Yes- Cllr MTD Makhoba			
Municipal Public Accounts Committee (MPAC)					
21/07/2023	21/07/2023	No-Cllr NA Zulu	Yes	Yes	Yes
	24/07/2023-Special	Yes-Cllr ZC Msibi No-Cllr MTD Makhoba and Cllr NA Zulu	Yes	Yes	Yes
	30/08/2023	Yes- Cllr ZC Msibi	Yes	Yes	Yes
Nil	Nil	Nil	Yes	Yes	Yes
26/10/2023	26/10/2023	Cllr RS Langa, Cllr GMB Thwala, Cllr MTD Makhoba and Cllr NA Zulu	Yes	Yes	Yes
Nil	21/11/2023	Nil	No	No- meeting was postponed	Yes
Nil	08/12/2023 12/12/2023	Nil	No	No (cancelled)	No

Schedule Meeting Dates	Date Meeting was held	Leave of Absence (Yes/No)	Quorum (Yes/No)	Meeting Convened (Yes/No)	Submitted to Payroll (Yes/No)
30/01/2024	30/01/2024	Yes-Cllr IS Sithole No- Cllr RS Langa, Cllr VF Hadebe and Cllr NA Zulu	Yes	Yes	Yes
Nil	02/02/2024	No- Cllr VF Hadebe	Yes	Yes	Yes
Nil	26/03/2024	Yes-Cllr RS Langa, Cllr MTD Makhoba, Cllr VF Hadebe and Cllr NA Zulu	Yes	Yes	Yes
	27/03/2024	Yes - Cllr RS Langa, Cllr MTD Makhoba, Cllr VF Hadebe, Cllr NA Zulu, Inkosi M Mbatha and Inkosi GM Nkosi	Yes	Yes	Yes
-	29/04/2024	Yes, Cllr SE Kunene & Cllr GMB Thwala	Yes	Yes	Yes
16/05/2024	Nil	Nil	Nil	Nil	Nil
20/06/2024	21/06/2024	No-Cllr RS Langa, and Cllr NA Zulu	Yes	Yes	Yes
	25/06/2024	Yes - Cllr MTD Makhoba, Cllr VF Hadebe	Yes	Yes	Yes
WHIPS COMMITTEE					
25/07/2023	25/07/2023	Yes-Cllr SK Thwala and Cllr NA Zulu	Yes	Yes	Yes
Nil	29/08/2023	Yes-Cllr ZC Msibi	Yes	Yes	Yes
Nil	26/09/2023	Yes-Cllr SK Thwala	Yes	Yes	Yes
Nil	09/10/2023	No-Inkosi M Mbatha	Yes Yes	Yes Yes	Yes Yes
	26/10/2023	Nil			
Nil	21/11/2023-Special	Yes-Cllr NA Zulu No-Cllr SK Thwala	Yes	Yes	Yes
	28/11/2023	Yes-Cllr LN Zulu	Yes	Yes	Yes
	29/11/2023	No-Cllr NA Zulu & Inkosi M Mbatha	Yes	Yes	Yes
Nil	Nil	Nil	Nil	Nil	Nil
23/01/2024	23/01/2024	Nil	Yes	Yes	Yes
27/02/2024	Nil	Nil	Nil	Nil	Nil

Schedule Meeting Dates	Date Meeting was held	Leave of Absence (Yes/No)	Quorum (Yes/No)	Meeting Convened (Yes/No)	Submitted to Payroll (Yes/No)
26/03/2024	26/03/2024	Yes-Cllr AT Nkosi and Inkosi M Mbatha No-Cllr SK Thwala	Yes	Yes	Yes
-	Nil	Nil	Nil	Nil	Nil
27/05/2024	16/05/2024	Cllr SE Kunene, Cllr NA Zulu and Inkosi M Mbatha	Nil	Nil	Nil
-	06/06/2024 (Special) 24/06/2024 (Special)	Yes-Cllr ES Kunene Yes- Cllr NA Zulu	Yes Yes	Yes Yes	Yes Yes
Budget and Treasury Office and Corporate Services Portfolio Committee					
14/07/2023	14/07/2023 20/07/2023	Yes-Cllr PS Mgcina No- Cllr MJ Dladla & Cllr AT Nkosi No-Cllr LN Zulu, Cllr PS Mgcina, Cllr AT Nkosi & Inkosi PSS Khumalo	Yes Yes	Yes Yes	Yes Yes
18/08/2023	18/08/2023	No-Cllr PS Mgcina & Cllr MJ Dladla	No	No	no
12/09/2023	12/09/2023	Yes- Cllr EJC Cronje No- Cllr PS Mgcina, Cllr ME Hlatshwayo & Cllr MTD Makhoba	Yes	Yes	Yes
13/10/2023	13/10/2023	Nil	Yes	Yes	Yes
15/11/2023	15/11/2023	No-Cllr PS Mngcina,	No	No	No
14/12/2023	07/12/2023	Yes-Cllr SN Ndlovu, Cllr PS Mgcina, Cllr MTD Makhoba & Cllr AT Nkosi	Yes	Yes	Yes
11/01/2024	11/01/2024	Yes- Cllr AT Nkosi	Yes	Yes	Yes
14/02/2024	15/02/2024	No- Cllr PS Mgcina, Cllr AT Nkosi and Cllr MTD Makhoba	Yes	Yes	Yes
14/03/2024	14/03/2024	Yes- Cllr SB Buthelezi, Cllr MTD Makhoba and Cllr AT Nkosi	Yes	Yes	Yes
11/04/2024	12/04/2024	No- Cllr AT Nkosi, PS Mgcina, Cllr NT Makhoba	Yes	Yes	Yes
15/05/2024	14/05/2024	No- Cllr PS Mgcina, Cllr AT Nkosi	Yes	Yes	Yes
12/06/2024	12/06/2024	No- Cllr SN Ndlovui, Cllr PS Mgcina, & Cllr MTD Makhoba	Yes	Yes	Yes

Schedule Meeting Dates	Date Meeting was held	Leave of Absence (Yes/No)	Quorum (Yes/No)	Meeting Convened (Yes/No)	Submitted to Payroll (Yes/No)
Engineering Portfolio					
12/07/2023	12/07/2023	No-Cllr Ms Khoza and Cllr JP Phakathi	Yes	Yes	Yes
16/08/2023	17/08/2023	No-Cllr ME Hlatshwayo & Cllr JP Phakathi, Cllr S Sizani, Cllr VF Hadebe & Inkosi M Mbatha	Nil	Nil	Nil
07/09/2023	07/09/2023	No- Cllr EJC Cronje, Cllr S Sizani & Cllr VF Hadebe	Yes	Yes	Yes
11/10/2023	10/10/2023	Yes-Cllr Ms Khoza and Cllr VF Hadebe	Yes	Yes	Yes
14/11/2023	09/11/2023 14/11/2023	Nil Cllr JP Phakathi, Cllr S Sizani, Cllr NA Zulu and Inkosi M Mbatha	Postponed Yes	No Yes	Yes Yes
15/12/2023	06/12/2023	Yes Cllr MS Khoza, Cllr ME Hlatshwayo, Cllr JP Phakathi, Cllr BG Madi, Cllr S Sizani, Cllr NA Zulu & Inkosi M Mbatha	Yes	Yes	Yes
09/01/2024	09/01/2024	Yes- Cllr JP Phakathi, Cllr ZC Msibi, Cllr VF Hadebe and Inkosi M Mbatha	Yes	Yes	Yes
09/02/2024	09/02/2024	No-Cllr S Sizani, Cllr VF Hadebe, Inkosi M Mbatha and Inkosi GM Nkosi	Yes	Yes	Yes
12/03/2023	06/03/2024	Yes- Cllr SM Khoza, Cllr ZC Msibi No Cllr NA Zulu, Cllr VF Hadebe, Inkosi M Mbatha and Inkosi GM Nkosi	Yes	Yes	Yes
09/04/2024	11/04/2024	No-Cllr S Sizani, Cllr JP Khumalo, Cllr NA Zulu & Inkosi Mbatha	Yes	Yes	Yes
14/05/2024	02/05/2024	Yes- Cllr MS Khoza No- Cllr S Sizani & Cllr NA Zulu	Yes	Yes	Yes
10/06/2024	07/06/2024	No-Cllr ECJ Cronje, Cllr S Sizani, Cllr NA Zulu, Inkosi GM Nkosi & Inkosi M Mbatha	Yes	Yes	Yes
Socio-Economic and Community Services, LED and Tourism Portfolio Committee					
13/07/2023	13/07/2023	No-Cllr GMB Thwala, Cllr SE Myaka, Cllr SK Thwala & Inkosi GM Nkosi	Yes	Yes	Yes

Schedule Meeting Dates	Date Meeting was held	Leave of Absence (Yes/No)	Quorum (Yes/No)	Meeting Convened (Yes/No)	Submitted to Payroll (Yes/No)
15/08/2023	15/08/2023	No-Cllr SEC Kunene, Cllr RS Langa & Cllr SE Myaka	Yes	Yes	Yes
07/09/2023	07/09/2023	Yes- Cllr GMB Thwala & Cllr ECJ Cronje	Yes	Yes	Yes
11/10/2023	11/10/2023	Nil	Yes	Yes	Yes
14/11/2023	10/11/2023 17/11/2023	No-Cllr SE Myaka, Cllr NP Shabalala, Cllr SK Thwala, Cllr JS Thusi	No Yes	No Yes	No Yes
12/12/2023	06/12/2023	Cllr SK Thwala, Cllr SEC Kunene, Cllr GMB Thwala, Cllr SE Myaka, Inkosi MG Nkosi	Yes	Yes	Yes
10/01/2024	10/01/2024	No-Cllr SK Thwala, Cllr SE Myaka and Inkosi GM Nkosi	Yes	Yes	Yes
08/02/2024	08/02/2024	Yes- Inkosi GM Nkosi No- Cllr SE Myaka, Cllr T Dlamini	Yes	Yes	Yes
13/03/2024	07/03/2024	Yes- Cllr RS Langa, Cllr SB Buthelezi, Cllr SK Thwala, Cllr SE Myaka Cllr EJC Cronje	Yes	Yes	Yes
10/04/2024	10/04/2024	No-Cllr SK Thwala & Cllr SE Myaka	Yes	Yes	Yes
13/05/2024	03/05/2024	Yes- Inkosi GM Nkosi No- Cllr SE Myaka, Cllr T Dlamini	Yes	Yes	Yes
11/06/2024	11/06/2024	Yes- Cllr RS Langa, Cllr SEC Kunene, Cllr EJC Cronje & Inkosi M Mbatha	Yes	Yes	Yes
Audit Committee					
28/07/2023	Nil	Nil	Nil	Nil	Nil
Nil	29/07/2023	Nil	Yes	Yes	Yes
Nil	29/08/2023	Yes – Mr. S Ngwenya	Yes	Yes	Yes
Nil	29/09/2023	Nil	Yes	Yes	Yes
Nil	Nil	Nil	Nil	Nil	Nil
28/11/2023	Nil	Nil	Nil	Nil	Nil
Nil	Nil-Chairperson did not sign the notice dated 19/12/2023 due to	Nil	Nil	Nil	Yes

Schedule Meeting Dates	Date Meeting was held	Leave of Absence (Yes/No)	Quorum (Yes/No)	Meeting Convened (Yes/No)	Submitted to Payroll (Yes/No)
	commitments by members which were going to result to a no quorum.				
26/01/2024	Nil	Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil	Nil	Nil
29/03/2024	12/03/2024	Nil	Nil	Nil	Yes
-	Nil	Nil	Nil	Nil	Nil
-	Nil	Nil	Nil	Nil	Nil
27/06/2024	24/06/2024	Nil	Nil	Nil	Yes

Source: Corporate Services – Council Support

2.4 ADMINISTRATIVE GOVERNANCE

Section 82 of the Local Government Municipal Structures Act, No. 117 of 1998 and Section 54A of the Local Government Municipal Systems Act, No. 32 of 2000, as amended, states a Municipal Manager must be appointed as the Head of Administration and as the Accounting Officer of the Municipality with relevant skills and expertise to perform the duties associated with the post. Section 56 of the Local Government Municipal Systems Act, No. 32 of 2000, as amended, states that a Municipal Council, after consultation with the Municipal Manager must appoint managers directly accountable to the Municipal Manager.

The issue of not having a full complement of senior managers remained a challenge. There were vacancies in the post of the Municipal Manager and other Senior Management (Chief Financial Officer, Director Engineering Services, Director Planning and Development Services, Director Community Services). These vacancies had a negative impact on service delivery. As an interim measure, Council appointed Acting incumbents while working tirelessly to fill the positions. The posts were indeed filled with effect from the 01st of June 2023 except the CFO position.

Amajuba District Municipality has six departments as per organisational and departmental structures stated below.

Organisational Structure



COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.5 INTERGOVERNMENTAL RELATIONS

The ADM has established intergovernmental structures as depicted in the table below.

Table 2.5: Intergovernmental Structures Functionality

	Name	Meetings Scheduled	Meetings Held	Achieved / Not Achieved (Reasons for non-achievement)
1	Speakers Forum	4 meetings	None	Not Achieved (Nonattendance of LMs Speakers. CoGTA requested to intervene)
2	Disaster Management Practitioners Forum	21 September 2023 22 November 2023 05 March 2024 11 June 2024	Yes Yes Yes Yes	Achieved
3	District Disaster Management Advisory Forum	22 September 2023 23 November 2023 06 March 2024 12 June 2024	Yes Yes Yes Yes	Achieved
4	Employment Equity (EE) Forum	4 11 August 2023 10 November 2023 23 February 2024 10 May 2024	5 13 July 2023 14 November 2023 05 December 2023 21 February 2024 27 June 2024	Achieved
5	Local Labour Forum (LLF)	12 18 July 2023 17 August 2023 17 September 2023 17 October 2023 17 November 2023 December 2023	12 31 July 2023 17 August 2023 19 September 2023 17 October 2023 17 November 2023 07 December 2023	Achieved

	Name	Meetings Scheduled	Meetings Held	Achieved / Not Achieved (Reasons for non-achievement)
		19 January 2024 16 February 2024 15 March 2024 16 April 2024 17 May 2024 19 June 2024	19 January 2024 16 February 2024 15 March 2024 19 April 2024 26 April 2024 24 May 2024 20 June 2024	
6	Communicators Forum	4 05 September 2023 10 November 2023 27 March 2024 13 June 2024	4 05 September 2023 10 November 2023 27 March 2024 13 June 2024	Achieved
7	Internal Audit and Risk Officers Forum	Nil	Nil	Not Achieved (Committee was integrated to the DDM GSCID Cluster)
8	Batho Pele Forum	Nil	Nil	Committee not functional
9	IDP Representative Forum	3	2	Not Achieved (the third IDP RF was replaced by the IDP Roadshow)
10	Political Hub	4 29 September 2023 29 November 2023 26/03/2024 & 14/06/2024	0	Not Achieved (No quorum)
11	Technical Hub	4	4	Achieved
12	Social Cluster	12 06/07/2023, 04/08/2023,01/09/2023,06/10/2023,02/11/2023,07/12/2023,05/01/2024,02/02/2024,01/03/2024,04/04/2024,03/05/2024 & 04/06/2024	09 17/07/2023,11/08/2023,09/09/2023,13/10/2023,10/11/2023,19/01/2024,05/02/2024,12/04/2024 & 10/05/2024	Legislatively meetings are expected to sit once per quarter, but to get things off the ground, meetings were held on a monthly, hence the target of 12 meetings were not achieved Going forward meeting target will be kept at 4 meetings per year.
13	Justice Cluster	12 06/07/2023, 04/08/2023,01/09/2023,06/10/2023,02/11/2023,07/12/2023	07 17/07/2023,11/08/2023,09/09/2023,	Legislatively meetings are expected to sit once per quarter, but to get things off the ground, meetings were held on a

	Name	Meetings Scheduled	Meetings Held	Achieved / Not Achieved (Reasons for non-achievement)
		,05/01/2024,02/02/2024,01/03/2024,04/04/2024,03/05/2024 & 04/06/2024	25/10/2023,19/01/2024,27/02/2024 & 19/04/2024	monthly, hence the target of 12 meetings were not achieved Going forward meeting target will be kept at 4 meetings per year.
14	Economic Cluster	12 07/07/2023,03/08/2023,04/09/2023,02/10/2023, 03/11/2023,08/12/2023,04/06/2024,01/02/2024,08/03/2024,04/04/2024,03/05/2024 & 04/06/2024	06 31/07/2023,12/09/2023,06/10/2023,04/01/2024,08/02/2024 & 30/04/2024	Legislatively meetings are expected to sit once per quarter, but to get things off the ground, meetings were held on a monthly, hence the target of 12 meetings were not achieved Going forward meeting target will be kept at 4 meetings per year.
15	Governance Cluster	12 07/07/2023,03/08/2023,04/09/2023,02/10/2023, 03/11/2023,08/12/2023,04/06/2024,01/02/2024,08/03/2024,04/04/2024,03/05/2024 & 04/06/2024	08 12/07/2023,14/08/2023,06/09/2023,20/11/2023,24/11/2023,12/01/2024,21/02/2024 & 03/04/2024	Legislatively meetings are expected to sit once per quarter, but to get things off the ground, meetings were held on a monthly, hence the target of 12 meetings were not achieved Going forward meeting target will be kept at 4 meetings per year.

Source: Corporate Services – Council Support

The district intergovernmental fora as stated in the table above promote and facilitate intergovernmental relations between the district municipality and the local municipalities in the district. All Intergovernmental Forums endeavours to meet quarterly in line with the protocol and schedule of IGR meetings.

COMPONENT C: PUBLIC ACCOUNTABILITY

2.6 PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public accountability refers to the way the Municipality operates with regards to the communities under its jurisdiction by way of holding community meetings, Izimbizo's and the process of ward committees dealing with issues within the wards.

Together these important aspects intertwine and ensure that the political; administrative and community service of the municipality are properly functioning and that communities receive quality services at an affordable price.

The Amajuba District Municipality held its IDP and Budget Roadshows on the 5 April 2024 at the municipal Council Chamber, 9 April 2024 for Amakhosi and Izinduna, 16 April 2024 at Emadlangeni, and 18 April 2024 at Dannhauser.

COMPONENT D: CORPORATE GOVERNANCE

2.7 CORPORATE GOVERNANCE

Corporate governance looks at issues of transparency; the rule of law and accountability whereby the municipality outlines its top risks, and the way in which the supply chain management and overall service delivery occurs against the background of Batho Pele Principles.

Risk Management and Internal Audit: The effectiveness of the Municipality's efforts to entrench a culture of risk management applies to all municipal officials, political office bearers and agents acting on behalf of the Municipality. During the year under review, internal audit and risk management functions were co-sourced. Internal audit unit requested services of the consultants to perform some of the internal audit assignments and to conduct the Risk and Fraud Risk assessment.

The scope of work of the Internal Audit Activity is to determine whether the Amajuba District Municipality network of risk management, control and governance processes, as designed and represented by management, are adequate and functioning in a manner to ensure:

- that risks are appropriately identified and managed;
- that interaction with the various governance groups occurs as needed;
- that significant financial, managerial, and operating information is accurate, reliable, and timely;
- that employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- that resources are acquired economically, used efficiently, and adequately protected;
- that programs, plans, and objectives are achieved;
- that quality and continuous improvement are fostered in the Amajuba District Municipality control process;
- that significant legislative or regulatory issues impacting the Amajuba District Municipality are recognized and addressed appropriately; and
- performance Management is evaluated and reported upon.

The table below illustrates top five risk of the 2023/2024 financial year.

Table 2.6: Top Five Risks 2023/2024

Risks		Root Cause	Consequence	Current Controls	Future Action Plan
Name	Description				
Infrastructure: Water Losses	Water Distribution Losses	1. Shortage of human resources. 2. Non calibration of bulk meters. 3. Inaccurate bulk and domestic water meter readings. 4. Ageing infrastructure leading to bursts and leakages. 5. Illegal connections (Bypassing of water meters). 6. Poor planning and feasibility assessment. 7. Oversight quality control during construction. 8. Lack of planned maintenance. 9. Non billing of some consumers.	1. Compromised service delivery. 2. Loss of revenue. 3. Poor conservation of scarce resources (water). 4. Non-compliance with no-drop initiative. 5. Community unrest. 6. Tarnished image of the municipality.	1. Developed and approved Credit Control and Debt Collection Policy. 2. Continuous upgrading and refurbishment/replacement of infrastructure. 3. Engineering services to allocate a meter reader as and when bulk water is received from uThukela Water. 4. Water and Sanitation Contact Centre. 5. Vacant post advertised and interviews conducted. 6. Implementation of the Non-Revenue Water Strategy.	1. To enforce municipal By-laws. 2. Domestic and bulk meter installation and replacement. 3. Development of fully functional WCWDM unit. 4. Development and implementation of WSDP (Water Service Development Plan). 5. Council Awareness Campaigns
Financial Management: Budgeting and Reporting	Failure to develop a credible budget	1. Lack of understanding or knowledge: This is when staff members	1. Misallocation: Inaccurate or unreliable MSCOA budgets can lead to the	1. Training and capacity building: Municipality at times provide training and capacity building programs for staff involved in budget	1. Improved data management: Establish robust data management systems and

Risks		Root Cause	Consequence	Current Controls	Future Action Plan
Name	Description				
		<p>are not adequately trained or familiar with the guidelines and principles of mSCOA.</p> <p>2. Ineffective budgeting processes: This includes inadequate guidelines, unclear roles and responsibilities, inappropriate timing of budget cycles, or insufficient review and approval procedures.</p> <p>3. Insufficient data and information: The lack of sufficient and reliable data, such as incomplete financial records or outdated information, it can impede the ability to create an accurate and credible budget.</p> <p>4. Inadequate collaboration and communication: Lack of collaboration and effective communication between</p>	<p>misallocations, resulting in inefficient service delivery and potential financial mismanagement.</p> <p>2. Compliance and legal issues: Inaccurate or non-compliant MSCOA budgets may result in unfunded budget as assessed by Provincial Treasury.</p> <p>3. Poor resource allocation: Inadequate budget inputs from other departments can result in improper resource allocation. This means that funds may not be allocated to areas of priority or where they are most needed, leading to ineffective use of resources and potential service delivery challenges.</p> <p>4. When the financial data used for budgeting and reporting purposes is inaccurate, incomplete, or</p>	<p>preparation. This includes educating them on mSCOA guidelines, budgeting principles, and financial management practices. Enhancing staff knowledge and skills helps ensure that they understand the requirements for developing a credible budget.</p> <p>2. Provincial Treasury assesses the municipality's budget to ensure its credibility, compliance with relevant regulations, and alignment with the MSCOA framework. This assessment helps identify any inconsistencies, errors, or weaknesses in the budget that may undermine its credibility.</p> <p>3. Enhanced coordination and collaboration: Strengthening coordination and collaboration between departments involved in the budgeting process is necessary. Regular meetings, workshops, and communication channels has been established to encourage collaboration and ensure that budget inputs from all relevant departments are considered. This helps mitigate the risk of poor budget inputs that could compromise the credibility of the mSCOA budget.</p> <p>4. Standardized budgeting templates: Providing standardized budgeting</p>	<p>processes that ensure accurate and reliable financial information. Regularly audit and validate financial data to minimize errors and inconsistencies.</p> <p>2. Strengthen financial reporting capabilities: Implement systems and software that facilitate accurate and seamless reporting in line with MSCOA requirements. Ensure that financial reports are standardized, transparent, and accessible for effective budget development and monitoring.</p> <p>3. Cross-functional collaboration: Foster collaboration between finance teams, department heads, and councillors to ensure a comprehensive understanding and integration of MSCOA principles within all relevant systems and processes. Regular communication and knowledge sharing will help align efforts and minimize gaps.</p>

Risks		Root Cause	Consequence	Current Controls	Future Action Plan
Name	Description				
		<p>departments involved in the budgeting process. Inadequate coordination results in incomplete or inaccurate budget inputs.</p> <p>5. Ambiguity in budgeting requirements: Unclear guidelines from the Provincial Treasury results in ambiguity regarding the specific budgeting requirements related to mSCOA. This leads to confusion and interpretation differences among municipal staff who are responsible for preparing the budget.</p>	<p>inconsistent, it can result in a budget that lacks credibility and fails to accurately reflect the municipality's financial position.</p> <p>5. Lack of awareness or understanding of the MSCOA framework and guidelines can impede the accurate development and implementation of a credible budget.</p>	<p>templates based on mSCOA guidelines helps streamline the budget preparation process. These templates include predefined categories, guides, and cost centres that align with the mSCOA framework. Using standardized templates promotes consistency and ensures that budget inputs are in line with mSCOA requirements.</p> <p>5. Robust review and approval processes: Implementing robust review and approval processes which includes having multiple levels of review by financial experts and senior management to verify the accuracy, compliance, and completeness of the budget inputs.</p> <p>6. Continuous monitoring and evaluation: Regular monitoring and evaluation of the budget execution against the mSCOA framework. This includes reviewing actual expenditure data, conducting variance analysis, and comparing the budgeted figures with actual outcomes. Monitoring helps identify discrepancies, take corrective actions, and improve the credibility of future budgets.</p> <p>7. External audits and oversight: External audits</p>	

Risks		Root Cause	Consequence	Current Controls	Future Action Plan
Name	Description				
				provide an independent evaluation of the municipality's financial management practices and the credibility of the mSCOA budget. Engaging external auditors helps ensure compliance with regulatory requirements and contributes to building credibility and transparency in the budgeting process.	
Financial Management: Assets Management	Ineffective asset management	<ol style="list-style-type: none"> 1. Delayed implementation of Asset Management System. 2. Non disposal of assets. <ul style="list-style-type: none"> - Non implementation of council asset disposal resolution. 3. Removal of asset tags by communities. 4. Nonadherence to asset management processes by municipal officials. <ul style="list-style-type: none"> - Movement of assets - Replacement of insured assets through procurement 5. Inadequate Continuous personal development of Asset management personnel. 6. Shortage of 	<ol style="list-style-type: none"> 1. Inaccurate figures on the Asset Register. 2. Non-compliance with Generally Recognised Accounting Practices. 3. GRAP 17 and related standards. 4. Financial Loss. 5. Negative audit outcomes from the Auditor General. 	<ol style="list-style-type: none"> 1. Asset Tags. 2. Paint spray for all assets that does not allow glue to stick. 3. Annual Asset Verification. 4. Developed and approved Supply Chain Management Policy. 5. Asset Register in place. <ul style="list-style-type: none"> - Tagged assets. - GPS coordinates. - Extended description column. - Re-estimation of useful life 6. GRAP checklist. 7. Asset Room Listings. 8. Asset transfer form. 9. Use of specialised consultant for verification of immovables assets (infrastructure assets). 10. Procurement of the Financial Management System including an Asset Module 	<ol style="list-style-type: none"> 1. To conduct workshop on Asset Management Policy to the Council and officials. 2. To fully implement Asset Management Module. 3. To provide Continuous personal development for Asset Management personnel. 4. To enforce implementation council resolution on asset disposal.

Risks		Root Cause	Consequence	Current Controls	Future Action Plan
Name	Description				
		Human Resource. - Reliance on consultants for infrastructure assets.			
Financial Management: Payroll Management	Over/Under payment of salaries and benefits.	<p>1. Inaccurate payroll calculations: Errors in calculating salaries, such as incorrect deductions or miscalculations of working hours, leads to overpayment or underpayment of employees.</p> <p>2. Inadequate payroll systems and processes: Inefficient payroll systems and processes increases the likelihood of errors and contribute to overpayment or underpayment of salaries.</p> <p>3. Lack of proper documentation and record-keeping: Insufficient documentation and record-keeping practices, such as incomplete timesheets or absence of proper employee</p>	<p>1. Financial implications: Overpayment and underpayment of salaries strains the municipality's budget, leading to unexpected costs and financial discrepancies.</p> <p>2. Employee dissatisfaction: Employees who are overpaid or underpaid experience dissatisfaction, leading to decreased morale, poor work performance, and increased staff turnover.</p> <p>3. Legal and compliance issues: Incorrect salary payments potentially lead to legal issues, such as claims of unfair labour practices or non-compliance with employment regulations.</p> <p>4. Reputational damage:</p>	<p>1. Robust payroll system: Implementation of an efficient and up-to-date payroll system that automates the salary calculation process, minimizing the risk of errors.</p> <p>2. Regular audits and reconciliation: Conducting regular audits and reconciliations of payroll records to identify and rectify any discrepancies in salary payments.</p> <p>3. Strong internal controls: Implementation of strong internal controls, such as segregation of duties, to ensure proper oversight and verification of payroll calculations, reducing the risk of errors.</p> <p>4. Training and professional development: Providing adequate training and professional development opportunities to payroll staff to enhance their skills and knowledge in payroll calculations, legislation, and relevant regulations.</p>	<p>1. Process improvement: Continuously assess and improve payroll processes to streamline operations, enhance accuracy, and minimize the risk of salary payment discrepancies.</p> <p>2. Enhanced record-keeping: Establish comprehensive record-keeping practices to ensure accurate and complete documentation of employee data, timesheets, and relevant payroll information.</p> <p>3. Employee self-service systems: Implement self-service portals or systems that empower employees to access and review their salary information, promoting transparency and reducing the risk of errors.</p> <p>4. Regular reviews and updates: Conduct regular</p>

Risks		Root Cause	Consequence	Current Controls	Future Action Plan
Name	Description				
		<p>records, leads to errors in salary calculations and result in overpayment or underpayment.</p> <p>4. Human error: Mistakes made by payroll staff, such as data entry errors or incorrect application of policies, causes discrepancies in salary payments.</p>	<p>Mishandling salary payments has a negative impact on the municipality's reputation among employees, stakeholders, and the public, affecting trust and confidence in the organization.</p>		<p>reviews of payroll policies and procedures to ensure compliance with changing legislation and best practices, making necessary updates as needed.</p>
People Safety: Occupational Health and Safety	Ineffective occupational health and safety management	<p>1. Occupational Health and Safety is currently operating at a small scale. - Lack of oversight on infrastructure projects.</p> <p>2. Lack of conducive operational structures - Municipal Water Plants.</p> <p>3. Lack of appropriate PPE for municipal plants personnel.</p>	<p>1. Exposure of employees to health hazards that may have a long-term impact.</p> <p>2. Injuries/fatalities on duty.</p> <p>3. Possible litigations against the municipality.</p> <p>4. Non-compliance with the provisions of the Occupation Health and Safety Act.</p> <p>5. Low staff morale.</p> <p>6. Lower productivity levels.</p> <p>7. Compromised Service Delivery.</p>	<p>1. Quarterly SHE risks assessment are conducted.</p> <p>3. Fire drills. (Once a year)</p> <p>5. Monthly property maintenance reports. - Electricity. - Infrastructure.</p> <p>6. Established Occupational Health and Safety Committee.</p> <p>7. approved Occupational Health and Safety strategic Plan.</p> <p>8. Appointed Occupational Health and Safety Representatives.</p> <p>9. Occupational Healthy Safety Risk Register in place.</p> <p>10. Safety signs.</p> <p>11. Serviced fire</p>	<p>1. To conduct Occupational Health and Safety trainings to all municipal officials.</p> <p>2. To review and approve the Occupational Health and Safety Policy.</p> <p>3. Development of Evacuation Plan.</p>

Risks		Root Cause	Consequence	Current Controls	Future Action Plan
Name	Description				
			8. Tarnished image of the municipality.	extinguishers done annually.	

Anti-corruption and fraud: Anti-fraud and corruption policy was developed, and a plan is in process of development. Consultants have been appointed to conduct the Risk and Fraud Risk assessment.

Supply Chain Management (SCM): SCM Policy is in place. SCM Bid Committees have been established. The seating of Bid Committees has some challenges due to the lack of quorum and this causes delays in the process of appointment of required service providers. Service providers awarded during the year under review are listed in Chapter 3 as part of the external service providers' performance assessment.

By-laws: The Municipality is in process of reviewing its by-laws.

Websites: Website is updated as the need arise.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

This chapter focuses on service delivery on a service-by-service basis. It considers municipal performance derived from Integrated Development Plan (IDP) objectives, translated into the Service Delivery and Budget Implementation Plan (SDBIP) and presents data on community needs and resource deployment. The service delivery issues are structured, captured and reflected under each key performance area (KPA) as contained in the IDP. This allows for easy of comparison on achievements against budget and SDBIP.

Legislatively, each municipality is required to prepare the Annual Performance Report (APR) annually in terms of section 46(1) of the Local Government: Municipal Systems Act 32 of 2000, which stipulates that: A municipality must prepare for each financial year a performance report reflecting—

- (a) the performance of the Municipality and each external service provider during that financial year;
- (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
- (c) measures taken to improve performance.

As guided by Section 46(2) MSA, the APR, amongst other documents, will form part of the consolidated Annual Report of the Municipality in terms of Chapter 12 of the Municipal Finance Management Act 56 of 2003, which must be submitted to Council by the end of January each year.

Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.” Performance management is not only relevant to the organisation, but also to the individuals employed in the organisation as well as the external service providers and the Municipal Entities. This framework, *inter alia*, reflects the linkage between the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), Individual and Service Provider performance. The annual performance report therefore gives a progress made on achievement of the municipal predetermined objectives and goals as set out in the IDP and SDBIP.

The APR was prepared and submitted to the Office of the Auditor General on 31 August 2024, as guided by Section 45(1)(b) of the MSA. This Report is attached as **annexure A** of this report.

CHAPTER 4 - ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

Section 67 of the MSA states that "a municipality, in accordance with applicable law and subject to any applicable collective agreement, must develop and adopt appropriate systems and procedures, consistent with any uniform standards prescribed in terms of section 72(1)(c), to ensure fair, efficient, effective and transparent personnel administration..." This component cites the range of workforce management and progress made in the development of workforce policies and management practices during the financial under review.

Information included in this chapter is structured as follows:

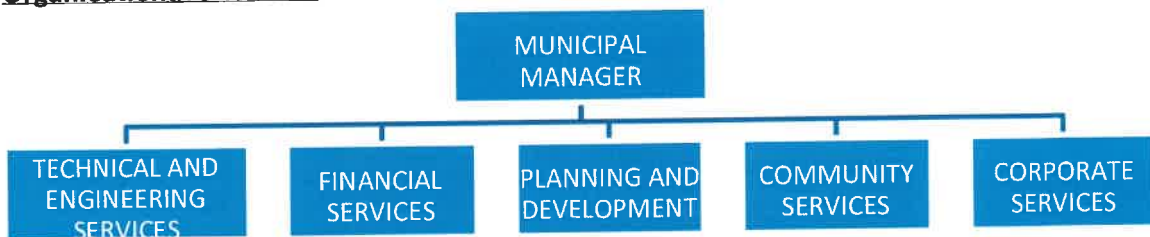
- Component A & B: Introduction and Managing the Municipal Workforce
- Component C: Capacity the Municipal Workforce
- Component D: Managing the Workforce Expenditure

COMPONENT A & B: INTRODUCTION AND MANAGING THE MUNICIPAL WORKFORCE

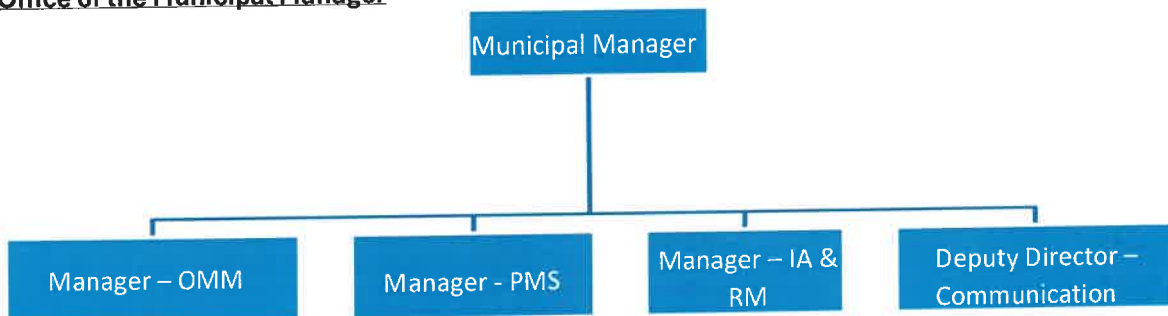
4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

Amajuba District Municipality has six departments as per organisational and departmental structures stated below.

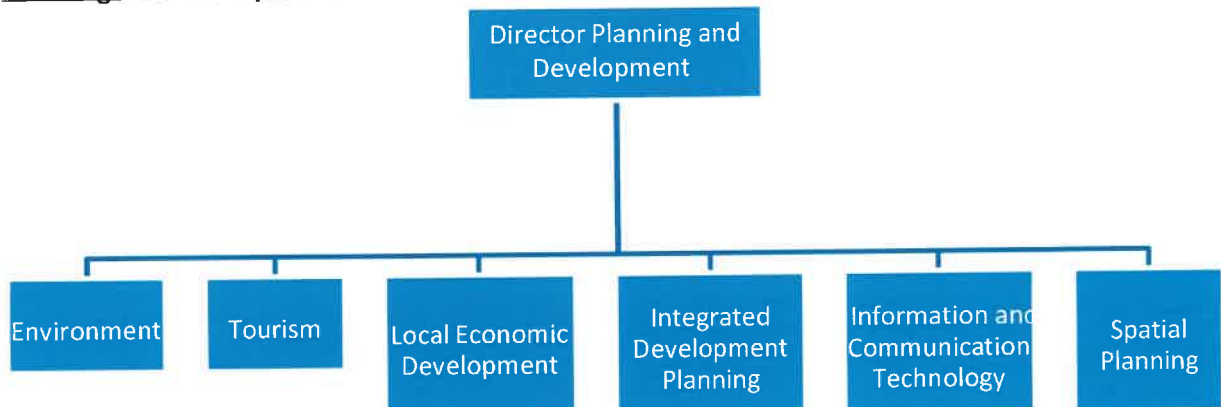
Organisational Structure



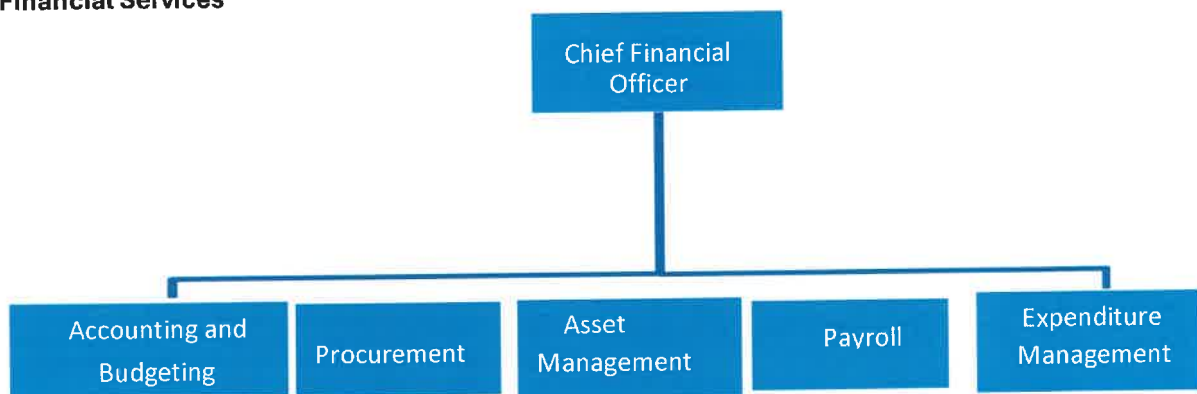
Office of the Municipal Manager



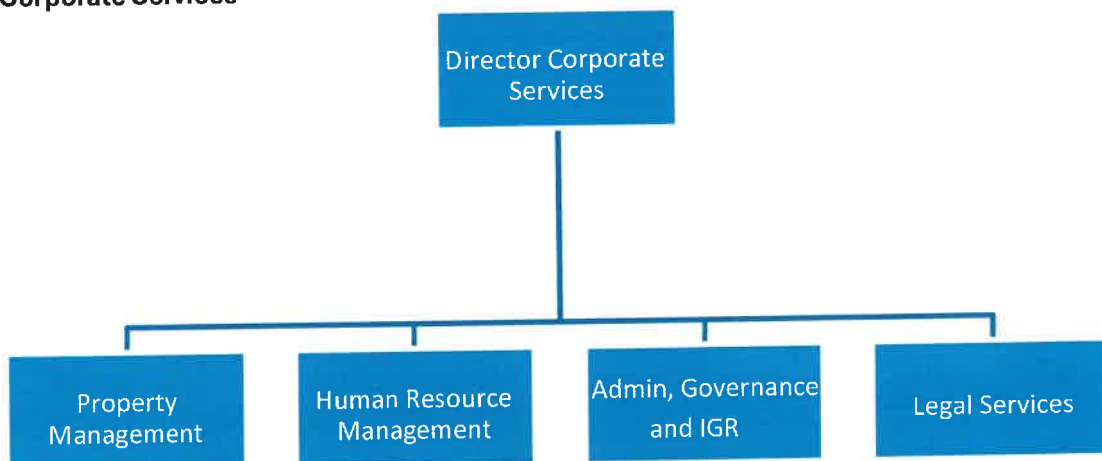
Planning and Development Services



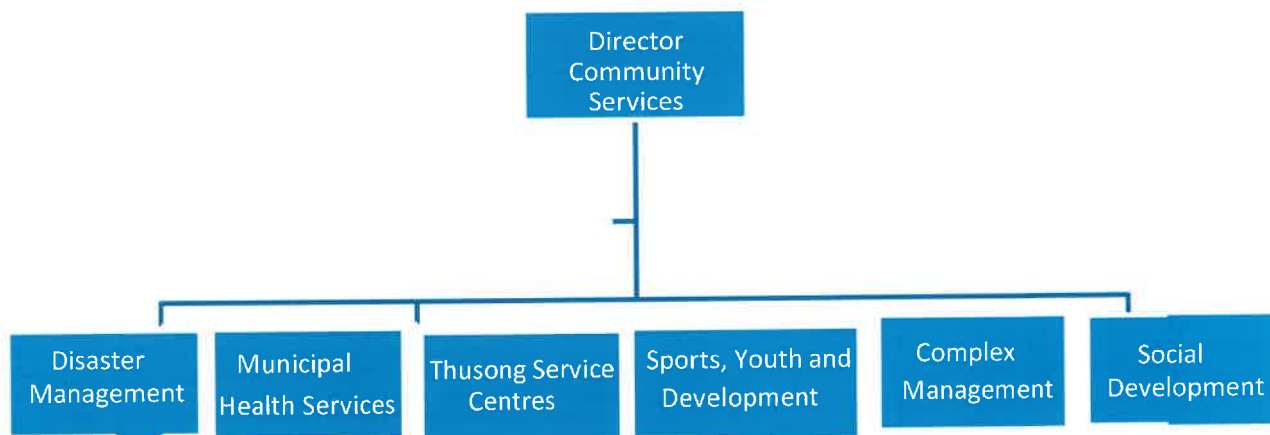
Financial Services



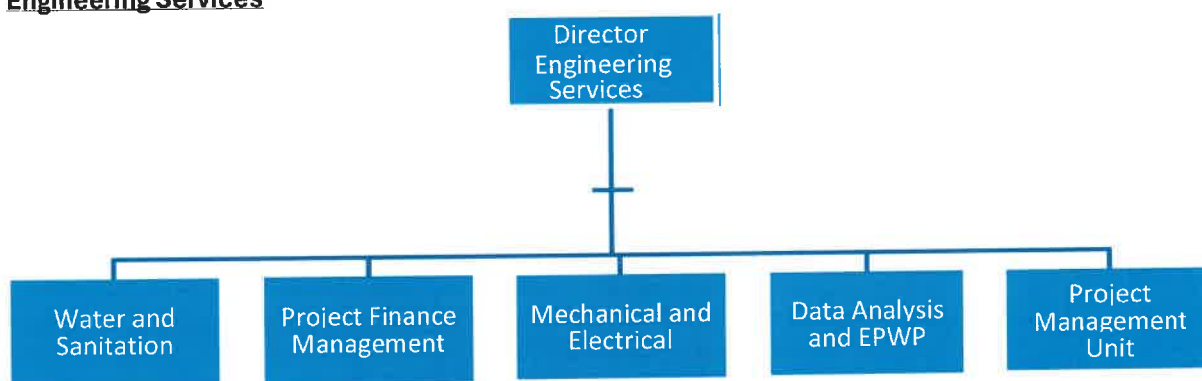
Corporate Services



Community Services



Engineering Services



The table below illustrates the status quo of each of the senior management positions.

Table 4.1: Section 54/56 Managers

Position	Name	Gender	Appointment Date	Term of Contract	Termination / Resignation Date	Signed Performance Agreement 2023/2024 (Yes/No)
Municipal Manager	P. M. Manqele	Male	01 June 2023	5 Years	Resigned 31 August 2024	Yes
Chief Financial Officer	Z.J. Ndlovu	Male	04 March 2024	Permanent	Not Applicable	Yes
Director Corporate Services	T. B. Dube	Male	06 June 2022	Permanent	Not Applicable	Yes

Position	Name	Gender	Appointment Date	Term of Contract	Termination / Resignation Date	Signed Performance Agreement 2023/2024 (Yes/No)
Director Engineering Services	T. N. Shandu	Male	06 June 2023	Permanent	Not Applicable	Yes
Director Planning and Development Services	T. C. Buthelezi	Male	06 June 2023	Permanent	Not Applicable	Yes
Director Community Services	T. Xaba	Male	01 June 2023	Permanent	Not Applicable	Yes

Source: Human Resources

The following table illustrates total number of staff members per department.

Table 4.2: Permanently Employed Staff Complement

Department	Number of Posts					
	2023/2024			2022/2023		
	Filled	Vacant	Total	Filled	Vacant	Total
Office of the Municipal Manager	30	22	52	22	16	38
Corporate Services	35	28	63	30	21	51
Financial Services	20	13	33	20	10	30
Planning and Development Services	14	3	17	12	3	15
Engineering Services	69	56	125	63	62	125
Community Services	29	17	46	26	14	40
Total	197	139	336	173	126	299

Source: Human Resources

Table 4.3: Month to Month Contractual Staff Complement

Department	Number of Filled Posts - 2023/2024
Office of the Municipal Manager	12 (Including VIP Protectors)
Corporate Services	10
Financial Services	08
Planning and Development Services	02

Department	Number of Filled Posts - 2023/2024
Engineering Services	04
Community Services	05
Total	41 (Including VIP Protectors)

Source: Human Resources

4.2 EMPLOYMENT EQUITY DEVELOPMENT

In accordance with the Employment Equity Act (No. 55 of 1998), the District Municipality developed and implemented the Employment Equity Plan, and as required by the said Act. The EE Plan reflects the significant progress the District Municipality has achieved thus far and actions to address challenges relating to enhanced demographic composition, skills development, fast-tracking, diversity management and organizational culture assessment.

The EE Plan for 2020-2024 has been developed with the involvement of EE Forum and has been adopted by Council. The employment equity profile illustrates progress made towards transformation. In terms of women empowerment, significant initiatives need to be introduced at top level to bring more women to the fore. The employment equity statistics are presented in the tables below.

Table 4.4: Occupation Level Representation

Occupational Level	Male				Female				Total
	African	Colored	Indian	White	African	Colored	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	5	0	0	0	0	0	0	0	5
Middle Management	11	0	3	1	9	0	2	0	26
Technicians & Trade Workers	62	1	0	0	23	1	4	1	92
Other Staff	53	1	0	0	19	0	0	0	73
Total	132	2	3	1	51	1	6	1	197

Source: Human Resources

Table 4.5: Employee Demographic Profiles

Employment Equity Demographics	2023/2024			2022/2023		
	Designated Group	Non-Designated Group	Women	Designated Group	Non-Designated Group	Women
Top Management	5	0	0	5	0	0
Senior Management	15	1	9	15	1	9
Middle Management	15	1	14	15	1	14
Other	76	0	68	69	0	58
Total	111	2	91	104	2	81

Source: Human Resources

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.3 SKILLS DEVELOPMENT

Amajuba District Municipality has an Internship Programme to equip newly qualified individuals to gain post qualification experience. The municipality has 5 Internship posts. There are 5 Interns currently under this programme which is funded by National Treasury. The staff complement within each directorate has been finalized and responsibilities for each department determined through the Municipal organogram as approved. The human resources strategy for 2022 to 2026 has been developed and underwent relevant structures before adoption by Council.

The employment equity guidelines form an integral part of planning for training as reflected in the Skills Development Act. The District Municipality has developed a comprehensive Workplace Skills Development Plan for the period under review in line with the said Act and the Plan was submitted to the Department of Labour as required by the Act. The District Municipality is registered with the Local Government Sector Education and Training Authority (LGSETA) and skills development initiatives relating to the municipal core services have been carried out at all levels of employment a sum of R 278,781-30 (mandatory grant) was recovered from LGSETA during the year under review.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.4 EXPENDITURE MANAGEMENT OF EMPLOYEES AND COUNCIL

In terms of the MFMA the municipality is required to disclose all expenditure of staff and councillors, in compliance with Section 65-66 of the MFMA. Tables 4.6A and 4.6B below illustrate the said expenditures.

Table 4.6A: Personnel Expenditure

Financial Year	Municipal Expenditure	Personnel Expenditure	Personnel Expenditure as a % of Administration
2023/2024	R 346 637 040	R 140 866 408	41%
2022/2023	R 355 034 128	R 126 889 184	36%
2021/2022	R 314 698 058	R 113 326 920	35%
2020/2021	R 291 423 435	R 104 513 874	36%

Source: Financial Services - Payroll

Table 4.6B: Councillor Expenditure

Financial Year	Municipal Audited Expenditure	Councillor Expenditure	Councillor Expenditure as a % of Administration
2023/2024	R 346 637 040	R 9 250 426	2.6%
2022/2023	R 355 034 128	R 8 692 381	2.5%
2021/2022	R 314 698 058	R 7 012 802	2.2%
2020/2021	R 291 423 435	R 7 215 651	2.4%

Source: Financial Services - Payroll

Tables 4.7A and 4.7B below indicate a summary of pension and medical aid funds utilized by municipal employees and councillors from 01 July 2023 to 30 June 2024.

Table 4.7A: Summary on Pension Funds

Description	Number of Members	Employee Contribution	Employer Contribution	Total
Natal Joint Municipal Employees Provident Fund (5%)	71	R 1 551 614	R 2 377 798	R 3 929 412
Natal Joint Municipal Employees Provident Fund (7%)	28	R 847 754	R 1 299 246	R 2 147 001
Natal Joint Municipal Employees Provident Fund (9.25%)	49	R 2 459 709	R 4 218 162	R 6 677 871
Natal Joint Municipal Employees Superannuation Fund	13	R 287 964	R 937 983	R 1 225 946
Government Employees' Pension Fund	3	R 109 929	R 205 805	R 315 734
Municipal Employees Pension Fund	-	-	-	-
Natal Joint Municipal Employees Retirement Fund	1	R 20 529	R 156 519	R 177 048
Municipal Councillors Pension Fund	6	R 321 853	-	R 321 853
Total	171	R 5 599 352	R9 195 513	R14 794 865

Source: Financial Services – Payroll

Table 4.7B: Summary on Medical Aid Funds and Membership

Description	Number of Members	Employee Contribution	Employer Contribution	Total
Global Health Medical Scheme (Gold)	-	-	-	-
Global Health Medical Scheme (Silver)	-	-	-	-
Global Health Medical Scheme (Bronze)	-	-	-	-
Bonitas Standard	15	R 663 217	R 650 578	R1 313 795
Hosmed	17	R 330 397	R 371 416	R 701 812
Bonitas Prime		R 255 516	R 323 671	R 579 187
LA Health	73	R 1 389 245	R 1 802 527	R3 191 772
SAMWUMED	5	R 40 677	R 61 015	R 101 692
Bonitas classic	1	R 22 616	R 32 670	R 55 286
Total	111	R 2 671 668	R 3 241 877	R 5 943 544

Source: Financial Services – Payroll

CHAPTER 5 – FINANCIAL PERFORMANCE

Sound financial management practices are essential to the long-term sustainability of municipalities. This chapter provides an overview of financial performance of Amajuba district Municipality. The aim of this chapter is to provide an overview of the financial performance of the municipality. Information included in this chapter is structured as follows:

- Component A: Statement of Financial Performance
- Component B: Spending against Capital Budget
- Component C: Cash flow Management and Investment
- Component D: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 GRANTS AND SUBSIDIES

The following grants/subsidies were received during the year under review.

Table 5.1: Grants and Subsidies Received

Government Grants & Subsidies Allocations	2023/2024			2022/2023		
	Budget	Approved Roll-over 2023/2024	Actual Expenditure	Budget	Approved Roll-over 2022/23	Actual
National Grant Allocations						
Financial Management Grant	R 2 750 000		R 2 750 000	R 2 750 000	-	R 2 750 000
Municipal Infrastructure Grant	R 45 323 000		R 45 323 000	R 44 687 000	-	R 33 347 537
Water Services Infrastructure Grant	R 46 600 000	R 7 617 775	R 53 377 775	R 60 000 000	-	R 52 382 225
Expanded Public Works Programme Grant	R 2 901 000	0	R 2 901 000	R 1 902 000	-	R 1 902 000
Rural Transport and Infrastructure	R 2 370 000	0	R 1 800 200	R 2 361 000	-	R 2 361 000
Sub Total - National Grant Allocations	R 103 344 000	R 7 617 775	R 103 344 000	R 111 700 000	-	R 92 745 762
Provincial Grant Allocations						
KZN COGTA Disaster Management Grant	R 30 000 000		R 5 069 863	-	R 6 771 141	R 6 771 141
Accelerated Intervention Water Supply Programme				R 4 900 000	R 865 731	R 5 765 731
Councillors Training				-	-	-
Sub Total - Provincial Grant Allocations	R 30 000 000		R 5 069 863	R 4 900 000	R 7 636 872	R 12 536 872
Grand Total	R 30 000 000		R 5 069 863	R 116 600 000	R 7 636 872	R 105 282 634

Source: Financial Services – Revenue and Expenditure Management

5.2 OPERATING INCOME

Table 5.2: Operating Income

Income	2023/2024		2022/2023	
	Projected	Actual	Projected	Actual
Service Charges - Water	R 33 514 831	R 24 241 546	R 28 116 000	R 28 662 823
Service Charges - Sanitation	R 9 394 258	R 7 049 673	R 9 153 000	R 6 924 019
Grants & Subsidies	R 321 704 568	R 325 218 838	R 119 258 000	R 307 093 634
Other Income	R 40 205 186	R 43 694 573	R 2 014 000	R 230 808
Total	R 404 818 843	R 400 204 630	R 158 541 000	R 345 756 359

Source: Financial Services – Revenue and Expenditure Management

5.3 TAXES AND SERVICE CHARGES

Table 5.3: Taxes and Service charges

Description	2023/2024		2022/2023	
	Projected	Actual	Projected	Actual
Service Charges	R 42 909 089	R 30 967 790	R 37 269 000	R 38 431 917
Taxes – VAT Refund	-	R 8 816 093	-	R 11 578 598

Source: Financial Service – Budget and Reporting

5.4 DISCLOSURE OF COUNCILLORS IN ARREARS

Section 124(1)(b) of the MFMA requires each municipality to indicate any arrears owed by individual councillors to the municipality, or a municipal entity under its sole or shared control, for rates or services and which at any time during the relevant financial year were outstanding for more than 90 days, including the names of those councillors.

To abide by the above mention section:

- (1) A councillor must settle his or her municipal account for rates and service charges in accordance with the credit control policy of the municipality.
- (2) The Municipal Manager must in writing immediately inform the councillor when the councillor is in arrears to the municipality for rates and service charges for a period that is longer than two months, even if the councillor has been newly elected to the municipal

council concerned, and request the councillor to settle the account and any arrears without further delay.

- (3) A councillor who is in arrears to the municipality for rates and service charges may arrange or agree with the municipality in writing to settle his or her municipal account for such rates and service by means of a monthly stop-order payment.
- (4) A councillor who is in arrears to the municipality for rates and service charges for a period longer than three months is in breach of the Code of Conduct for Municipal Councillors.

The Amajuba District Municipality only bills areas within Dannhauser and Emadlangeni. The tables below illustrates a record of councillors who were in arrears for more than 90 days in the 2022/2023 and 2023/2024 financial years.

Table 5.4A: Councillors in arrears – 2023/2024

Name	Locality	Total Amounts (R)	Current (R)	30 Days	< 60 Days	< 90 Days	<120 Days	< 150 Days	180 Days+
Cllr LN Zulu	Dannhauser - Durnacol	R 3 422	R 808,56	- R 50 210,00	R 343,85	R 1 614,00	R 652,74	R 649,37	R 50 521,72
Total Amounts (R)		R 3 422	R 808,56	- R 50 210,00	R 343,85	R 1 614,00	R 652,74	R 649,37	R 50 521,72

Source: Financial Services – Revenue and Expenditure

The above customer was part of the list of customers who qualified for a write-off which was approved by Council, hence a negative balance in the 30 days period reflected in table 5.4A above.

Table 5.4B: Councillors in arrears – 2022/2023

Name	Locality	Total Amounts	Current	30 Days	< 60 Days	< 90 Days	<120 Days	< 150 Days	180 Days+
Cllr LN Zulu	Dannhauser - Durnacol	R 49 191.87	R 325.09	R 312.34	R 312.34	R 299.61	R 366.43	R 783.52	R 46 792.54
Cllr PS Mgcina (QP Luvuno)	Emadlangeni	R 61 284.51	R 1 229.05	R 1180.98	R 979.75	R 1 193.17	R 1 077.92	R 1 997.40	R 53 626.24
Total Amounts (R)		R 110 476.38	R 1 554.14	R 1 493.32	R 1 292.09	R 1 492.78	R 1 444.35	R 2 780.92	R 100 418.78

Source: Financial Services – Revenue and Expenditure

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL PROJECT - MIG

This section illustrates the implementation of capital projects in the year 2023/2024. Key capital projects for the year are indicated in table 5.5 below.

Table 5.5: Key Capital Projects 2023/2024

Project Name	Project Description and Intended outcome	Project duration / Expected completion date	Project Value in Rands	Budget allocation or source of funding for the project
eMadlangeni Sanitation Infills Wards 1 3 4 5 and 6 Rural areas of eMadlangeni LM	Construction of 2438no. VIP toilets. Provision of sanitation infrastructure in Emadlangeni	2023-06-06 to 2025-01-30	R 39 692 493	Municipal Infrastructure Grant
Goedehoop Bulk Water and Sanitation Phase 2	Construction of a 2MU/d wastewater treatment works. Provision of waterborne sewer treatment works in Emadlangeni	2023-06-05 to 2026-12-15	R 63 888 526	Municipal Infrastructure Grant
Hilltop Reservoir Settlements Water Supply Scheme	Construction of 70km HDPE water pipeline ranging from DN75 to DN355. Provision of portable water at Hilltop	2020-06-23 to 2024-12-15	R 83 366 375	Municipal Infrastructure Grant
Amajuba District Municipality Maintenance Business Plan	Refurbishment of water & wastewater treatment works and water & sanitation schemes. Maintenance of water & sanitation infrastructure in Dannhauser & Emadlangeni	2024-06-30 to 2025-06-30	R 9 927 500	Municipal Infrastructure Grant
Refurbishment of Utrecht Water Treatment Works	Refurbishment of a water treatment works plant. Provision of a water treatment plant that is compliant to water provision standards and operating at optimum	2022-03-01 to 2024-09-30	R 49 927 523	Water Infrastructure Services Grant
Dedicated Braakfontein Reservoir for the Buffalo Flats Area	Construction of a 20Ml reinforced concrete reservoir. Provision of continuous water supply to the community of Buffalo Flats	2020-06-15 to 2024-12-15	R 71 659 695	Water Infrastructure Services Grant

Project Name	Project Description and Intended outcome	Project duration / Expected completion date	Project Value in Rands	Budget allocation or source of funding for the project
Emergency Water Supply to Ramaphosa, Skobharen and 2 Megalitre Reservoir at Hilltop	Construction of 43km water pipeline ranging from DN75 to DN400, 5Ml reservoir, pumpstation and elevated tanks. Provision of portable water supply to the community of Ramaphosa, Skobharen and Hilltop	2021-06-09 to 2025-10-20	R 179 849 330	Water Infrastructure Services Grant
Reduction of Non-Revenue Water via Reduction of Real Losses	Water meter installations and water leak reduction. Reduction of non-revenue water in Amajuba District	2022-06-30 to 2025-09-01	R 39 603 436	Water Infrastructure Services Grant
Covid-19 Buffalo Flats Water Supply Intervention	Construction of 4 water pumpstations, boreholes, generator installation and water leak repairs. Enhancement of water supply in Dannhauser	2022-02-01 to 2024-12-20	R 36 705 465	Water Infrastructure Services Grant

Table 5.6 below indicates capital projects implemented and funded during the year under review.

Table 5.6: MIG Expenditure on Capital Projects

Capital Projects	2023/2024		2022/2023	
	Budget	Expenditure	Budget	Expenditure
Emadlangeni Sanitation MIG	R 13 043 478	R 4 161 838	R 10 000 000	R 0
Disaster Management MIG	R 1 739 130	R 5 481 027	R 6 771 144	R 8 126 453
Refurbishment – Records Management System	R 0	R 0	R 0	R 0
Dannhauser Housing Development Bulk Water and Sanitation	R 0	R 3 683 987	R 6 00 000	R 34 560 004
PMU admin cost Project Management	R 2 022 450	R 506 452	R 2 298 130	R 2 298 130
Goedehoop bulk water and Sanitation	R 12 238 495	R 3 240 138	R 11 227 263	R 46 486 861
Buffalo Flats Water Supply Scheme Phase 3B-MIG	R 0	R 0	R 0	R 0
Hilltop Reservoir Water Supply Scheme-MIG	R 577 391	R 2 130 576	R 11 304 348	R 6 694 877

Capital Projects	2023/2024		2022/2023	
	Budget	Expenditure	Budget	Expenditure
Buffalo Flats Water Supply Phase 4 Scheme	R 0	R 0	R 4 347 826	R 0
COVID-19 Intervention MIG/WSIG Reprioritisation-Elevated Static Tanks Stands	R 8 695 652	R 6 728 146	R 10 434 783	R 8 752 507
New Refurbishment of water and wastewater treatment plants	R 13 043 478	R 17 883 016	R 14 782 609	R 12 188 371
Construction of Brakfontein reservoir	R 0	R 0	R 0	R 0
WC/WDM Program	R 10 435 652	R 3 997 852	R 13 913 043	R 13 026 846
Raw Water Feasibility Study			R 0	R 0
Emergency water supply to Ramaphosa, Skobharen and 2 megalitre reservoir at Hilltop Emadlangeni LM	R 11 304 347	R 23 891 929	R 11 304 348	R 6 594 877
Eastbourne and Skobharen Water Supply Schemes Improvements	R 0	R 0	R 0	R 0
PRV Stations	R 0	R 0	R 0	R 0
Total	R 73 100 073	R 71 704 961	R 96 983 494	R 138 728 926

Source: Financial Services – Budget and Reporting

Table 5.7 below indicates capital projects completed during the year under review.

Table 5.7: Completed Capital Projects

Project Name	Project Value	Project Area	Project Nature	Number of Households Benefitted	Comments
Completion of Amajuba Disaster Management Centre	R8 059 972.20	Ward 22, Newcastle LM	Fire Station	110 961	The Initial two Contractors were terminated due to poor performance (Smada Construction was terminated on the 20th of June 2017 and Bukasive on the 22nd of July 2022). Vumesa completed the project
Dannhauser Housing Development Bulk Water and Sanitation (AFA) MIS 414047	R36 305 363.26	Ward 2 Dannhauser LM	Water: Bulk Pipelines	2 176	HHs will benefit once the Housing Development Project is implemented by the DHS
Upgrading of Paving Area at Amajuba Disaster Management	R9 263 909.50	Ward 22, Newcastle LM	Fire Station	110 961	The project was an extension of the completion of disaster

Project Name	Project Value	Project Area	Project Nature	Number of Households Benefitted	Comments
Center (Madadeni Ward 22)					management centre project
Eastbourne Water Supply Improvements	R43 766 615.58	Eastbourne Farm	Water Reticulation	1 213	The Completion of the project was funded by CoGTA

5.6 EXPENDITURE

Table 5.8: Operating and Capital Expenditure

Expenditure Item	2023/2024		2022/2023	
	Projected	Actual	Projected	Actual
Salaries, wages and allowances	R 144 203 048	R 150 116 834	R 133 171 000	R 135 578 083
General and other expenditure	R 147 936 516	R 187 806 812	R 131 462 933	R 207 590 782
Repair and maintenance	R 2 651 630	R 4 761 134	R 3 400 067	R 3 327 333
Finance charges	R 217 670	R 3 952 260	R 817 000	R 3 298 452
Capital Expenditure	R 99 775 958	R 82 503 282	R 117 965 000	R 98 360 001
Total: Gross/Net Expenditure	R 394 784 822	R 429 140 322	R 386 816 000	R 448 154 651

Source: Financial Services – Revenue and Expenditure Management

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.7 BORROWINGS AND INVESTMENTS

Table 5.7 below indicates loans made during the year under review.

Table 5.9: Borrowings

Loan	Type	Interest Rate	Balance (R)		
			30/06/2024	30/06/2023	30/06/2022
Bank overdraft	Overdraft	Not Applicable	-	-	-
External Loans	Short/Long Term	9%	R 1 484 502	R 2 843 580	R 4 088 117
Finance Leases	Lease	Various	R 579 475	R 387 543	R 136 753
Total			R 2 063 977	R 3 231 123	R 4 224 870

Source: Financial Services – Revenue and Expenditure Management

Table 5.10: Investment Analysis

Bank & Investment Description	Balance (R)		
	30/06/2024	30/06/2023	30/06/2022
ABSA	R 35 554 759	R 7 400 463	R 27 785 799
First National Bank	R 386 051	R 356 086	R 333 513
Investec	R 0	R 956 884	R 1 869 516
Nedbank	R 6 642 811	R 6 642 811	R 6 642 811
Standard Bank	R 12 167 294	R 61 581 126	R 34 540 125
Total	R 54 750 915	R 76 937 370	R 71 171 764

Source: Financial Services – Revenue and Expenditure Management

COMPONENT D: OTHER FINANCIAL MATTERS

The Annual Financial Statements (AFS) and Annual Performance Report (APR) were tabled before the audit committee; and this provided the Audit Committee (AC) members an opportunity to review the AFS and APR before submission to the Office of the Auditor General. Audited AFS are attached as **annexure B** of this report.

The AC held four meetings during the year under review. The AC Chairperson prepared quarterly audit committee reports which were tabled to Council. The Chair also prepared an annual audit committee report which is attached as **annexure C** of this report; part of this annexure are the recommendations made during the AC meetings.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

Service delivery, financial sustainability, and compliance with legislative frameworks are fundamental for municipalities, as highlighted by the Office of the Auditor General. Municipalities should strive to achieve a clean audit outcome driven by capable leadership (both administrative and political) and management that pursues sound financial management, institutionalizes compliance, implements internal controls, establishes processes, adheres to standard operating procedures, and fosters a culture of accountability and high performance.

Audit result of the past three (3) years are as follows:

- **Year 2023/2024:** Qualified with matters of emphasis
- **Year 2022/2023:** Qualified with matters of emphasis
- **Year 2021/2022:** Qualified with matters of emphasis

The Auditor General Report is attached as **annexure D** and Audit Response Plan as **annexure E** of this report.

REPORT SIGN-OFF

I, Mr TB Dube, in my capacity as the Acting Municipal Manager of Amajuba District Municipality hereby declare that the content contained in this report is complete and accurate to the best of my knowledge. I also confirm that this is a true reflection of the performance of Amajuba District Municipality at the year ended 30 June 2024.

Signature: _____



Date: _____

30/01/2025

LIST OF REFERENCES

- Annual Report 2022/2023
- Annual Performance Report 2022/2023 and 2023/2024
- Integrated Development Plan 2022/2022 and 2023/2024
- Local Government: Municipal Structure Act (1998)
- Local Government: Municipal Systems Act (2000)
- Local Government: Municipal Systems Amendment Act (2003)
- Local Government: Municipal Finance Management Act (2003)
- Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (2006)
- MFMA Circular 11 (Annual Report Guidelines)
- MFMA Circular 13 (SDBIP)
- MFMA Circular 32 (Oversight Report)
- Original and Revised Service Delivery and Budget Implementation Plan 2022/2023
- Original Service Delivery and Budget Implementation Plan 2023/2024
- Performance Management System Policy and Framework Review 2023/2024
- Census 2011 and 2022

