



ANNUAL REPORT

2008/2009

FINAL APPROVAL

MARCH 2010

Compiled by

Amajuba District Municipality

Contact details

Private Bag X6615

Newcastle

2940

B9356 Main Street, Section 1

Madadeni

2951

Tel : 034 329 7200

Fax : 034 314 3785

Website: www.amajuba.gov.za

2008/09 ANNUAL REPORT



AMAJUBA DISTRICT MUNICIPALITY
A PLACE OF OPPORTUNITY

TABLE OF CONTENTS

FOREWORD BY HIS WORSHIP THE MAYOR

FOREWORD BY THE MUNICIPAL MANAGER

VISION, MISSION, OBJECTIVE AND VALUES

FUNCTIONS, POWERS AND DUTIES

MANDATES

CHAPTER 1 OVERVIEW OF THE MUNICIPALITY

- 1.1 Background of Amajuba District**
- 1.2 Demographic Profile**
- 1.3 Priority Needs**
- 1.4 Constraints to Development**

CHAPTER 2 HUMAN RESOURCES DEVELOPMENT AND OTHER ORGANISATIONAL MANAGEMENT MATTERS

- 2.1 Institutional Framework**
 - 2.1.1 Organisation chart/organogram
- 2.2 Human Capital**
 - 2.2.1 Staff Complement
 - 2.2.2 Senior Management
 - 2.2.3 Employment Equity Development
 - 2.2.4 Skills Development
- 2.3 Expenditure Management of Employees and Council**
- 2.4 Pension and Medical Aid Funds –Statistics**

CHAPTER 3 FUNCTIONAL SERVICE DELIVERY REPORTING

- 3.1 Key Performance Areas**
 - 3.1.1 Office of the Municipal Manager
 - 3.1.2 Planning and Development Services
 - 3.1.3 Corporate Services
 - 3.1.3.1 Municipal Human Resources Strategies
 - 3.1.4 Financial Services
 - 3.1.5 Community Services
 - 3.1.5.1 KwaMdakane Thusong Service Centre

2008/09 ANNUAL REPORT



AMAJUBA DISTRICT MUNICIPALITY
A PLACE OF OPPORTUNITY

- 3.1.6 Engineering Services
- 3.2 Provision of Basic Services**
 - 3.2.1 Water Supply
 - 3.2.2 Sanitation
 - 3.2.3 Electrification and Solid Waste Removal
- 3.3 Projects**
- 3.4 Appointment of Service Providers**

CHAPTER 4 AUDITED FINANCIAL STATEMENTS AND RELATED FINANCIAL INFORMATION

- 4.1 Income Received**
 - 4.1.1 Grants and Subsidies
 - 4.1.2 Operating Income
- 4.2 Municipal Expenditure, Loans, Losses and Investments**
 - 4.2.1 Expenditure
 - 4.2.2 Investments, Loans and Losses

CHAPTER 5 REPORT OF THE AUDIT COMMITTEE

LIST OF REFERENCES

ANNEXURES

- A:** Audited Annual Financial Statements 2008/09
- B:** Auditor General's Report
- C:** Action Plan to address Auditor General's Queries



LIST OF TABLES

Table 1.1A: Population Data	Table 3.1.5: Core Service Delivery Key Performance Indicators – Financial Services
Table 1.1B: Household Data	Table 3.1.6: Core Service Delivery Key Performance Indicators – Community Services
Table 1.1C: Average Household Size Data	Table 3.1.7: Core Service Delivery Key Performance Indicators – Engineering Services
Table 1.1D: Economic Growth Data	Table 3.2A: Percentage of households with and without access to water as at 30 June 2009
Table 1.2: Sector Plans	Table 3.2B: Actual and Anticipated: Water Supply Cashflows Buffalo Flats Phase 1 – 3 and Emadlangeni Bulk Waterline
Table 1.3: HIV and AIDS Statistics	Table 3.2C: Percentage of households with and without access to sanitation as at 30 June 2009
Table 2.1: Staff Complement as at 30 June 2009	Table 3.3: List of service providers appointed 2008/09 paid more than R100, 000
Table 2.2: Departmental Responsibilities	Table 4.1: Grants and Subsidies Received
Table 2.3: Amajuba District Municipality Directorate	Table 4.2: Operating Income
Table 2.4A: Demographic Profile of Employees	Table 4.3: Operating and Capital Expenditure
Table 2.4B: Representation by Occupational Level	Table 4.4: External Loans
Table 2.5A: Personnel Expenditure for the past four years	Table 4.5: Investments Analysis
Table 2.5B: Councillors' expenditure for the past four years	
Table 2.6A: Summary of Pension Funds	
Table 2.6B: Summary of Medical Aid Funds	
Table 3.1: Key Performance Areas	
Table 3.1.1: Core Service Delivery Key Performance Indicators – Office of the MM	
Table 3.1.2: Core Service Delivery Key Performance Indicators – Planning and Development	
Table 3.1.3: Core Service Delivery Key Performance Indicators – Corporate Services	

SELECTED ACRONYMS

AC	Audit Committee
ADM	Amajuba District Municipality
AFLED	Amajuba Forum for Local Economic Development
ARV	Anti-Retro Viral
BEE	Black Economic Empowerment
CDW	Community Development Worker
CTO	Community Tourism Organisation
DAEA	Department of Agriculture and Environmental Affairs
DBSA	Development Bank of Southern Africa
DIMS	District Information Systems
DLA	Department of Land Affairs
DLGTA	Department of Local Government and Traditional Affairs
DM	District Municipality
DME	Department of Minerals and Environmental Affairs
DSR	Department of Sports and Recreation
DWAF	Department of Water Affairs
EPWP	Extended Public Works Programme
ESDP	Electricity Supply Development Plan
GCIS	Government Communications and Information Systems
HOD	Head of Departments / Section 57 Managers
IDP	Integrated Development Planning
IDP RF	Integrated Development Planning Representative Forum
IGF	Intergovernmental Forum
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LGSETA	Local Government Sector of Education & Training Authorities
LM	Local Municipality
LUMS	Land Use Management System
Mi2	Municipal Infrastructure Investment
MIPA	Man In Partnership Against AIDS



MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPCC	Multi-Purpose Community Centre (also know as Thusong Service Centre)
NQF	National Qualification Framework
OHS	Occupational Health and Safety
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
UAP	Universal Access Plan
PA	Performance Agreement
PMU	Project Management Unit
PMS	Performance Management Systems
PPP	Public Private Partnership
PTP	Public Transport Plan
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SEDA	Small Enterprise Development Agency
SMME	Small Medium and Micro Enterprise
WSA	Water Service Authority
WSDP	Water Service Development Plan



FOREWORD BY HIS WORSHIP THE MAYOR



Cllr Dr MS Mlangeni
His Worship the Mayor

Honourable Speaker
Members of Council
Executive Committee
Municipal Manager
Officials
All protocol observed

I am pleased to present to you an annual report of Amajuba District Municipality for year ended 30 June 2009.

The 2008/09 financial year has seen a continued commitment and in many areas, we have made substantial progress. We have lived upon our vision statement which says Amajuba will be a fully developed district, with a vibrant and sustainable economy, a better quality of life, preserved within its own cultural and traditional values.

I therefore would like to thank all members of Council, the Municipal Manager and his staff for their support, cooperation, dedication and hard work during the year under review.

CLLR DR MS MLANGENI
HIS WORSHIP THE MAYOR

2008/09 ANNUAL REPORT



AMAJUBA DISTRICT MUNICIPALITY
A PLACE OF OPPORTUNITY

FOREWORD BY THE MUNICIPAL MANAGER



Dr VJ Mthembu
Municipal Manager

The compilation of the annual report is a landmark in the institutional history of any organization, more so it affords one the opportunity to stand out of the daily work objectives and reflect on the organisational accomplishments over period under review.

Our district prides itself in effective management that is in line with fiscal discipline, which will be entrenched even further. The existing sound relationships with our stakeholders confirm our management style, which is in line with Chapter IV of the Municipal Systems Act No. 32 of 2000.

My sincere appreciation goes to His Worship the Mayor Cllr Dr SM Mlangeni and his Executive Committee, the entire Council members and the Staff members for their support. May I also pay special thanks to a number of stakeholder groups; inter alia, the Department of Local Government and Traditional Affairs, National Treasury, and the various Government Departments for their continued interest and support. The success of the Municipality would not have been possible without your continued commitment and dedication.

It therefore gives me a great pleasure to present the 2008/09 annual report to His Worship the Mayor Cllr Dr SM Mlangeni for presentation at Council.

DR VJ MTHEMBU
MUNICIPAL MANAGER

VISION, MISSION AND OBJECTIVES

VISION

Amajuba will be a fully developed district, with a vibrant and sustainable economy, a better quality of life, preserved within its own cultural and traditional values.

OBJECTIVES

The following objectives have been agreed to guide development in the Amajuba District:

- To achieve sound management, administration and equity within the Amajuba by 2010 in line with applicable legislation and Organized Local Government Guidelines
- To ensure provision of basic infrastructure and community services to all communities within acceptable norms and standards by 2015
- To facilitate, encourage and support the development of an enabling environment for Local Economic Development and job creation
- To promote the development of a safe and healthy environment in line with the applicable legislation on an ongoing basis

MISSION

The Amajuba District Municipality will through good governance (accountable, transparent, democratic and developmental local government) and management strive to achieve its vision, within the legal framework by:

- Promoting shared and integrated service delivery
- Creating an enabling environment for economic development
- Increasing opportunities for previously disadvantaged communities
- Providing and maintaining integrated, affordable, equitable and sustainable services
- Facilitating access to land and social services
- Promoting development of a safe and healthy environment, and
- Effective planning of infrastructure and technical services

VALUES

The following are the values to be followed by the organisation:

- **Accountability:** We will discharge our responsibilities with the appreciation that we are public servants and will hold ourselves accountable to them.
- **Transparency:** We will make the necessary information available to our stake holders.
- **Democracy:** We will consult our stakeholders as prescribed.
- **Developmental Approach:** We will seek, develop and implement solutions that will contribute to the development of our society.

FUNCTIONS, POWERS AND DUTIES

In terms of Section 84 of the Municipal Structures Act (No. 117 of 1998), the District Municipality has the following functions and powers:

- (a) Integrated Development Planning for the District Municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the District Municipality.
- (b) Potable water supply systems.
- (e) Solid waste disposal sites, in so far as it relates to:
 - (i) The determination of a waste disposal strategy;
 - (ii) The regulation of waste disposal; and
 - (iii) The establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
- (g) Regulation of passenger transport services.
- (i) Municipal health services.
- (j) Fire fighting services serving the area of the District Municipality as a whole, which includes:
 - (i) Planning, co-ordination and regulation of fire services;
 - (ii) Specialised fire fighting services such as mountain, veld and chemical fire services;
 - (iii) Co-ordination of the standardization of infrastructure, vehicles, equipment and procedures;
 - (iv) Training of fire officers.
- (k) The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district.
- (l) The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.
- (m) Promotion of local tourism for the area of the District Municipality.
- (n) Municipal public works relating to any of the above functions or any other functions assigned to the District Municipality.
- (o) The receipt, allocation and, if applicable, the distribution of grants made to the District Municipality.
- (p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the District Municipality in terms of national legislation.

MANDATES

SPECIFIC MANDATES

- Municipal Finance Management Act, No. 56 of 2003;
- Municipal Systems Act , No. 32 of 2000;
- Municipal Structures Amendment Act, 2000;
- Local Government Municipal Planning and Performance Management Regulation, 2001; and
- Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Manager, 2006; and
- Integrated Development Planning document

SUPPORTING MANDATES

- The Constitution of the Republic of South Africa, No. 108 of 1996;
- White Paper on Transforming Public Service Delivery (Batho Pele), 1997;
- The White Paper on Service Delivery
- Basic Conditions of Employment No. 75 of 1997
- Compensation for Occupational Injuries and Health Diseases Act No. 130 of 1993
- Employment Equity Act No. 55 of 1998
- Labour Relations Act No. 66 of 1995
- Occupational Health & Safety Act No. 85 of 1993
- Skills Development Levies Act No. 9 of 1999
- Skills Development Act No. 97 of 1998
- Unemployment Contributions Act No. 4 of 2002
- Unemployment Insurance Act No. 63 of 2001

POLICIES AND PROCEDURES

- Amajuba District Municipality Financial Rules
- Amajuba District Municipality Code of Conduct
- Amajuba District Municipality Supply Chain Management Policy

MEMBERS OF THE COUNCIL

The Amajuba District Municipality consists of 25 Councillors as follows:

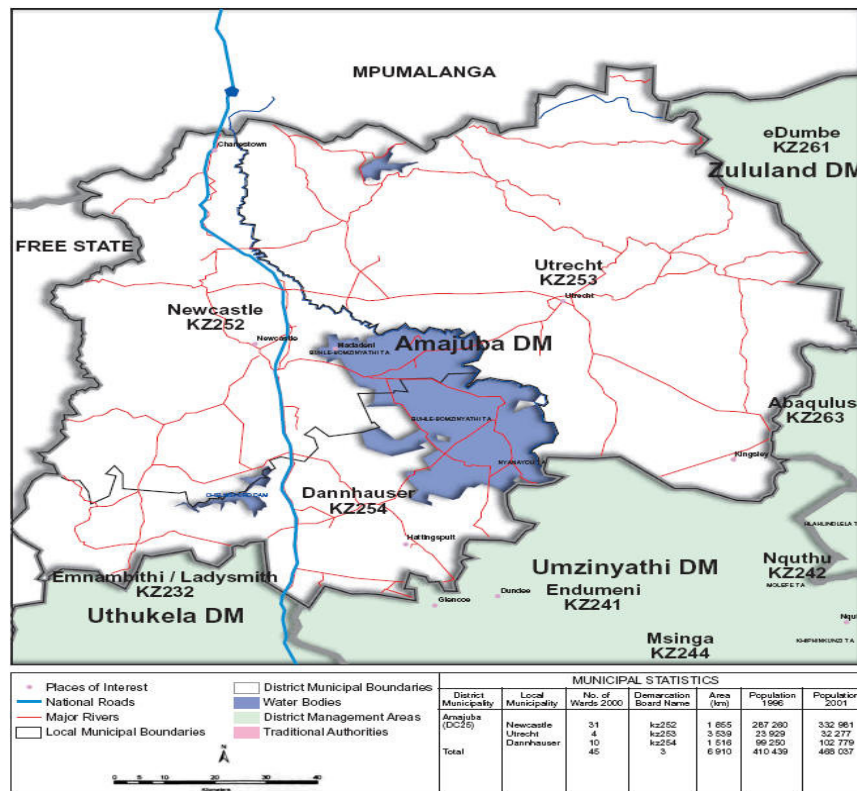
1. Cllr Dr MS Mlangeni (Mayor)
2. Cllr P Croft (Speaker)
3. Cllr BA Dlamini (Executive Committee)
4. Cllr MI Dlamini (Executive Committee)
5. Cllr JCN Khumalo
6. Cllr DB Mabuyakhulu
7. Cllr AT Zwane
8. Cllr BL Zulu
9. Cllr JP Khumalo
10. Cllr NS Matthews
11. Cllr AN Radebe
12. Cllr VJ Ngema
13. Cllr BJ Mntambo
14. Cllr TV Buthelezi
15. Cllr LPT Dhlomo
16. Cllr TC Thungo
17. Cllr HS Madonsela
18. Cllr SB Harber
19. Cllr RB Ndimba
20. Cllr NJ Ndebele
21. Cllr A Chuang-Lui
22. Cllr JME Damons
23. Cllr MA Sibeko
24. Cllr MF Zikhali
25. Cllr NJ Hadebe

OVERVIEW OF THE MUNICIPALITY

1.1 BACKGROUND OF AMAJUBA DISTRICT

The Amajuba District Municipality (ADM) is located in the north-western corner of KwaZulu-Natal and comprises the three local municipalities of Newcastle (KZ252), Utrecht (KZ253) and Dannhauser (KZ254). The ADM is 6 910 km² in size with Utrecht occupying the largest area of 3 539 km², Newcastle some 1 855 km² and Dannhauser some 1 516 km². The main transportation routes linking the District to its surrounds 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.

Map 1: Location of Amajuba District Municipality



The district is viewed as a major industrial centre with several key industries anchoring development in the region, notably: steelworks, textiles, chemicals and petroleum products. Agricultural activities (dairy and crop farming) are well organised within the district and there is considerable scope for expansion into agri-beneficiation activities. A well developed tourism sector with numerous natural beauty attractions and an emphasis on the battlefields, adventure tourism and the accommodation requirements of business visitors is also evident in Amajuba.

1.2 DEMOGRAPHIC PROFILE

Amajuba district demographic situation shows a concentration of people in the Newcastle-Madadeni-Osizweni area, a smaller concentration in the Blaaubosch area and dispersed population in the remainder of the district, with notable exception of the area in the northeast of the Dannhauser municipal area, encompassing Ubuhlebomzinyathi Community Authority Area. Demographic data reflected in tables below shows the Global Insight findings as compared to the Statistics South Africa findings.

Table 1.1A: Population Data

YEAR	DANNHAUSER	NEWCASTLE	EMADLANGENI	AMAJUBA
Total Pop: 1996	99 250	287 260	23 929	410 439
Total Pop: 2001	102 779	332 981	32 277	468 037
Total Pop: 2005	104 065	351 075	35 962	491 102
Total Pop: 2007 (Global Insight)	97 866	360 190	39 561	497 617
Total Pop: 2007 (Stats SA, Community Survey 2007)	91 366	327 637	23 263	442 266

Source: Statistics South Africa, 2007 and Global insight report 2007

The total population of the district was recorded as 491 102 by the Statistics South Africa Community Survey of 2005 as compared to 442 266 found in 2007. Of the 2007 records, 74% was located in Newcastle Municipality, 21% in Dannhauser Municipality and 5% in Emadlangeni Municipality. A decline in population may be due to HIV and AIDS pandemic.

Table 1.1B: Household Data

YEAR	DANNHAUSER	NEWCASTLE	EMADLANGENI	AMAJUBA
No of H/holds (2005)	19 094	72 089	5 663	96 846
No of H/holds 2007 (Global Insight)	18 751	82 938	6 905	108 595
No of H/holds 2007 (Stats SA, Community Survey 2007)	18 057	77 786	5 211	101 054

Source: Statistics South Africa, 2007 and Global insight report 2007

Table 1.1C: Average Household Size Data

YEAR	DANNHAUSER	NEWCASTLE	EMADLANGENI	AMAJUBA
Average H/hold Size (2005)	5.5	4.9	6.4	5.1
Average H/hold Size 2007 (Global Insight)	5.2	4.3	5.7	4.6
Average H/hold Size 2007 (Stats SA, Community Survey 2007)	5.1	4.2	4.5	4.4

Source: Statistics South Africa, 2007 and Global insight report 2007

The 2007 statistics by Statistics SA also show an increase in a number of households from 96 846 in 2005 to 101 054 in 2007. An average household size has however decreased from 5.1 to 4.4.

Table 1.1D: Economic Growth Data

YEAR	DANNHAUSER	NEWCASTLE	EMADLANGENI	AMAJUBA
% Growth/ annum (2001 to 2005)	0.31	1.33	2.74	1.21

Source: Amajuba Integrated Development Plan 2009/10

Emadlangeni reflects the highest growth rate of 2.7% per annum and also has the largest household size of approximately 6 people per household, which is in keeping with the rural nature of the municipality. In terms of the growth rate, the rate for the period 2001 to 2005 was lower than the growth rate for the period 1996 to 2001 which shows a stabilisation in the District. This may also relate to the high prevalence of HIV and Aids in the district.

1.3 PRIORITY NEEDS

There are sector plans that have been established to channel service delivery. The following are the sector plans that have been prepared since the inception of Amajuba District Municipality in 2001. The sector plans are aligned to the IDP and are reviewed as the need arises.

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.

The following table demonstrates the status of the sector plans at the end of the year under review.

Table 1.2: Sector Plans

SECTOR PLAN	STATUS 2008/09	PURPOSE OF THE PLAN AND OTHER COMMENTS
Integrated Environmental Programme	To be reviewed	Promoting environmental friendly methods of waste disposal in area outside the urban area
Environmental Management Plan	Complete	The EMP addresses schedules, resources and responsibilities for achieving Council's environmental objectives and targets.
Integrated Waste Management Plan	Complete	This plan investigated the potential for waste minimization and recycling as well as the potential alternatives to the current treatment and disposal regimes.
Cemetery Plan	Complete	Apart from the implementation of the Cemetery Plan, a future focus identified for this plan will be to investigate the current status of unlicensed cemeteries in the ADM.
Public Transport Plan	Complete	PTP provides a record of public transport services, routes, facilities and infrastructure, which will form the basis for the development of the PTP and the Integrated Transport Plan (ITP) for the ADM.
HIV and AIDS Policy	Complete	A policy document has been developed to guide all of Council's activities on HIV/ Aids matters.
Water Service Development Plan	Review Complete	The WSDP has been utilised to prioritise water provision projects and funding allocations throughout the DM and the budget has been aligned extensively with it.
Tourism Development Plan	Complete	This plan was prepared so as to put the district on a competitive edge in terms of its tourism attractions.

SECTOR PLAN	STATUS 2008/09	PURPOSE OF THE PLAN AND OTHER COMMENTS
Tourism Route Development Plan	Complete	The aim of this sector plan was to cluster tourism products in order to market them collectively.
Tourism Signage Development Plan	Complete	Tourism signage has been a major challenge that the DM has been faced with. The need was therefore identified to prepare a plan aimed at identify gaps in tourism signage and area for upgrading so as to facilitate the free movement of tourists around the DM.
Battlefields Development Plan	Complete	Since DM is branded as the "Battlefields", it has been the intention of the DM to offer tourists a complete battlefields package. Key to this has been the need to upgrade existing battlefield sites in order for them to be in an acceptable state for visits from tourists. This project has been linked to a Study Tour undertaken by the ADM's EXCO where key battlefields in Europe were visited.
Local Economic Development Plan	Complete	Plan prepared to provide a framework for the integration and coordination of activities and decisions made by development agencies. The plan identified three potential growth sectors in the district as Agriculture, Commerce and Industry and Tourism
Manufacturing Sector Plan	Complete	The purpose of the plan was to formulate an integrated and holistic manufacturing plan to revive the steadily dwindling state of the manufacturing sector in the district.
Agricultural Development Plan	Complete	Plan is to guide all LM's in the DM area and other stakeholders, on the development of the agricultural sector, ensuring well planned and successful enterprises that will not have a negative impact on the natural environment and other land users (industries, residential, mining), in order to provide long term economic upliftment, especially for the previously disadvantaged groups and economic sustainability for all the existing agricultural related enterprises.
Electricity Supply Development Plan	Complete	The purpose of the plan is to formulate a rational basis for extending grid and non-grid electrification service supply within the district. During the year under review, electrification and bulk infrastructure creation funding formed part of the MIG programme.
Disaster Management Plan	Complete	The ADM undertook both a Disaster Management Risk Assessment and Risk Analysis during the past financial year. These studies identified where risks for disasters are prevalent, their type and their potential magnitude.
Performance Management System	To be reviewed	PMS is 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
Municipal Infrastructure Investment Plan	Complete	This is an initiative that is meant to address backlogs and provide infrastructure for LED. The initiative is a joint force with the Amajuba LED Forum.
Backlog Study	Complete	To identify backlogs in relation to provision of basic services so as to meet the required standards in terms of service delivery
Area Based Plan	Currently being prepared	DLA has appointed consultants to prepare the plan. Status Quo and Strategies sections complete.

Source: Integrated Development Plan Review 2009/10

1.4 CONSTRAINTS TO DEVELOPMENT

Economic growth of the district is growing. Economic growth currently seat at 10% per annum as compared to about 8.09% in 2004/05. Sectors with highest economic development potential include mining, agriculture, manufacturing, wholesale and retail. These sectors face various constraints to development such as the ones stated below.

Constraints to Development in Mining

- Lack of people with appropriate skills in the area; and
- Poorly maintained access and internal roads in the area

Constraints to Development of Agriculture

- Lack of people with appropriate skills in the area;
- Poorly maintained access and internal roads in the area; and
- Unresolved land claims

Constraints to Development of Manufacturing as well as Wholesale and Retail

- Lack of people with appropriate skills in the area;
- Poorly maintained access and internal roads in the area; and
- Crime

Constraints that impact on service delivery

- Lack of municipal
- Deterioration of existing infrastructure
- Funding and financial issues
- HIV and AIDS epidemic

Amajuba District has seen an increase from 40% in 2001 to 46% in 2006 (Antenatal Survey 2006). It is unclear why there has been this increase in the HIV and AIDS statistics. The district has also noted an increase in unemployment from 41% in 1996 to 55% in 2001 and 61.5% in 2005 (Backlog Study 2005)

Table 1.3: HIV and AIDS Statistics

Description	2001	2005/06 (Baseline Data Study)
Unemployment (% of income earning population)	41% in 1996; 55% in 2001	61.5% in 2005
HIV/ Aids Rates	KZN: 32% Provincial Average ADM: 40% Antenatal Survey (2001)	KZN: 40.7% Provincial Average ADM: 38.5% Antenatal Survey (2004) ADM: 46% Antenatal Survey (2006)

Source: Integrated Development Plan Review 2006/07 & 2007/08

HUMAN RESOURCES DEVELOPMENT AND OTHER ORGANISATION MANAGEMENT

2.1 INSTITUTIONAL FRAMEWORK

2.1.1 ORGANISATIONAL CHART/ORGANOGRAM

The organizational structure of the District Municipality is depicted in the organogram below.

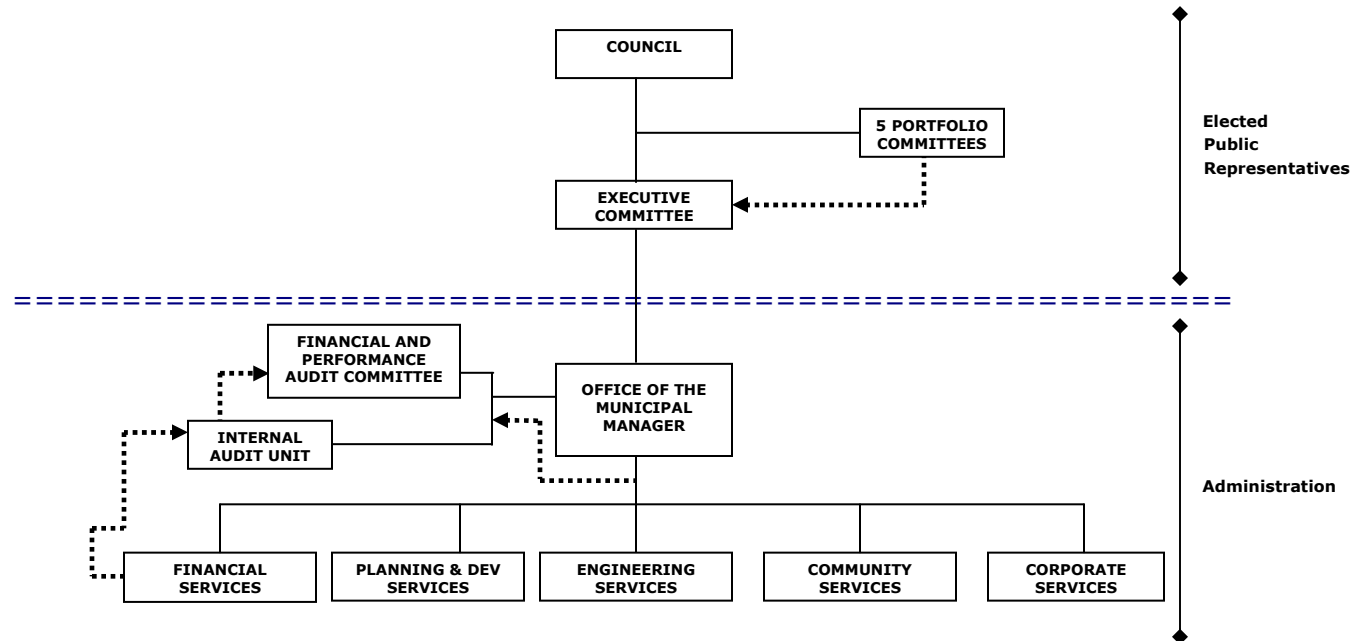


Figure 1: Organisational Chart

As depicted in the organogram above, the Amajuba District Municipality has six departments and two units. Each department is headed by a political head who is an Executive Councillor. Below the political head is the director who is a section 57 employee (meaning that he/she is on a five-year employment contract and a yearly performance agreement and reports directly to the Municipal Manager). The Municipal Manager in turn reports to the Executive Committee, via the Mayor, who is the chairperson of the Executive Committee. The Municipal Manager is assisted by the internal audit and independent performance and financial audit committee in meeting his accountability requirements as prescribed in the MFMA. The internal audit unit is outsourced. This unit provides an array of audit and evaluation activities. More information pertaining to functioning of internal audit and audit committee is described in chapter 5.

There are five portfolio committees; each one corresponding to the municipal departments. Portfolio Committees are headed by a chairperson, who is not an Executive Committee member but a member of Council.

2.2 HUMAN CAPITAL

2.2.1 STAFF COMPLEMENT

During the period under review, the municipality had a staff complement of 68, 62 of which are permanently employed and 6 of which are Section 57 Performance Contract Managers. Table 2.1 below shows the staff complements per department.

Table 2.1: Staff Complement as at 30 June 2009

DEPARTMENT	NO. OF STAFF
Office of the Municipal Manager	09
Corporate Services	12
Financial Services	13
Planning and Development	14
Engineering Services	17
Community Services	13
TOTAL NUMBER OF STAFF	78

During the year under review, two youth graduates were appointed as experiential trainees. Financial services appointed two MFMA interns.

Table 2.2: Departmental Responsibilities

OFFICE OF THE MUNICIPAL MANAGER	FINANCIAL SERVICES	CORPORATE SERVICES
Strategic Leadership	Management of Grants, Tax, Levies	General administration
Overall responsibility for the organisation	Debtor management	Secretariat
Form & develop efficient & effective administration	Income, Expenditure and Cash flows	Council Support
Advise political structures & political office bearers	Budgets (Planning, Implementation and Control)	Legal services
Ensure implementation of decisions of political structures	Assets Management	Policies and Procedures
Ensure implementation of national & provincial legislation/laws	Logistics	Municipal Office Building Management
Accountability for financial & other resources of the municipality	Payroll	Capacity Building / Training
Internal Audit	Procurement	Human Resources
Intergovernmental & International Relations	Insurance	Occupational Health and Safety
Miscellaneous responsibilities outlined in the MSA, MFMA and other legislation.	Loans and Investments	Facilities Management
Strategic Planning & Monitoring: - IDP in terms of MSA & MFMA - PMS in terms of MSA & MFMA	Risk Management	

Source: Integrated Development Plan Review 2006/07 & 2007/08

COMMUNITY SERVICES	PLANNING & DEVELOPMENT SERVICES	ENGINEERING SERVICES
Regulate Passenger Transport.	Development Planning <ul style="list-style-type: none"> ▪ Spatial Development Framework ▪ IDP Alignment and Institutional Support ▪ Land Use Management System coordination ▪ Geographic Information System ▪ Relevant IDP Sector Plans 	Water Service Authority <ul style="list-style-type: none"> ▪ Governance, Planning and Regulation
Municipal Airports	Housing and Land Reform	Electricity
Cemeteries & Crematoria	Dept Policy Development	Integrated Waste Management
Disaster Management <ul style="list-style-type: none"> ▪ Fire Prevention ▪ Emergency Services ▪ Civil Defense 	Municipal (Corporate) Marketing	Municipal Roads
Environmental Health (Monitoring & Control) <ul style="list-style-type: none"> ▪ Water quality monitoring ▪ Food Control ▪ Waste Management ▪ Health surveillance of premises ▪ Vector Control ▪ Environmental Pollution Control ▪ Surveillance & Prevention of common diseases ▪ Disposal of the dead ▪ Chemical safety 	Economic Development <ul style="list-style-type: none"> ▪ Local Tourism, Agriculture, Commerce and Industry. ▪ SMME Support 	Land Reform: post settlement
National Qualifications Fund (NQF) Support	Information Technology: <ul style="list-style-type: none"> ▪ Network Administration ▪ Policy development and implementation ▪ District Information Management Systems 	Municipal Infrastructure Grant Program (MIG): <ul style="list-style-type: none"> ▪ Basic Residential Infrastructure ▪ Public Municipal Service Infrastructure ▪ Social Institutions Infrastructure ▪ Micro Enterprise Infrastructure
Special Programmes: Youth, Gender, Arts and Culture		Dept Policy Development
HIV/AIDS Coordination		
Dept Policy Development		
Environmental Management		

Source: Integrated Development Plan Review 2009/10

2.2.2 SENIOR MANAGEMENT

During the year under review, all senior management posts were filled.

Table 2.3: Amajuba DM Directorate

2008/09 ANNUAL REPORT



AMAJUBA DISTRICT MUNICIPALITY
A PLACE OF OPPORTUNITY

DIRECTORATE	DIRECTOR RESPONSIBLE	DATE OF APPOINTMENT	DATE OF RESIGNATION	EXECUTIVE COUNCILLOR OR PORFOLIO COUNCILLOR
Municipal Manager	Dr VJ Mthembu	January 2007	not applicable	Cllr Dr MS Mlangeni
Corporate Services	H. Jacobs	July 2007	30 April 2009	Cllr Dr MS Mlangeni
Finance	C. Masondo	July 2007	not applicable	Cllr Dr MS Mlangeni
Engineering Services	N. Buthelezi	March 2008	not applicable	Cllr BA Dlamini
Planning & Development	C. Myeza	July 2007	not applicable	Cllr Dr MS Mlangeni (for Econ Dev component)
Community Services	M. Mtshali	July 2007	30 January 2009	Cllr MI Dlamini



**DR V.J. MTHEMBU
MUNICIPAL MANAGER**



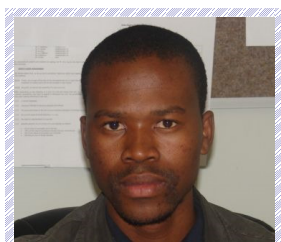
**MR. H. JACOBS
CORPORATE SERVICES**



**MR. C MASONDO
FINANCIAL SERVICES**



**MR. M MTSHALI
COMMUNITY SERVICES**



**MR. N. BUTHELEZI
ENGINEERING SERVICES**



**MR. C. MYEZA
PLANNING & DEVELOPMENT**

2.2.3 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 Plan was submitted to the Department of Labour. The Plan reflects the significant progress the District Municipality has achieved with actions to address challenges relating to enhanced demographic representivity, skills development, succession planning, fast-tracking, mentorship, diversity management and organizational culture assessment.

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 women to the fore. The employment equity statistics are presented in table 2.4A and 2.4B below.

Table 2.4A: Demographic profile of employees

Employment Equity Implementation	Designated* Group	Non-Designated Group	Women
Top Management	83%	17%	0%
Middle Management	80%	20%	20%
Professional Staff	70%	30%	20%

*Africans, Coloureds, Indians, Women and the Disabled Individuals

The analyses show that 83% of the top management of the District Municipality is currently occupied by the designated group. What is notable; however, is that there are no women representatives in the top management of the District Municipality. Progress still need to be made to address these imbalances.

At the middle management (deputy and assistant directorate) level, however the District Municipality has achieved far beyond the expectations and has employed 80% of the designated group at this level. Of the total middle management individuals, 20% are women.

Table 2.4B: Representation by Occupational Level

Occupational Level	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior	5	0	0	1	0	0	0	0	6
Middle (Deputy & Assistant Directorate)	4	0	2	2	1	0	1	0	10
Other Staff	27	0	2	1	25	0	5	2	62
Total	36	0	4	4	26	0	6	2	78

Source: Employment Equity Plan

What is notable in table 2.4 above is that 56% of the staff complement is males, of which 79% are Africans, 13% are Indians, 8% Whites and there existed no Coloureds during the year under review. 44% of the staff complement is females, of which 33% are Africans. Of the 36 African males, one is a person with a disability.

2.2.4 SKILLS DEVELOPMENT

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 (LGWSETA) and skills development initiatives relating to the municipal core services have been carried out at all levels of employment. During the period under review, the District Municipality contributed R195,500-31 to skills development and claimed R73,364-11 in skills levies from the LGSETA.

2.3 EXPENDITURE MANAGEMENT OF EMPLOYEES AND COUNCIL

In terms of the MFMA the municipality is required to disclose all expenditure of staff and councilors, in compliance with Section 65-66 of the MFMA. Below are tables illustrating the said expenditures:

Table 2.5A: Personnel expenditure for the past four years

Financial Year	Municipal Audited Expenditure – Section 12(6) R	Personnel Expenditure R	Personnel Expenditure as a % of administration – Section 12(6)
2005/2006	50,031,532	10,895,779	22%
2006/2007	38,830,772	11,933,918	31%
2007/2008	55,992,079	17,824,649	31%
2008/2009	125,630,149	23,762,179	19%

Table 2.5B: Councillors' expenditure for the past four years

Financial Year	Municipal Audited Expenditure – Section 12(6) R	Councillors Expenditure R	Personnel Expenditure as a % of administration – Section 12(6)
2005/2006	50,031,532	2,834,168	6%
2006/2007	38,830,772	2,698,559	7%
2007/2008	55,992,079	2,779,354	5%
2008/2009	125,630,149	2,689,502	2%

2.4 PENSION AND MEDICAL AID FUNDS – STATISTICS

Table 2.6 below indicates a summary of pension and medical aid funds utilized by Council employees and councillors from 01 July 2008 to 30 June 2009:

Table 2.6A: Summary of Pension Funds

Description	Number of Members	Employee Contribution (R)	Employer Contribution (R)	Total (R)
Natal Joint Municipal Employees Provident Fund (5%)	55	573,397	729,777	1,303,174
Natal Joint Municipal Employees Provident Fund (7%)	04	109,005	61,203	170,208
Natal Joint Municipal Employees Provident Fund (9.25%)	09	183,595	254,262	437,857
Natal Joint Municipal Employees Superannuation Fund	04	61,940	167,406	229,346
Govern Employees Pension Fund	02	29,762	51,589	81,351
Municipal Councillors Fund	08	348,563	0	348,563
Total Pension Fund	82	1,306,262	1,264,237	2,570,499

Table 2.6B: Summary of Medical Aid Funds

Description	Number of Members	Employee Contribution (R)	Employer Contribution (R)	Total (R)
Global Health Medical Scheme (Gold)	14	167,695	203,365	371,060
Global Health Medical Scheme (Silver)	5	39,001	58,502	97,503
Global Health Medical Scheme (Platinum)	1	85,731	0	85,731
Munimed	2	25,313	37,969	63,282
Bonitas Standard	12	92,223	128,736	220,959
Bonitas 52	2	36,750	55,125	91,875
Bonitas Prime	4	21,624	35,363	56,986
Bonitas Cont.	1	9,889	0	9,889
Bon Save	1	8,934	4,652	13,586
Pro Sono Med	1	14,802	0	14,802
LA Health	7	67,084	54,176	121,260
Momentum	1	61,084	0	61,084
Total Medical Aid Fund	51	630,129	577,888	1,208,017

FUNCTIONAL SERVICE DELIVERY REPORTING

3.1 KEY PERFORMANCE AREAS

Amajuba DM's Performance Management Systems (PMS) is reviewed on an annual basis. The municipality has established the key performance areas (KPA) in line with its vision, mission and strategic objectives. The municipal KPAs inform the departmental KPAs.

The municipal KPAs are based on five national KPAs. The table below illustrates the linkage between national KPAs and the Amajuba DM' KPAs.

Table 3.1: Key Performance Areas

National KPAs	Amajuba DM's KPAs
Basic Service Delivery	Integrated Service Delivery
Municipal Institutional Development and Transformation	Institutional and Governance Matters, Municipal Planning
Local Economic Development	Economic Development, Social Facilitation and Development, Environmental Management
Municipal Financial Viability and Management	Municipal Planning
Good Governance and Public Participation	Institutional and Governance Matters

The above KPAs are addressed at the departmental as per tables.

3.1.1 OFFICE OF THE MUNICIPAL MANAGER

Table 3.1.1: Core Service Delivery Key Performance Indicators – Office of the Municipal Manager

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	PROJECT / PROGRAMME DESCRIPTION	UNTI OF PERFORMANCE MEASUREMENT	ANNUAL TARGET	FREQUENCY/ TIMELINE	ACTUAL PERFORMANCE
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Review the organisational structure and policies of the municipality in line with the strategic & operational requirements	Reviewed Organisational Structure	ExCo resolutions	approved organisational structure	Sept-08	Organogram submitted to ExCo
To ensure ongoing implementation and review of the Performance Management System	Measure the performance of senior managers	Performance contracts of senior managers approved by the EXCO	Sect 57 Performance Contracts and ExCo resolution	signed PAs	Sept-08	Every HoD in possession of a signed PA
To ensure ongoing implementation and review of the Performance Management System	Measure the performance of senior managers	Assessment and reporting on S57 employees performance	Report and ExCo resolution	four assessments (two informal and two formal)	Quarterly	Formal: Mid-year assessment conducted by the evaluation panel held in June 08; end of the year assessments to be held No record of informal assessments
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Ensure effective management of the municipality and its functionaries	Budget approved by Council	Council resolution	Approved 2008/09 Budget	annually by end of June	2008/09 Budget approved in 29 May 2008
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Ensure effective management of the municipality and its functionaries	Monthly reports to EXCO	ExCo resolution	12 monthly reports submitted to ExCo	Monthly	Monthly reports submitted to ExCo
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Ensure effective management of the municipality and its functionaries	Adjustment Budget approval	Council resolution	Approved Adjustment Budget	annually by end of Jan	Adjustment budget submitted to Council on 26 March 2009
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Ensure effective management of the municipality and its functionaries	Consideration of reports and queries from internal and external auditors and ensuring continuous functioning of the internal audit unit	Audit Committee minutes & ExCo resolution	all queries addressed efficiently and effectively, at least four IA reports produced per financial year	Quarterly	Two internal audit reports submitted to the AC, one internal audit report on performance management
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Ensure effective management of the municipality and its functionaries	Attendance at meetings of the Audit Committee	Agenda, Minutes & Register	four scheduled AC meetings and Special AC meetings attended	Quarterly	6 Audit committee meetings held 2008/09
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Ensure effective management of the municipality and its functionaries	Deal with matters and queries from the Auditor General.	Reports and Correspondences	all AG queries addressed by mid-FY	Jan-09	Action plan to address AG queries prepared and in progress of implementation
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Ensure effective management of the municipality and its functionaries	Attendance at meetings of the shareholders of uThukela Water	Reports and Correspondences	all scheduled and proposed shareholders meetings attended	ongoing	Attended uThukela Water meetings and updated ExCo
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Ensure effective management of the municipality and its functionaries	Reports to EXCO on uThukela Water	Reports/Minutes of uThukela Water shareholders' meeting submitted to ExCo	all reports and minutes submitted to ExCo	ongoing	

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	PROJECT / PROGRAMME DESCRIPTION	UNTI OF PERFORMANCE MEASUREMENT	ANNUAL TARGET	FREQUENCY/ TIMELINE	ACTUAL PERFORMANCE
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Ensure effective management of the municipality and its functionaries	WSP Contribution in support of uThukela Water	reports	reports on how uThukela utilised funds	ongoing	
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Ensure preparation and timeous submission of statutory reports	Ensure preparation and timeous submission of annual financial statements to Auditor General	Correspondences and reports	AFS submitted	annually by end of Aug	submission of financial statements 07/08 delayed due to delayed completion of the asset register

3.1.2 PLANNING AND DEVELOPMENT SERVICES

Table 3.1.2: Core Service Delivery Key Performance Indicators – Planning and Development Services

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	PROJECT / PROGRAMME DESCRIPTION	UNTI OF PERFORMANCE MEASUREMENT	ANNUAL TARGET	FREQUENCY/ TIMELINE	ACTUAL PERFORMANCE
To ensure 4% economic growth per annum by 2011 To ensure 15% reduction in unemployment by 2011	Implementation of the Battlefields Development Plan	Facilitate programme through the Amajuba Tourism Forum (ATF)	Engagements with Amafa KZN and land owners - correspondence and reports	implementation of battlefield development plan recommendation	Ongoing	implementation of battlefield development plan in progress
To ensure 4% economic growth per annum by 2011 To ensure 15% reduction in unemployment by 2011	Implementation of the Agricultural Sector Plan	LED Project Support	Facilitate the development of two primary economy projects into secondary economy	development of two projects into secondary economy	Ongoing	Development of two projects into secondary economy in progress
To ensure 4% economic growth per annum by 2011 To ensure 15% reduction in unemployment by 2011	Implementation of the Agricultural Sector Plan	LED Manufacturing Strategic Project Support	Facilitate the development of two manufacturing projects as recommended in the manufacturing plan	development of two projects into secondary economy	Ongoing	
To ensure 4% economic growth per annum by 2011 To ensure 15% reduction in unemployment by 2011	Facilitate Targeted Investment	3rd ADM growth and development summit.	Growth and Development Summit	conduct of G&D Summit	Mar-09	Growth and Development Summit held
To facilitate and plan for ongoing sustainable human settlement and economic development in the district	Support the facilitation of integrated planning and implementation of land reform projects in the District	Update and alignment of the Amajuba Spatial Development Framework (SDF)	Completed and aligned SDF	SDF Completed	Jun-09	SDF prepared and approved as part of the IDP
To facilitate and plan for ongoing sustainable human settlement and economic development in the district	Prepare, monitor implementation and review the IDP	Approval of the Budget and IDP Process Plan by EXCO and Council	Council resolution	approved process plan	Aug-08	IDP, PMS and Budget Process Plan approved by Council on 14 August 2008
To facilitate and plan for ongoing sustainable human settlement and economic development in the district	Prepare, monitor implementation and review the IDP	Approved IDP submitted to the DLG&TA	Council resolution and minutes of the IDPRF	approved IDP document	Jun-09	IDP document approved by Council on 29 May 2005

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	PROJECT / PROGRAMME DESCRIPTION	UNTI OF PERFORMANCE MEASUREMENT	ANNUAL TARGET	FREQUENCY/ TIMELINE	ACTUAL PERFORMANCE
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Ensure preparation and timeous submission of statutory reports	Draft Annual Report presented to the Mayor for tabling to Council	Item sent to Council and the resolution	approved draft AR for publicising	Jun-09	Draft AR approved by Council in March 2009
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Ensure preparation and timeous submission of statutory reports	Public participation, advertisement and submission to MEC of Annual Report.	Advert Article	AR advertised for public comments	Apr-09	Draft AR advertised for public comments and no comments received
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Ensure preparation and timeous submission of statutory reports	Oversight report and AR tabled at Council for approval without reservations	Item sent to Council and the resolution	item sent to council for approval	Apr-08	AR approved by Council in June 2009
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Ensure preparation and timeous submission of statutory reports	Submit MFMA compliant AR to both Provincial and National Treasury.	AR document	AR distributed accordingly	Apr-09	AR distributed to key stakeholders
To ensure ongoing implementation and review of the Performance Management System	Measure the performance of the municipality	Review of the performance management system.	Policy document	reviewed PMS	Jul-09	PMS Review adopted on 14 August 2008
To facilitate and plan for ongoing sustainable human settlement and economic development in the district	Provide guidance that ensures integrated service delivery in the District	IDP & Budget roadshows strategic support	road shows report on community comments	2009/10 road show conducted	Annually before end of May	IDP and Budget roadshows held in April

3.1.3 CORPORATE SERVICES

Table 3.1.3: Core Service Delivery Key Performance Indicators – Corporate Services*

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	PROJECT / PROGRAMME DESCRIPTION	UNTI OF PERFORMANCE MEASUREMENT	ANNUAL TARGET	FREQUENCY/ TIMELINE	ACTUAL PERFORMANCE
To ensure progressive compliance with institutional and governance requirements by 2009/10	Address skills, capacity building and change management issues that affect development and functioning of the municipality	Preparation of a Skills Database for the DM staff	Skills Database for Amajuba DM staff developed	Existence of functional skills database	Jun-09	Skills database is regular updated
To ensure progressive compliance with institutional and governance requirements by 2009/10	Address skills, capacity building and change management issues that affect development and functioning of the municipality	Review of Workplace Skills Plan for the ADM	Completed Plan	existence of the WSP 08/09	Jun-09	Workplace Skills Plan for the ADM was updated and submitted
To ensure progressive compliance with institutional and governance requirements by 2009/10	Undertake developmental business planning and streamline business processes to meet council and community needs	Employment Equity Plan established	Legally compliant EEP	existence of the EEP to cover 08/09	Oct-09	Employment Equity Plan prepared and submitted to the Department of Labour

* Most of the key activities performed by Corporate Services have been addressed in Chapter 2 of this report.

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	PROJECT / PROGRAMME DESCRIPTION	UNIT OF PERFORMANCE MEASUREMENT	ANNUAL TARGET	FREQUENCY/ TIMELINE	ACTUAL PERFORMANCE
To ensure progressive compliance with institutional and governance requirements by 2009/10	Address skills, capacity building and change management issues that affect development and functioning of the municipality	Employ experience training students	At least two students	no less than two students employed	Jan-09	In progress
To ensure progressive compliance with institutional and governance requirements by 2009/10	Undertake developmental business planning and streamline business processes to meet council and community needs	Occupational Health and Safety (OHS) Administration	Reports and correspondences	have personnel responsible for OHS and ensure that they have necessary skills and that OHS is effectively administered	Jun-09	In progress of complying with OHS policy
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Undertake developmental business planning and streamline business processes to meet council and community needs	Ensure effective use of the MunAdmin and necessary municipal records keep on the MunAdmin	MunAdmin is effectively utilized for safekeeping of information and distribution thereof	all correspondences scanned on the MunAdmin; where applicable even ExCo and Council items	Jun-09	Received documents scanned and filed on the MunAdmin; Going out mail prepared via the MunAdmin for security and backup purposes
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Undertake developmental business planning and streamline business processes to meet council and community needs	Coordinate, manage and provide administrative support to ExCo and Council meetings	ExCo and Council meetings agenda submitted timeously and minutes prepared	agenda of all scheduled meetings timeously distributed and minutes prepared in both English and isiZulu	Jun-09	ExCo and Council minutes translated from English into isiZulu

3.1.3.1 Municipal Human Resources Strategies

The municipality has adopted and is continuously implementing policies that deal with human resources management and planning; these are summarized as follows:

- A Code of Conduct for Municipal Staff Members;
- Code of Good Practice: HIV/Aids;
- HIV/ Aids Policy;
- Sexual Harassment Policy;
- Smoking Policy;
- Recruitment and Selection Policy;
- Grants and Loans for Study Purposes of Employees Policy;
- Subsistence and Travel Allowances Policy;
- Pool Vehicle Policy;
- Overtime Policy;
- Leave Policy;
- Skills Development and Employment Equity Act Policy; and
- Basic Conditions of Employment Policy.

3.1.4 FINANCIAL SERVICES

Table 3.1.4: Core Service Delivery Key Performance Indicators – Financial Services#

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	PROJECT / PROGRAMME DESCRIPTION	UNIT OF PERFORMANCE MEASUREMENT	ANNUAL TARGET	FREQUENCY/ TIMELINE	ACTUAL PERFORMANCE
To ensure progressive compliance with institutional and governance requirements by 2009/2010	Full compliance with Chapter 11 of the MFMA (SCM)	Compliance with Chapter 11 of the MFMA	Percentage of the SCM Implementation Plan implemented	to implement the plan in full	Ongoing	Effort has been made to fully comply with the SCM policy
To manage expenditure, cash and investments	Monitoring of expenditure and cash flow position on a regular basis	Expenditure Management - cash and investments	Submit monthly expenditure reports to ExCo and ManCo	four expenditure reports submitted to ExCo and ManCo	Quarterly	Monthly expenditure reports submitted to ExCo
To monitor budgetary compliance	Monitoring of votes status	Budget monitoring	Ensure that spending is within allocated amounts	not exceeding budget allocated expenditure	Quarterly	Budget monitored and variances deviations corrected
To monitor adherence to annual cash flow plan	Monitor cash position against planned position	Monitoring of differences between cash flow and actual	Deviation within 30% from projected monthly balance	all differences corrected	Ongoing	
To ensure progressive compliance with institutional and governance requirements by 2009/10	Production of monthly income and expenditure and balance sheet reports	Annual Financial Statements ready for audit by 30 August as per MFMA	Completion and submission of 07/08 financial statements by 30 August 2008	Legally compliant AFS submitted on time	Quarterly	submission of financial statements 07/08 delayed due to delayed completion of the asset register
To provide an efficient, sound, economically viable and sustainable financial support service	A clean unqualified audit report except for issues relating to UThukela Water	Annual Financial Statements	Reduction in number of external audit queries	all queries raised by AG addressed	Ongoing	Action plan to address AG queries prepared and in progress of implementation
Compliance with MFMA	Prompt preparation of reports after month end closure	National Treasury/In year reporting	Number of s 71 and s 72 reports and number of days within which submitted to the Mayor and NT	submit the s71 (12 reports) and s72 report within the prescribed timeframe	Monthly	Section 71 report submitted to National Treasury and other stakeholders
Compliance with MFMA	Prompt preparation of reports after month end closure	National Treasury/In year reporting	Number of monthly budget monitoring reports to the Mayor	12 reports submitted to the Mayor	Ongoing	12 reports prepared and submitted to the Mayor
Efficiency in operations	Monitoring of deadlines	Reconciliation and demonstration of the number of financial reconciliations done within 10 working days of month end	Number of reconciliations done divided by total number of reconciliations	reconciliations conducted monthly	Monthly	In progress
Compliance with relevant guidelines	Implement MFMIP	Finance management reform in compliance with the MFMIP	% Compliance as required by the MFMIP	100% compliance as required by MFMIP	Ongoing	In progress

Most of the key activities performed by Financial Services have been addressed in Chapter 4 of this report.

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	PROJECT / PROGRAMME DESCRIPTION	UNIT OF PERFORMANCE MEASUREMENT	ANNUAL TARGET	FREQUENCY/ TIMELINE	ACTUAL PERFORMANCE
Compliance with legislation	Monitor budget process deadlines in relation to the MFMA	Budget Quality	% Compliance with Budget evaluation checklist	100% compliance as per evaluation checklist	Ongoing	In progress
Safeguard Council assets	All assets recorded, tagged and recorded in the asset register	Establish an asset register	% of assets bar-coded and entered into the register	fully functional asset register	Ongoing	All assets insured and fixed asset register prepared All assets insured and fixed asset register prepared
Safeguard Council assets	All assets recorded, tagged and recorded in the asset register	Management of the Fixed Asset Register	All assets recorded in the FAR	all assets entered into the register	Ongoing	
Safeguard Council assets	Insure all assets with material values	Insurance/Risk management	Value insured as a % of insurable asset value	all municipal assets insured	Ongoing	

3.1.5 COMMUNITY SERVICES

Table 3.1.5: Core Service Delivery Key Performance Indicators – Community Services

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	PROJECT / PROGRAMME DESCRIPTION	UNIT OF PERFORMANCE MEASUREMENT	ANNUAL TARGET	FREQUENCY/ TIMELINE	ACTUAL PERFORMANCE
To ensure greater accessibility for communities in the District	Ensure greater accessibility for rural communities.	Review of the Public Transport Plan i.t.o the white paper on the Provincial Transport Policy	Review of PTP	Reviewed PTP	Jun-09	PTP in progress
To facilitate and plan for ongoing sustainable human settlement and economic development in the district	Reconstitution and continuation of the Passenger Transport Forum	The reconstitution and continuation of the Amajuba Passenger Transport Forum	Correspondences and reports	at least four meetings conducted	Jun-09	
To ensure greater accessibility for communities in the District	Ensure greater accessibility for rural communities.	Facilitate construction of a pedestrian access bridge - Ingagane Footbridge	Correspondences and reports		Jun-09	In progress
To contribute towards the achievement of universal access to social services by 2011	Support local municipalities in implementing the cemetery plan	Establishment of cemeteries	Reports on progress made	2 cemeteries to be implemented	Jun-09	In progress
To ensure sufficient capacity to prevent/reduce the risk of disasters, mitigate, manage, respond to disasters and facilitate post recovery activities	Maintain a fully functioning District Disaster Management Centre	Disaster Management Centre Forum	Agenda, minutes and attendance register	four meetings to be held	Quarterly	Forum fully effective

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	PROJECT / PROGRAMME DESCRIPTION	UNIT OF PERFORMANCE MEASUREMENT	ANNUAL TARGET	FREQUENCY/ TIMELINE	ACTUAL PERFORMANCE
To ensure sufficient capacity to prevent/reduce the risk of disasters, mitigate, manage, respond to disasters and facilitate post recovery activities	Maintain a fully functioning District Disaster Management Centre	Disaster Management Capacity Building	Report	at least four workshops to be held	ongoing	Training and development for disaster management conducted as per Disaster Management Plan
To ensure sufficient capacity to prevent/reduce the risk of disasters, mitigate, manage, respond to disasters and facilitate post recovery activities	Maintain a fully functioning District Disaster Management Centre	Disaster Management Implementation	Report	implementation of the DM as outlined in the plan	ongoing	
To ensure sufficient capacity to prevent/reduce the risk of disasters, mitigate, manage, respond to disasters and facilitate post recovery activities	Maintain a fully functioning District Disaster Management Centre	Fire Fighting Services	Report	have in place fully functional fire fighting services	ongoing	Procured fire fighting equipment
To contribute towards the achievement of universal access to social services by 2009/10	Facilitate the implementation of the HIV & AIDS plan	Facilitation of HIV & Aids activities through the HIV & Aids Council	Correspondences and reports on programmes conducted	facilitation of the HIV/AIDS activities as outlined in the plan	Ongoing	In progress
To contribute towards the achievement of universal access to social services by 2009/10	Facilitate access of social services to all communities	Placement of Environmental Health Services	Correspondences and reports	placement of personnel	Ongoing	In progress
To contribute towards the achievement of universal access to social services by 2009/10	Facilitate the promotion of scarce sport codes in identified areas	Coordinate and run programmes for sports development, promotion and recreation	Correspondences and reports	to conduct at least 8 major sport events	Jun-09	
To contribute towards facilitation of access to skills development, economic empowerment, human rights for vulnerable groups	Facilitate youth empowerment programmes	Youth matters (Youth Summit, Youth day celebration)	Correspondence and reports	to conduct at least a youth function bi-monthly	Jun-09	Youth activities conducted in conjunction with sports
To facilitate the effective operation of Thusong Service Centre in the ADM.	Roll-out of the Thusong Service Centre in the ADM	The on-going operation of the Thusong Service Centre	Correspondences and reports	quarterly reports on functioning of the centre	Jun-09	Thusong Service Centre fully functional

3.1.5.1 KwaMdakane Thusong Service Centre

The Thusong Service Centre of Amajuba district is situated in Dannhauser KwaMdakane. The centre became operational in 2007. Official opening and handing over is not yet done.



The following departments and service providers are operational at the kwaMdakane Thusong Service Centre:

- DLGTA – CDW & MPCC Business units
- Department of Social Development
- Department of Home Affairs
- Department of Local Government and Traditional Affairs – Community Development Workers
- Department of Justice and Constitutional
- GCIS
- Department of Labour
- Telecentre
- Post Office
- SEDA



Strategic objectives of the centre are as follows:

- To bring government information and services closer to people to promote access to opportunities as a basis for improved livelihoods;
- To promote cost effective, integrated, efficient and sustainable service provision to better serve the needs of citizens;
- To build sustainable partnerships with government, business and civil society;
- To create a platform for greater dialogue between citizens and government.

3.1.6 ENGINEERING SERVICES

Table 3.1.6: Core Service Delivery Key Performance Indicators – Engineering Services

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	PROJECT / PROGRAMME DESCRIPTION	UNIT OF PERFORMANCE MEASUREMENT	ANNUAL TARGET	FREQUENCY/ TIMELINE	ACTUAL PERFORMANCE
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	Review of the WSDP and its alignment with DWAF's Internal Strategic Perspective	Implement and supervise water services customer care	Monthly Reports	Eradicating the backlog on the WSDP/backlog study	Ongoing	See item 3.2 of this report
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	Review of the WSDP and its alignment with DWAF's Internal Strategic Perspective	The development of a Potable Water Services Development Plan and Backlogs Eradication	Number of households served	Eradicating the backlog as per the backlog study and WSDP	Ongoing	See item 3.2 of this report
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	Review of the WSDP and its alignment with DWAF's Internal Strategic Perspective	Finalisation of the Water Resource Plan/ Augmentation Plan (Dams)	Water Resource Plan/WCWD	Development of strategies that would ensure finalization of Wc wd	Jun-09	See item 3.2 of this report
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	Review of the WSDP and its alignment with DWAF's Internal Strategic Perspective	Finalization of the Water Extraction License	Water Agric Plan/Gijima Outcomes	6x Gijima Business plans that would support LED Agric objectives	Jun-09	See item 3.2 of this report and the SDBIP under annexure A
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	Linking potable water supply plan (WSDP) with economic development initiatives	Section 78 re-assessment	MIIP	Gijima Outcomes	Jun-09	In progress. More information on the SDBIP under annexure A
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	The provision of rudimentary water services	Emadlangeni Bulk Water / Feasibility Study	Correspondences and Reports	Feasibility study towards the Mig/DWAF water b/p	Ongoing	In progress. More information on the SDBIP under annexure A
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	The provision of rudimentary water services	Steildrift Bulk Line Link.	Reports	Eradicate water backlog in the Steildrift area	Jun-09	In progress. More information on the SDBIP under annexure A
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	Attract additional investment in the expansion of water networks	Buffalo Flats Phase 1 Reticulation	Buffalo Flats Phase 1 monthly progress reports	Eradicate water backlog in the buffalo flats phases 1	Jun-09	See item 3.2 of this report and the SDBIP under annexure A
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	Attract additional investment in the expansion of water networks	Buffalo Flats Phases 2 - 6 Business Plan	Business Plan and Technical Report to MIG, ExCo and DWAF	Eradicate water backlog in the buffalo flats phases1-6 .	Dec-08	See item 3.2 of this report and the SDBIP under annexure A
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	Attract additional investment in the expansion of water networks	Buffalo Flats Phases 2	Business Plan and Technical Report to MIG, ExCo and DWAF	Eradicate water backlog in the buffalo flats 2	Dec-08	See item 3.2 of this report and the SDBIP under annexure A
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	Attract additional investment in the expansion of water networks	Buffalo Flats phase 3	Business Plan and Technical Report to MIG, ExCo and DWAF	Eradicate water backlog in the buffalo flats 3	Dec-08	See item 3.2 of this report and the SDBIP under

2008/09 ANNUAL REPORT



**AMAJUBA DISTRICT MUNICIPALITY
A PLACE OF OPPORTUNITY**

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	PROJECT / PROGRAMME DESCRIPTION	UNIT OF PERFORMANCE MEASUREMENT	ANNUAL TARGET	FREQUENCY/ TIMELINE	ACTUAL PERFORMANCE
to all consumers by 2009/10						annexure A
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	Attract additional investment in facilities for communities	Rural Multi purpose center phase 2	MIG monthly reports	Provide a multi purpose center	Dec-08	See item 3.2 of this report and the SDBIP under annexure A
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	Attract additional investment in the expansion of water networks	DWAF school /clinic sanitation	reports	Eradicate water backlog in the at schools and clinics	Dec-08	See item 3.2 of this report and the SDBIP under annexure A
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	Attract additional investment in the expansion of water networks	Inverness Household Sanitation	Sanitation Co-ordination meetings and Monthly progress reports	Eradicate sanitation backlog in the Inverness area	Jun-09	See item 3.2 of this report and the SDBIP under annexure A
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	Attract additional investment in the expansion of access to free basic sanitation	Naas Household Sanitation	Sanitation Co-ordination meetings and Monthly progress reports	Eradicate sanitation backlog in the Inverness area	Jun-09	See item 3.2 of this report and the SDBIP under annexure A
To ensure access to free basic water and expansion of water service delivery to all consumers by 2009/10	Attract additional investment in the expansion of access to free basic sanitation	Amajuba Household Sanitation Feasibility	Amajuba Household Sanitation Technical Report	Complete business plans for sanitation within the district	Jun-09	See item 3.2 of this report and the SDBIP under annexure A



3.2 PROVISION OF BASIC SERVICES

3.2.1 WATER SUPPLY

Newcastle Local Municipality is authorised (Water service Authority) for the Newcastle Area whereas Amajuba District Municipality is the Water Service Authority (WSA) for Dannhauser and Emadlangeni Municipalities. The table below illustrates a percentage of households with and without access to water.

Table 3.2A: Percentage of households with and without access to water as at 30 June 2009

Municipality	Baseline as per census 2001 information	Below basic level of services / backlog (%)	Basic level of service (%)	Above basic level of service (%)	Total (%)
Dannhauser	73.5%	45.0	47.0	8.0	100
Emadlangeni	76%	75.7	7.3	17.0	100
Amajuba DM	74.75%	60.35%	27.15	12.5%	100

Sources:

- The relevant infrastructural sector plans;
- The Amajuba NSDP Pilot Project (2009);
- The MIG-MIS Backlog figures (2009);
- STATSSA's Neighbourhood Survey (2007);
- The Amajuba Baseline Data Study (2005); and
- STATSSA's 1996 and 2001 Census

There are a number of constraints impacting on the ability of municipalities to deliver infrastructure services. These constraints include the following:

- Funding and financial issues:
 - Metering (either pre-paid or conventional) of water and energy consumption
 - Lack of revenue, indigent policies and enforcement
 - Private sector investors and lenders not attracted to invest in infrastructure roll-out
 - MIG cashflow constrains is directly attributable for the adverse implementation of the Water and sanitation projects

Table 3.2B below illustrates how the backlog in water will be addressed.

Table 3.2B: Actual and Anticipated: Water Supply Cashflows Buffalo Flats Phase 1 – 3 and Emadlangeni Bulk Waterline

Description	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	TOTAL
Phase 1-In progress	6,215,105	12,443,074	6,116,301	-	-	-	-	-	24,774,480
Phase 2-In progress	-	199,097	8,833,339	15,000,000	10,768,117	-	-	-	34,800,553
Phase 3- Design stage	-	-	1,000,000	3,000,000	10,000,000	24,000,000	24,000,000	21,535,765	83,535,765
Emadlangeni Bulk line –in design stage	-	0	9,588,000	15,412,000	0	-	-	-	25,000,600

3.2.2 SANITATION

The table below illustrates a percentage of households with and without access to sanitation.

Table 3.2C: Percentage of households with and without access to sanitation as at 30 June 2009

Municipality	Baseline as per census 2001 information	Below basic level of services / backlog (%)	Basic level of service (%)	Above basic level of service (%)	Total (%)
Dannhauser	76.5 %	82.86%	3.02%	14.12%	100
Emadlangeni	76.7%	82.73%	4.41%	12.86%	100
Amajuba DM	76.6%	82.79%	3.71%	13.49%	100

Sources:

- The relevant infrastructural sector plans;
- The Amajuba NSDP Pilot Project (2009);
- The MIG-MIS Backlog figures (2009);
- STATSSA's Neighbourhood Survey (2007);
- The Amajuba Baseline Data Study (2005); and
- STATSSA's 1996 and 2001 Census

Action to Eradicate Sanitation Backlogs: The Implementation of the Amajuba District Household Sanitation project

Dannhauser Local Municipality: Estimated households to be served: 17235 HH @ R85 million; Population to be served: 84 121

Emadlangeni Local Municipality: Estimated households to be served: 4312 @ R23 million; Population to be served: 27885; Status: Planning Stage; Estimated costs as per DWAF Guideline: R4500 per unit; R11 million for Inflation over the next 5 financial years

3.2.3 ELECTRIFICATION AND SOLID WASTE REMOVAL

Solid waste removal and electricity are functions of the local municipalities.

3.3 PROJECTS

An organisational performance report consisting of projects undertaken by Amajuba DM in the year under review. These organizational reports were conducted on a quarterly basis. Each organizational reports gives an overview of how each department has performed in terms of implementation of the IDP projects. During the year under review, the Municipal Manger, Portfolio Councillor and/or Executive Committee conducted site visits on a regular basis to substantiate the information in the report and also to evaluate the project.

The organizational performance report is part of an Annual Performance Report, which is part of the Annual Financial Statements attached as **annexure A**.

3.4 APPOINTMENT OF SERVICE PROVIDERS

During the year under review, the SCM unit became effective; table 3.5 below illustrates consultants appointed during the year under review as per SCM policy.

Table 3.3: List of service provider in 2008/2009 paid more than R100, 000

Description	Amount
Printing of t/shirts	141,350.00
Catering for youth Summit	102,600.00
5000L water storage tanks plastic taps	127,501.25
Printing of golf-shirt	119,700.00
Disaster tents	367,080.00
Water Tanks	127,501.25
Golf Shirt for KwaNaloga Games	199,950.00
Garden Fencing and catering Equipment	199,023.00
Golf Shirt for KwaNaloga Games	181,800.00
Supply of Corporate goods	209,760.00
Advert for district project	158,004.00
Printing of wall Diaries	175,104.00
Disaster safety attire	117,112.20
T/Shirts for senior citizens	198,000.00
Catering for 3000	196,500.00
Tourism marketing DVD	131,550.00
Hire of Taxis	106,250.00
Printing of Annual report	134,520.00
Supply of Baking Equipment	260,000.01

Description	Amount
Printing of T/Shirts, Certificate and hire of Sound System	185,117.75
Photocopier Contract	171,520.00
Water Conservation	770,000.00
Southpark Cricket Ground – Electrical Cabling and Connections	572,177.40
Southpark Cricket Ground – Electrical Lighting Disconnections	289,500.00
Hire of Sound system	180,000.00
Hire of Sound system	180,000.00
Purchase of desktop and T-Shirts	195,000.00
Hire of Sound system	180,000.00
Poultry Project material	142,556.00
Security services	151,785.24
Installation and maintenance of CCTV	165,033.00
Disaster Equipment	1,124,500.00
Waste Management Plan	340,728.90
Golf Shirt	126,160.00
Sport Material	108,414.00
Building Material	199,996.00
Poultry Project material	199,440.00
Garden Equipment	195,744.00
Sound System	195,633.30
Sound System	180,000.00
Golf Shirt	870,000.00
Carwash Material	199,680.00
Sound System	160,650.00
Refreshment	180,000.00
Transport hire	132,500.00
Catering	152,000.00
Hire of Sound system	170,000.00
Refreshment	112,105.50
Hire of Tents	100,500.00
Updating ADM Routes	166,229.10
Consultant / Project leader additional offices	508,253.14
Construction of Blue Mountain Sportsfield	362,525.93
Waste water Compilation	673,808.40
Billboard rental	195,624.00



Description	Amount
Upgrade of Monte Vista	5,568,400.00
Sound System	181,000.00
Sound System	180,000.00
Security Services (Monte Vista)	109,448.55
Renewal of an contract	186,048.00
Amajuba 10 Tunnel	167,762.40
Sound system	185,000.00
Transport	113,000.00
Monte casino up grade	6,300,000.00
Total Expenditure	26,081,146.32

Source: Supply chain management report



AUDITED FINANCIAL STATEMENTS AND RELATED FINANCIAL INFORMATION

4.1 INCOME RECEIVED

4.1.1 GRANTS AND SUBSIDIES

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

Table 4.1: Grants and Subsidies Received

Grant/Subsidy	2005/06	2006/2007	2007/2008	2008/09
Local Government Financial Management Grant	250,000	500,000	500,000	500,000
Municipal Systems Improvement Programme Grant	1,000,000	1,000,000	1,000,000	735,000
Water Services Operating Subsidy	777,000	638,600	474,300	353,400
Implementation of Water Services Projects: Drought Relief (Capital)	0	0	1,000,000	0
Implementation of Water Services Projects: Disaster Relief (Indirect)	6,512,260	0	1,384,000	0
Sports & Recreational Programme Grant	1,580,000	15,250,000	8,750,000	32,079,700
Consolidated Municipal Infrastructure Programme Grant	19,332,539	14,412,261	19,067,989	23,508,000
Equitable Share Allocation	11,018,517	40,701,565	48,135,156	23,274,000
Department of Local Government and Traditional Affairs	-	-	1,350,000	0
Development Bank of South Africa	-	-	50,000	369,805
Gijima Grants	-	-	495,103	0
TOTAL	40,470,316	72,502,426	82,206,548	80,819,905

Source: Amajuba DM Annual Financial Statements for the period ended 30 June 2006, 2007, 2008 and 2009

4.1.2 OPERATING INCOME

Table 4.2: Operating Income

INCOME	2005/2006 (actual)	2006/2007 (actual)	2007/2008 (actual)	2008/2009 (budget)	208/2009 (actual)
Levy Income	24,472,785	0	0	0	0
Water Sales	0	0	6,063,896	0	0
Grants & Subsidies	19,674,785	42,727,473	51,238,326	67,225,873	60,954,079
Other Income	2,734,354	3,003,441	8,138,001	33,093,978	21,782,827
Total	46,881,681	45,730,914	65,440,223	100,319,851	82,736,906

Source: Amajuba DM Adjustment Budget 2007/2008 Annual Financial Statements for the period ended 30 June 2006, 2007, 2008 and 2009

4.2 MUNICIPAL EXPENDITURE, LOANS, LOSSES AND INVESTMENTS

4.2.1 EXPENDITURE

The major expenditure categories for the Amajuba District Municipality are set out in the table below.

Table 4.3: Operating and Capital Expenditure

Expenditure Item	2005/2006 (actual)	2006/2007 (actual)	2007/2008 (actual)	2008/2009 (budget)	2008/2009 (actual)
Salaries, wages and allowances	13,729,955	14,632,477	17,824,649	24,083,499	21,072,677
General expenditure	14,906,190	20,443,911	35,061,093	76,889,733	58,176,279
Repair and maintenance	401,624	462,934	512,243	2,049,604	1,481,494
Capital charges	426,370	384,051	292,787		
Contributions to Fixed Assets	9,825,703	841,448	0		
Contributions to special funds	1,491,951	2,065,951	2,301,307		
Projects	9,249,740	0	0		
Total: Gross expenditure	50,031,532	38,830,772	55,992,079	103,022,836	80,730,450
Less: Amounts charges out	0	0	0		
Total: Net expenditure	50,031,532	38,830,772	55,992,079	103,022,836	80,730,450

Source: Amajuba DM Annual Financial Statements for the period ended 30 June 2006, 2007, 2008 and 2009

The levy income was scrapped on the 1st of July 2006; levy replacement grant was then introduced.

4.2.2 INVESTMENTS, LOANS AND LOSSES

TABLE 4.4: External Loans

Loan	Type	Interest Rate	Balance 30/06/06	Balance 30/06/07	Balance 30/06/08	Balance 30/06/09
DWAF	Annuity	14.82%	-	-	-	-
INCA Loan	Other	16.85%	-	-	-	-
DBSA Loan	Other	12.00%	-	-	-	-
Finance Leases	Lease	-	98,916	346,460	278,501	201,925
Total			98,916	346,460	278.501	201,925

Source: Amajuba DM Annual Financial Statements for the period ended 30 June 2006, 2007, 2008 and 2009

The finance leases are secured by assets of the Amajuba District Municipality.

TABLE 4.5: Investment Analysis

Investment Description	Balance 2007/2008	Balance 2008/2009
Investec 1 - 11 Years	8,166,586.61	9,361,542
ABSA - 32 Days Notice	21,700,407.81	32,952,228
ABSA Call Account - Umzinyathi	11,779,466.68	0
Nedbank	20,388,498.20	22,797,915
Standard Bank	7,615,943.00	32,060,917
Standard Bank-32 Day Notice	20,374,061.61	0
Grand Total	90,024,963.91	97,172,602

Attached as **annexure B** is the Auditor General's Report and Audited Financial Statements for the year under review.

REPORT OF THE AUDIT COMMITTEE

In compliance with the provisions of Chapter 14 Section 166 of the Municipal Finance Management Act No. 56 of 2003 (MFMA), the Amajuba District Municipality established its first Audit Committee in December 2004.

5.1 AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee, consisting of four independent, outside members. Two of the members are graduates who have been groomed to become fully effective audit committee members.

During the financial year under review, five scheduled meetings were held.

<u>Name of Member</u>	<u>Number of meetings attended</u>
Mrs Corrie VD Merwe (Chairperson with effect from February 2008)	6
Mr Nhlanhla Buthelezi	6
Mr Sifiso Shongwe (graduate)	6
Ms Lindiwe Ndlozi (graduate)	5

5.2 INTERNAL AUDIT CHARTER AND THE AUDIT COMMITTEE CHARTERS

- The internal audit charter and internal audit strategy and planning memorandum, which define the roles and responsibilities of the internal auditors, have been drawn, submitted to the audit committee and approved.
- The audit committee charter, which defines the roles and responsibilities of the committee, have been drawn, revised and implemented.

5.3 STATUTORY REQUIREMENTS OF THE AUDIT FUNCTION

Section 166 of the MFMA No. 56 of 2003 regulates the responsibilities and functioning of the Audit Committee. The following are the activities conducted by the Audit Committee during the year under review:

- Review of the annual financial statements;
- Review of the income and expenditure reports;
- Review of the internal quarterly audit reports regarding by the Internal Auditors; and
- Review of the Municipalities Performance Management mid-year assessments in terms of section 57 of the Local Government: Municipal Systems Act No. 32 of 2000 as amended.

5.4 INTERNAL AND EXTERNAL AUDIT

In fulfilling its responsibilities, the Audit Committee carried out the task of overseeing the role of the internal and external auditors, which involved the following:

- Review of the Audit Committee Charter and Internal Audit Strategy and Planning Memorandum to ensure that they are in accordance with the appropriate legislation;
- Discussion with the internal auditors with a view to reaching consensus on the overall scope of and due consideration being given to the applicable legislation to their auditing tasks; and
- Review of the external auditor's management letters as well as management's response.

In the Audit Committee Member's opinion, the audit was conducted in compliance with accepted Auditing Standards and the Professional Practice of Internal Auditing as well the requirements of the Municipal Finance Management Act of 2003 as amended and other legislated standards.

5.5 EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Audit Committee evaluated the Amajuba District Municipality's financial statements for the year ended 30 June 2009 and the accounting policies that have been applied in their preparation.

Following the audit of the annual financial statements for the year ended 30 June 2009, the Auditor General concluded that, except in respect of negative effect of the matters referred to in paragraphs 8 and 9 of his report, the financial statements have been prepared in all material respects, in accordance with the basis of accounting required by policy, practice and legislation.

The qualification in respect of the matters set out in the Auditor General's report under paragraph 8 and 9 relate to:

- Accumulated surplus: R8.5 million adjustment made against the accumulated surplus in the current year and
- Commitments: The difference of R5.5 million between the financial statements and the commitments register and or contracts

As the Chief Financial Officer was suspended in October 2009 he was not available to answer queries from the Auditor General. This together with deficiencies, pointed out in paragraph 20 of the Auditor General's Report, lead to a qualified report. As a matter of urgency the Accounting Officer will have to address the problem and work out an action plan to resolve the problem.

The committee concurs with the opinion by the Auditor General that certain aspects of the Municipality's control environment in regard to paragraph 21 of the Auditor General's Report require remedial action and follow up by the Municipal Manager.

Chairperson of the Audit Committee
MCL VD Merwe

2008/09 ANNUAL REPORT



AMAJUBA DISTRICT MUNICIPALITY
A PLACE OF OPPORTUNITY

LIST OF REFERENCES

Amajuba Baseline Study, 2005

Amajuba District Municipality Integrated Development Plan Reviews

Local Government: Municipal Systems Act, 32 of 2000

Local Government: Municipal Finance Management Act No. 56 of 2003

Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006

Local Government: Municipal Planning and Performance Management, 2001

PMS Review

South African Constitution, 1996

White Paper on Local Government, 1998

ANNEXURE A
AUDITED ANNUAL FINANCIAL STATEMENTS 2008/09

2008/09 ANNUAL REPORT



AMAJUBA DISTRICT MUNICIPALITY
A PLACE OF OPPORTUNITY

**ANNEXURE B
AUDITOR GENERAL REPORT**

2008/09 ANNUAL REPORT



**AMAJUBA DISTRICT MUNICIPALITY
A PLACE OF OPPORTUNITY**

ANNEXURE C

ACTION PLAN TO ADDRESS AUDITOR GENERAL'S QUERIES

2008/09 ANNUAL REPORT



**AMAJUBA DISTRICT MUNICIPALITY
A PLACE OF OPPORTUNITY**

2008/09 ANNUAL REPORT



**AMAJUBA DISTRICT MUNICIPALITY
A PLACE OF OPPORTUNITY**