

DRAFT ANNUAL REPORT

2016/2017

PURPOSE

Section 121 (1) (3) c) of the Municipal Finance Management Act (MFMA) 56 of 2003, requires: "(1) Every municipality and every entity must for each financial year prepare an annual report. 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". 3) The annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act.

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CHAPTER 1 - FOREWORDS AND EXECUTIVE SUMMARY

1.1. FOREWORD BY THE MAYOR

It is with great pleasure for me to present, through the 2016/2017 Annual Report, the state of the municipality as it obtained during the year under review. The presentation, which I am doing on behalf of the leadership collective of Amajuba District Municipality, will reflect mainly on two distinct areas relating to the municipality; that is; the state of governance and administration, the capacity and actual provision of basic service delivery, and the financial status of the municipality.

By way of a prelude, I wish to thank all those who played and continue to play a positive role in ensuring that Amajuba District Municipality manages to fulfill its mandate as enshrined in section 152 of the Constitution of the land. This could be through the provision of a safety environment, the promotion of local democracy, the provision of basic services to the community and all other services that the municipality provides to its constituent community.

Governance and administrative stability

I wish to applaud the Speaker, Councilors and Amakhosi who serve in Council for ensuring that Council is focused on issues that are intended at serving the plight of the poorest of the poor of the district. This is evident in the strategic objectives, goals and the prioritization of projects as reflected in the Integrated Development Plan. Since its inception, the current leadership collective has and continues to work in unison when dealing with the needs of the people. There is a high degree of stability and tolerance of one another's views during the debates both in Council and Council Committees.

The municipality is at an advanced stage of creating stability in the administration by ensuring that all senior management posts are filled with suitably qualify, experienced and skilled personnel. The posts of Municipal Manager and that of the Chief Financial Officer have been filled; and the process of filling the posts that are currently vacant is at an advanced stage. Using our oversight role as Council, and without interfering with the administration, as Councilors we will ensure that all other critical posts that are below senior management level are filled with appropriately skilled employees who will help us in our quest to meet and satisfy the needs of our people.

The provision of basic service delivery

The municipality continues to rollout its infrastructure development programmes and projects through funding programmes such as the Municipal Infrastructure Grant (MIG) and other water and sanitation projects implemented in the Dannhauser Local Municipality and Emadlangeni Local Municipality. This is part of the programme of drastically reducing the backlogs that the municipality inherited from the past dispensation. Great strides have been made in respect of sanitation; with more effort required to rollout the water pipeline to the deep rural areas that were left out areas previously. Our management, with the support of the Department of Water Affairs and the KwaZulu Natal Department of Cooperative Governance and Traditional Affairs has developed plans that are aimed at speeding up the process of ensuring that all our communities have access to water and sanitation.

Financial stability and accountability

Through this Annual Report, the municipality will give an account of the state of the finances for the year under review. The 2016/2017 Financial Year was one of the challenging epoch in the life of the municipality. Due to financial constraints, the municipality could not meet its service delivery and operational targets. These and other reasons are reflected in the Annual Performance Report (APR) which is also part of this report. However, at the bottom of the challenges encountered is the municipality's capacity to raise its own revenue.

Efforts such as the appointment of a suitably qualified service provider and other interventions, the municipality is working towards encouraging the community to develop the culture of paying for services such as water. The plan seeks to create a community awareness on issues such as war on leaks, water saving, and restrictions. We believe that overtime, our community will appreciate the fact that the provision of water, as a life sustaining resource, is costly. The community is therefore encouraged to develop a culture of paying for water; as this will help in raising sufficient revenue for further development.

Reporting and accountability

With the support of all Councilors and management, we have developed a culture of reporting and accountability both at the level of Council and administration. Systems have been put in place to ensure that we, as public servants are held accountable for the resources that the community have placed on our hands; and that this is evident in the following:

- Continuous development of oversight capacity of Councilors through section 79 committees
- Ensuring an effective Municipal Public Accounts Committee (MPAC)
- Appointment of suitably qualified, experienced and skilled Audit Committee members
- Regular submission of quality reports by management
- Development and strict implementation of the Post Audit Action Plan
- Promotion of public participation and stakeholder engagement
- The development of a Financial Recovery Plan; etc.

The above plans are part of the municipality's broad plan of ensuring that all levels of the municipality are held accountable for their actions and/or non-actions.

Conclusion

The Annual Report as presented seeks to give an account on the performance of the community in the 2016/2017. The Mayor's foreword serves as a prelude that provides a broad outline of what to expect in the body of the report. Suffice to say that 2016/2017 was indeed the year of change in the life of Amajuba District Municipality. We hope therefore that the gains and shortcomings of the 2016/2017 Financial Year will serve as a foundation for us to launch greater things that will reduce poverty, eradicate all forms of inequality and drastically reduce unemployment in our district.

God bless you all!!!

COUNCILOR DR. MG NGUBANE
THE HONORABLE MAYOR

1.2 FOREWORD BY THE MUNICIPAL MANAGER

The presentation of the 2016/2017 Annual Report is in keeping with section 127 of the Local Government: Municipal Finance Management Act which requires that the Mayor must table at Council a report that will reflect on the performance of the municipality for the year under review. The key focus of the report is on the implementation of the IDP Priorities, Budget and the targets as set out in the Service Delivery and Budget Implementation Plan (SDBIP).

This Annual Report therefore contains among other things the following:

- The audited 2016/2017 Annual Financial Statement (AFS)
- The audited 2016/2017 Annual Performance Report (APR)
- The Auditor General's Report on the 2016/2017 AFS and APR
- The Post Audit Action Plan outlining the plans to resolve the AG's findings
- The Audit Committee's Report
- The Annual Performance Report of the municipal Entity.

Critical areas of concern

Management has identified the following areas as needing urgent attention in ensuring performance improvement:

Human resource matter

Critical areas to be dealt with in human resource management are as follows:

- Staff motivation
- Skills development
- Strengthening of the Local Labour Forum
- Capacitation and strengthening Internal Audit capacity
- Improved Public Participation and stakeholder engagement
- Promotion of the culture of staff performance and productivity
- % of total human resource cost, over total operating budget in above norm: Norm = 25% to 40%, ADM's is more than 40%. This means that some service delivery is affected by funds which are channeled to the salaries expense.

Financial matters

The municipality will work towards ensuring improvement in the following areas:

- Improved cashflow
- Improve revenue generation
- Strict management of a Council approved budget
- Improve contract management
- Strict adherence to the Supply Chain Management policy

Alignment of the staff structure with the objectives of the municipality

Critical questions to be dealt with in this regard are as follows:

- Does the staff structure facilitate the realization of the service delivery and governance objectives of the municipality as enshrined in the IDP?
- Are the functions, duties and responsibilities delineated accordingly;
- Does the system of delegations promote accountability;
- Are the current performance measurement mechanisms being implemented optimally?

It was on the basis of the above questions that the idea of developing a Financial Recovery Plan was mooted and thought of as a road map to facilitate the process of resolving the current challenges facing the municipality. With the support of the KZN Salga and eThekweni Municipality, the municipality is developing a Work Study with a view of ensuring that the administration of the municipality is appropriate and well poised to perform its task.

Financial Recovery

Management is currently seized with the task of ensuring that the municipality is transformed into a truly governance and service delivery machinery that champions the course of service delivery.

To achieve this objective, management, with the support of Council, will develop and present at Council a Financial Recovery Plan that will focus on the following areas:

- Effective financial management;
- Revenue Enhancement and Management;
- Budget and Expenditure Management;
- Effective and efficient Customer Care Services;
- Cash Management and Liability;
- Financial Controls;
- Asset Management;
- Institutional stabilisation and Improved Councillor Oversight;
- Accounting IT and Data Management;
- Internal Audit and Risk Management.

Management will work closely with sector departments such as Cogta and the Treasury during the course of implementing the Financial Recovery Plan, once approved by Council. Together with all staff and through platforms such as the Local Labour Forum, management will work towards the development of the capacity of staff thereby ensuring an appropriately skilled workforce.

In conclusion, the gains and shortcomings of the 2016/2017 Financial Year would be used as the building blocks when planning for performance improvement in the coming financial years. Management is committed in resolving the current identified challenges facing the municipality.

MR. SR ZWANE
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
- integrated service delivery
- vibrant local economic development;
- intergovernmental relations

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

- Integrity Commitment
- Accountability
- Responsiveness
- Effectiveness

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

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

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 of 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 1516km². 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.

Population and Household data: ADM comprises of a total population which is estimated at 499 839 people who are accommodated on 110 963 households. Newcastle has the highest population which is estimated at 363 236 people (84 272 households) followed by Dannhauser 102 161 people (20 439 households) and Emadlangeni with 34 442 people (6 252 households).

Table 1.1: Population size and Distribution

Municipality/Year	Newcastle	Emadlangeni	Dannhauser	Amajuba
1996	283 939 = 70%	23 530 = 6%	98 424 = 24%	405893
2001	332 981 = 71%	32 277 = 7%	102 779 = 22%	468037
2011	363 236 = 73%	34 442 = 7%	102 161 = 20%	499839
2016	389 117 = 73%	36 869 = 7%	105 341 = 20%	531 327
Growth Rate: 2011 - 2016	5.2%	6.5%	3%	5.9%

Source: Statistics SA – Census 2016 Municipal Report no 03-01-53 (IDP 2017/18)

Table 1.2: Household Data

Municipality	Year	Number of households	Average Household Size
Newcastle	1996	55 217	5,1
	2001	71 164	4,6
	2011	84 272	4,2
Emadlangeni	1996	3 378	6,2
	2001	6 187	4,7
	2011	6 252	5,2
Dannhauser	1996	15 555	6,2
	2001	19 320	5,3
	2011	20 439	4,9
Amajuba	1996	74 150	5,4
	2001	96 671	4,7
	2011	110 963	4,4

Source: Statistics SA – Census 2011 Municipal Report no 03-01-53 (IDP 2017/18)

Table 1.3: Annual Household Income by Local Municipality - 2011

Income	Dannhauser	Emadlangeni	Newcastle	Amajuba
No income	17,0%	11,6%	18,0%	17,3%
R1 - R4,800	5,3%	3,6%	5,1%	5,0%
R4,801 - R9,600	10,3%	10,1%	8,7%	9,1%
R9,601 - R19,600	23,9%	20,8%	19%	20,0%
R19,601 - R38,200	23,4%	25,0%	18,6%	19,9%
R38,201 - R76,4000	11,7%	14%	11,1%	11,4%
R76,401 - R153,800	4,9%	7,6%	8,5%	7,7%
R153,801 - R307,600	2,2%	4,1%	6,5%	5,4%
R307,601 - R614,400	1,1%	2,5%	3,3%	2,8%
R614,001 - R1,228,800	0,1%	0,3%	0,8%	0,8%
R1,228,801 - R2,457,600	0,1%	0,3%	0,2%	0,4%
R2,457,601+	0,1%	0,1%	0,2%	0,4%

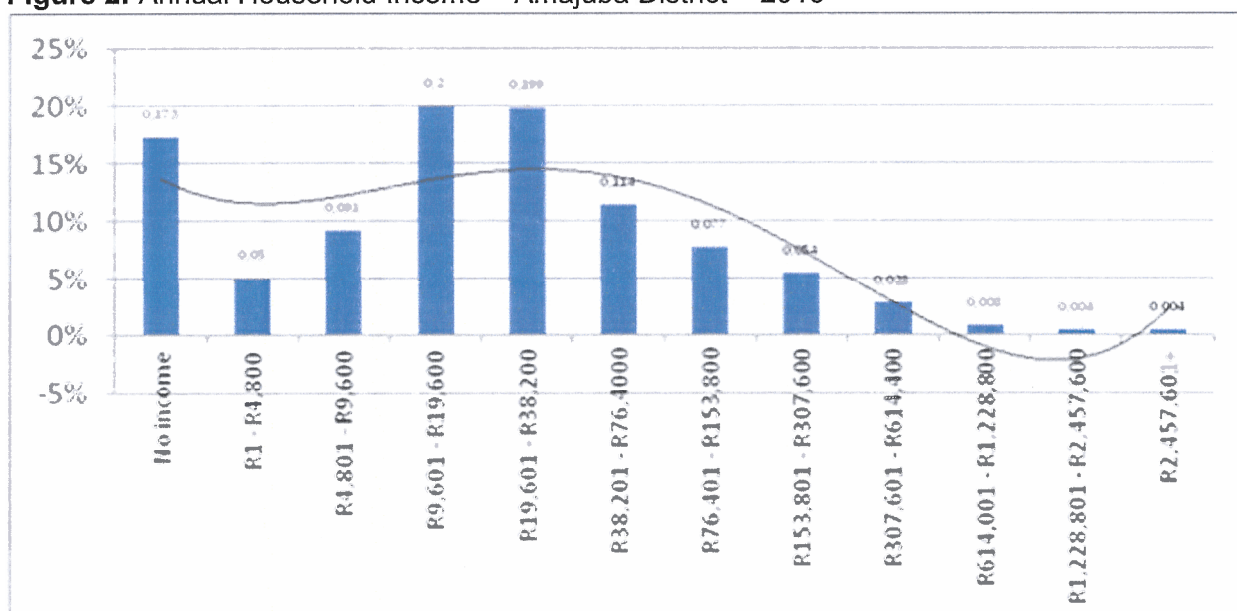
Source: Statistics SA, Census 2011

About 19 385 of the households in the district have no income at all. Of the households that do get income, most fall within the lower income brackets i.e. 22 210 households fall within an income bracket of R 9601 - R 19 600 per annum which translates to about R 3,183 before tax. There are only about 210 households falling on the highest income bracket of over R2 mil per annum. The fact that most households fall within the lower income brackets indicates that the affordability levels in the ADM are significantly low. At the local municipality level, the number of households with no income ranges between 722 in the case of the Emadlangeni LM to as

much as 15 196 in the Newcastle LM. Dannhauser was sitting at 3 468 households without income. In the case of Dannhauser LM, this is a very high percentage considering the number of households in that local municipality. This basically highlights the prevalence of poverty in the area associated with not getting any form of income.

At the local municipality level, the number of households with no income ranges between 722 in the case of the Emadlangeni LM to as much as 15196 in the Newcastle LM. Dannhauser was sitting at 3468 households without income. In the case of Dannhauser LM, this is a very high percentage considering the number of households in that local municipality. This basically highlights the prevalence of poverty in the area associated with not getting any form of income.

Figure 2: Annual Household Income – Amajuba District – 2016



Source: Statistics SA, Community Survey (30-06-2016)

In Amajuba district, 70% of the population earn below R38 200 per annum (approximately R3 200 per month). In Dannhauser and Newcastle, the majority of their local households earn below R19, 600 per annum (i.e. R1 600 per month). For Emadlangeni, the majority of the population (25%) earn up to R38 200 per annum.

Access to Basic Services:

- **Water:** The table below contains data on the access to water by type, access by yard connections, Communal taps or no access to pipe water. People without pipe water use boreholes or services provided by both local municipalities and the DM by the water tanker service. From the figures below it is evident that there is progress in terms on ensuring that water is accessible to the communities.

Table 1.4 Households by access to water

Type of access	Year	Newcastle	Emadlangeni	Dannhauser	Amajuba
Yard Connections	1996	37 765	1 257	2 578	41 600

	2001	43 886	1 947	2 798	48 631
	2011	71 635	2 410	10 175	84 220
Communal Connection	1996	9 835	117	4 781	14 733
	2001	18 175	1 154	7 693	27 022
	2011	9 347	1 260	7 595	18 202
No access to piped water	1996	6 346	1 935	7 821	16 102
	2001	9 103	3 086	8 829	21 018
	2011	3 290	2 581	2 669	8 540

Source: Statistics SA – Census 2011 Municipal Report no 03-01-53 (IDP 2015/16)

- **Electricity:** The Amajuba District Municipality is in the process of completing its Electricity Supply Development Plan (ESDP). The purpose of the ESDP is to formulate a rational basis for extending grid and non-grid electricity service supply to the population of the Amajuba District Municipality within as short a time as possible, within the national as well as provincial electrification guidelines and budget available.

Table 1.5: Estimated Electricity Backlogs

Municipality	Estimated Households		
	Total	Backlog	Percentage
Newcastle	102 861	11 300	11%
Emadlangeni	6 803	3 742	55%
Dannhauser	20 800	5 408	26%
Amajuba	130 464	20 450	16%

Source: Statistics SA – Census 2011 Municipal Report no 03-01-53 (IDP 2015/16)

- **Sanitation:** The table below depicts data on the access to sanitation by looking at the different types of sanitation facilities available. Over the years it has been evident that more and more communities are having access to waterborne sanitation in the urban areas with a significant decrease in the bucket latrine which have been replaced by Pit latrine in most rural area.

Table 1.6: Sanitation by service type

Type of access	Year	Newcastle	Emadlangeni	Dannhauser	Amajuba
Waterborne/Chemical	1996	36 470	1 044	1 865	39 379
	2001	44 188	1 800	3 301	49 289
	2011	52 719	2 832	4 753	60 304
Pit latrine	1996	17 413	687	13 096	31 196
	2001	23 806	2 030	14 694	40 530
	2011	26 270	2 151	14 717	43 138
Bucket latrine	1996	241	37	44	322
	2001	460	34	74	568

Type of access	Year	Newcastle	Emadlangeni	Dannhauser	Amajuba
	2011	688	36	33	757
None	1996	875	1565	453	2893
	2001	2 710	2 324	1 251	6 285
	2011	2 298	956	620	3 874

Source: Statistics SA – Census 2011 Municipal Report no 03-01-53 (IDP 2015/16)

1.5 SECTOR PLANS

Sector plans have been established to channel service delivery. These sector plans are aligned to the IDP and are reviewed. 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 1.7 demonstrates the status of the sector plans at the end of the year under review:

Table 1.7: Status of Sector Plans

	Sector Plan	Completed? (Y/N)	Adopted (Y/N)	Adoption Date (if adopted)	Reviewed / Requires review
1	Local Economic Development Strategy	Yes	Yes	December 2012	Backlog - Requires review
2	Tourism Strategy	Yes	Yes	September 2012	Backlog - Requires review
3	Disaster Management Plan	Yes	Yes	December 2014	Requires review
4	Manufacturing Plan	Yes	Yes	2005	Backlog - Requires review
5	Agricultural Plan	Yes	Yes	2005	Backlog - Requires review
6	Public Transport Plan	Yes	Yes	2005	Backlog - Requires review
7	Cemetery Plan	Yes	Yes	2005	Backlog - Requires review
8	Waste Management Plan	Yes	Yes	2004	Backlog - Requires review
9	Air Quality Plan	No	No	New	Backlog- Currently being developed
10	Spatial Development Framework	Yes	Yes	30 May 2017	Reviewed
11	Environmental management Plan	Yes	Yes	2006	Backlog - Requires review
12	Water Service Development Plan (WSDP)	No	No	New	Currently being reviewed; to be tabled to Council in 2017/18 and to workshop community members in 2017/18

	Sector Plan	Completed? (Y/N)	Adopted (Y/N)	Adoption Date (if adopted)	Reviewed / Requires review
13	Water & Sanitation Master Plan	No	No	New	To be reviewed once the WSDP has been finalised and adopted by Council
14	Asset Management Plan	No	No	New	Currently being developed

Source: IDP 2015/16

CHAPTER 2 - GOVERNANCE AND ORGANISATIONAL DEVELOPMENT PERFORMANCE

2.1 INSTITUTIONAL FRAMEWORK

Governance at Amajuba District Municipality is made up of Political and Administrative Governance, Intergovernmental Relations, and Public Accountability and Participation along with Corporate Governance. Political and administrative governance comprises of Elected Councillors, council committees, and the number of meetings convened.

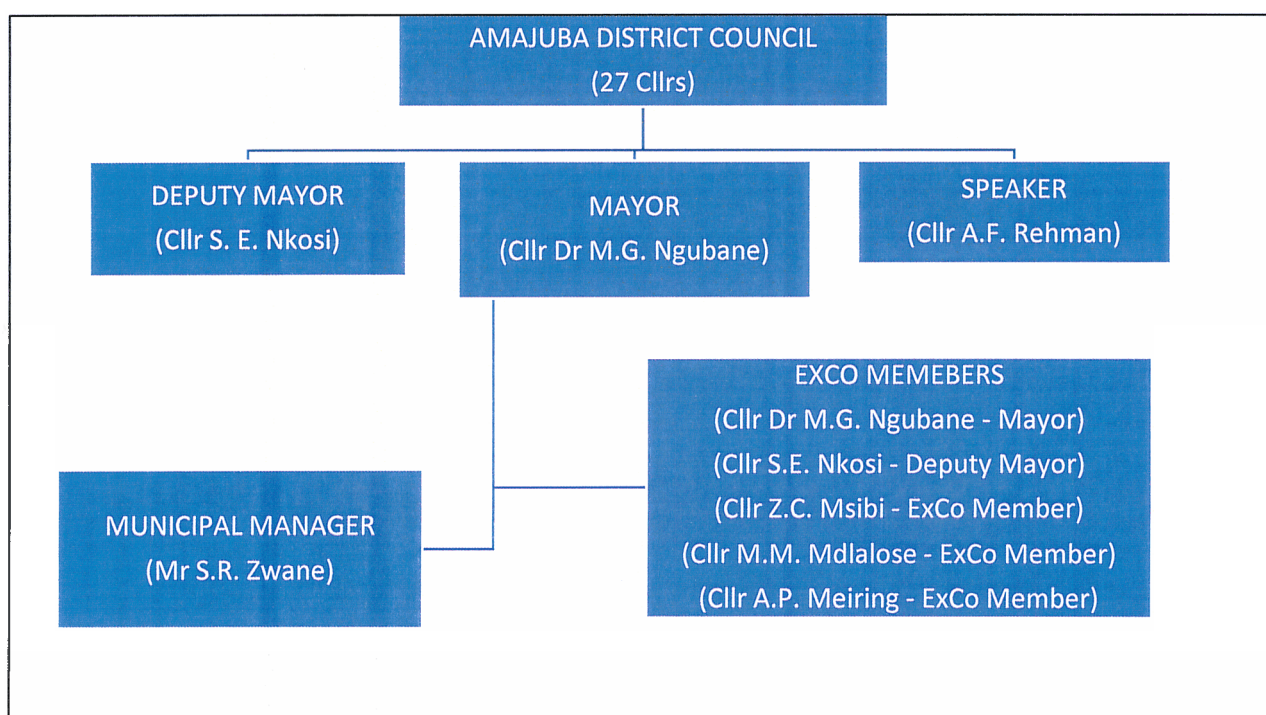
It further plays oversight on the administration of the municipality in terms of the organizational structure being implemented effectively and efficiently to ensure service delivery.

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, namely National and Provincial Treasury, the Auditor General and the Provincial Departments of CoGTA; and other sector departments.

Political and administrative governance at Amajuba District Municipality comprises of the elected Councillors and senior managers, respectively the way they work together on a day-to-day basis in order to achieve service delivery goals and targets.

2.2 POLITICAL GOVERNANCE

Political structure of Amajuba District municipality is as per figure below.



The Municipality consist of 27 Councillors of which:

- 17 are from African National Congress (ANC),
- 2 are from Democratic Alliance (DA),
- 5 are from Inkatha Freedom Party (IFP),
- 2 are from Economic Freedom Fighters (EFF), and
- 1 is from Azanian People's Organisation (AZAPO) as per table 2.1 below.

Table 2.1: List of Councillors and Representation

	Councillor name	Local Municipality Representative	Political Party Represented
1.	Cllr AF Rehaman (Speaker)	Propotional Representation	ANC
2.	Cllr MG Ngubane (Mayor)	Propotional Representation	ANC
3.	Cllr SE Nkosi (Deputy Mayor)	Propotional Representation	ANC
4.	Cllr AP Meiring (ExCo Member)	Newcastle	DA
5.	Cllr ZC Msibi (ExCo Member)	Propotional Representation	ANC
6.	Cllr MM Mdlalose (ExCo Member)	Propotional Representation	IFP
7.	Cllr MN Ntshangase	Propotional Representation	ANC
8.	Cllr D Ngwenya	Newcastle	ANC
9.	Cllr VC Ndlovu	Emadlangeni	ANC
10.	Cllr TM Ndaba	Newcastle	ANC
11.	Cllr VP Mzima	Newcastle	ANC
12.	Cllr MV Molefe	Newcastle	ANC
13.	Cllr HN Mkhwanazi	Newcastle	ANC
14.	Cllr MJ Madela	Propotional Representation	ANC
15.	Cllr NP Kumalo	Dannhauser	ANC
16.	Cllr BV Khumalo	Newcastle	ANC
17.	Cllr NC Khabanyane	Propotional Representation	ANC
18.	Cllr NS Hlatshwayo	Dannhauser	ANC
19.	Cllr XNM Dladla	Newcastle	ANC
20.	Cllr MA Buthelezi	Dannhauser	IFP
21.	Cllr T M Nzuzo	Newcastle	IFP
22.	Cllr MG Mlangeni	Propotional Representation	IFP
23.	Cllr RB Ndimma	Newcastle	IFP
24.	Cllr SB Buthelezi	Newcastle	EFF
25.	Cllr M Msibi	Propotional Representation	EFF
26.	Cllr RN Ngcobo	Propotional Representation	DA
27.	Cllr MV Buhali	Newcastle	AZAPO

Table 2.2: Executive Committee Seatings

Schedule Date	Date Actual Meeting Convened	Ordinary / Special Meeting	Meeting Number
From 01 July 2016 To 31 December 2016			
14/09/2016	28/09/2016	Ordinary	E/01/2016-2017
5 & 26/10/2016	19/10/2016	Ordinary	E/02/2016-2017
16/11/2016	22/11/2016 & 24/11/2016	Ordinary Special	E/03/2016-2017 SPE/01/2016-2017
07/1/2016	-	-	-
From 01 January 2017 To 30 June 2017			
18/01/2017	25/01/2017	Ordinary	E/04/2016-2017
08/02/2017	23/02/2017	Special	SPE/03/2016-2017
08/03/2017	23/03/2017 31/03/2017	Ordinary Special	E/05/2016-2017 SPE/04/2016-2017
19/04/2017	25/04/2017	Ordinary	E/06/2016-2017
10&24/05/2017	26/05/2017 30/05/2017	Special Special	SPE/06/2016-2017 SPE/07/2016-2017
14/06/2017	-	-	-

The above table illustrates:

- That there were 12 scheduled ExCo Meetings (6 Ordinary and 6 Special), of which 11 meetings were convened (6 Ordinary and 5 Special) and 1 meeting never sat.

Table 2.3: Council Seatings

Schedule Date	Date Actual Meeting Convened	Ordinary / Special Meeting	Meeting Number
From 01 July 2016 To 31 December 2016			
-	26/07/2016	Special	SPC/01/2016-2017
-	26/08/2016	Ordinary	C/01/2016-2017
7/09/2016	28/09/2016	Ordinary	C/02/2016-2017
20/10/2016	20/10/2016 27/10/2016	Workshop Special	C/03W/2016-2017 SPC/02/2016-2017
24/11/2016	24/11/2016	Ordinary	C/03/2016-2017
-	05/12/2016	Special	SPC/03/2016-2017
From 01 January 2017 To 30 June 2017			
26/01/2017	31/01/2017	Ordinary	C/04/2016-2017
23/02/2017	28/02/2017	Special	SPC/04/2016-2017
31/03/2017	31/03/2017	Ordinary	C/05/2016-2017
-	28/04/2017	Special	SPC/05/2016-2017
11 & 25/05/2017	30/05/2017	Special	SPC/06/2016-2017

The above table illustrates:

- That there were 12 scheduled Council Meetings (5 Ordinary and 7 Special), of which all 12 meetings were convened.

2.3 COUNCILLOR COMMITTEE ALLOCATION 2016 - 2021

The councillor committees allocations for a five-year council period, i.e 2016 to 2021, has been established as per table below. Committees established are as follows:

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

Table 2.4: Councillor Committee Allocation

	Name	Designation and Political Party
Executive Committee (ExCo) Members		
1.	Cllr M G Ngubane	Mayor-ANC
2.	Cllr SE Nkosi	Deputy Mayor-ANC
3.	Cllr ZC Msibi	ExCO Member -ANC
4.	Cllr MM Mdlalose	ExCo Member-IFP
5.	Cllr AP Meiring	ExCo Member-DA
Municipal Public Accounts Committee (MPAC) Members		
1.	Cllr NC Khabanyane	Chairperson- ANC
2.	Cllr MN Ntshangase	ANC
3.	Cllr NS Hlatshwayo	ANC
4.	Cllr VP Mzima	ANC
5.	Cllr M Msibi	EFF
6.	Cllr MV Buhali	AZAPO
7.	Cllr TM Nzuza	IFP
8.	Cllr RN Ngcobo	DA
9.	Inkosi SE Shabalala	Traditional Leader
Portfolio Standing Committee (PSC) Members		
PSC 1: Municipal Manager, Finance and Economic Development		
	Cllr DR MG Ngubane	Chairperson
1.	Cllr MN Ntshangase	ANC
2.	Cllr VC Ndlovu	ANC
3.	Cllr MV Buhali	AZAPO
4.	Cllr RB Ndimma	IFP
5.	Nkosi SE Shabalala	Thekwane Traditional Council
PSC 2: Corporate Services		
	Cllr MM Mdlalose	Chairperson
1.	Cllr NS Hlatshwayo	ANC
2.	Cllr VP Mzima	ANC
3.	Cllr TM Ndaba	ANC
4.	Cllr MA Buthelezi	IFP
5.	Nkosi M Mbatha	Mbatha Traditional Council
PSC 3: Community Services		
	Cllr ZC Msibi	Chairperson
1.	Cllr HN Mkhwanazi	ANC
2.	Cllr NP Khumalo	ANC
3.	Cllr SB Buthelezi	EFF
4.	Cllr RN Ngcobo	DA
5.	Cllr Cllr Mlangeni	IFP

	Name	Designation and Political Party
6.	Cllr RB Ndimma	IFP
7.	Nkosi ZP Nzima	Ndlamlenze Traditional Council
PSC 4: Planning and Development Services		
	Cllr AP Meiring	Chairperson
	Cllr DR MG Ngubane	Executive Councillor (IDP & LED)
1.	Cllr NC Khabanyane	ANC
2.	Cllr MV Molefe	ANC
3.	Cllr D Ngwenya	ANC
4.	Cllr MJ Madela	ANC
5.	Nkosi SJ Nkosi	Emalangen Traditional Council
PSC 5: Engineering Services		
	Cllr SE Nkosi	Chairperson
1.	Cllr BV Khumalo	ANC
2.	Cllr XNM Dladla	ANC
3.	Cllr M Msibi	EFF
4.	Cllr RN Ngcobo	DA
5.	Cllr MA Buthelezi	IFP
6.	Cllr TM Nzuza	IFP
7.	Nkosi ZG Mabaso	Emgundeni Traditional Council
WHIP Members		
1.	Cllr AF Rehman	Speaker- ANC
4.	Cllr VP Mzima	ANC
5.	Cllr M Msibi	EFF
6.	Cllr MV Buhali	AZAPO
7.	Cllr TM Nzuza	IFP
8.	Cllr RN Ngcobo	DA
9.	Inkosi M Mbatha	Traditional Leader

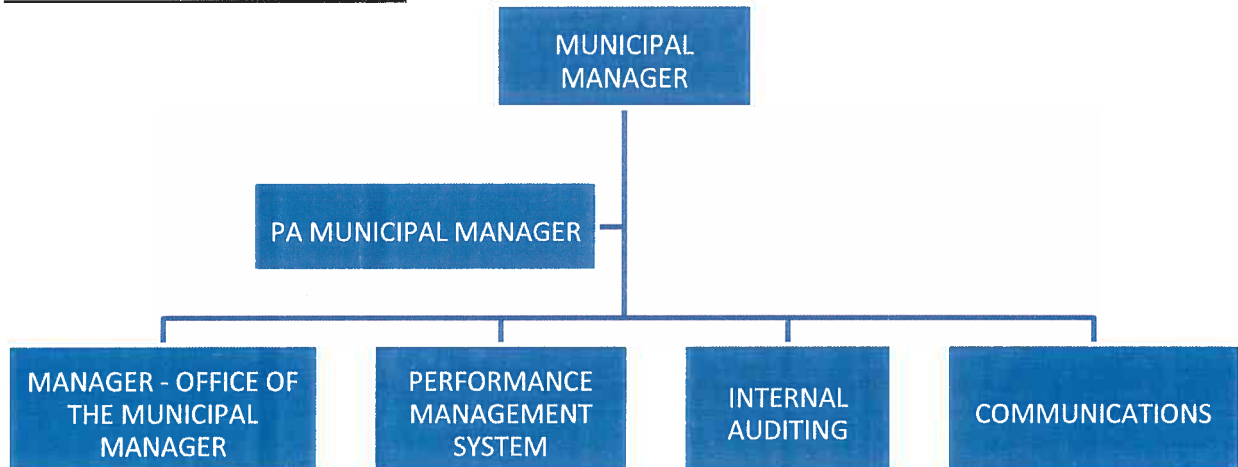
2.4 ADMINISTRATIVE GOVERNANCE

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

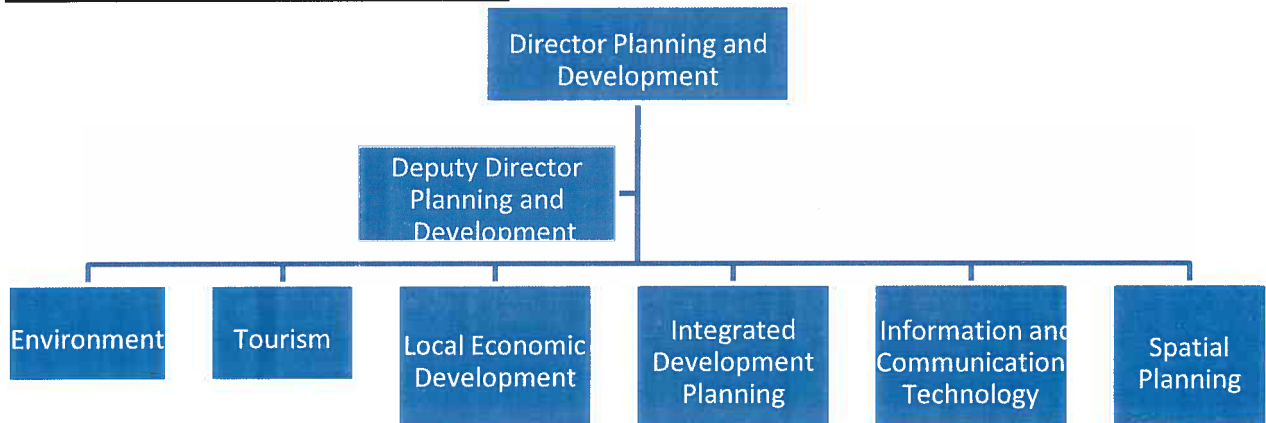
Organisational Structure



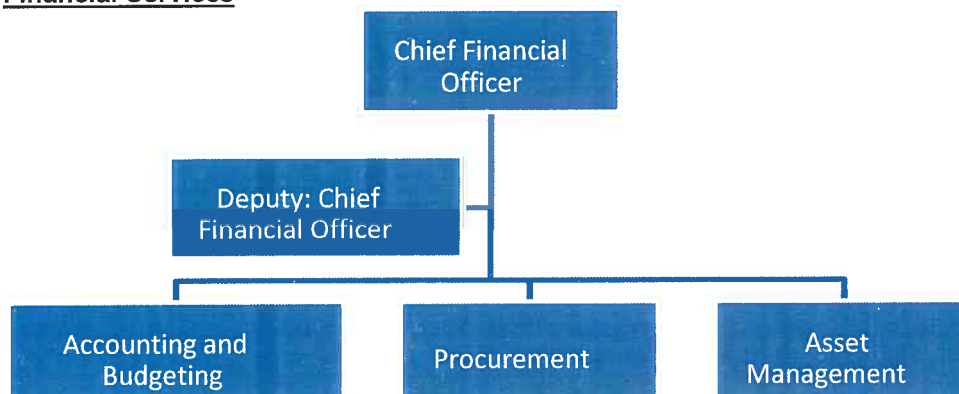
Office of the Municipal Manager



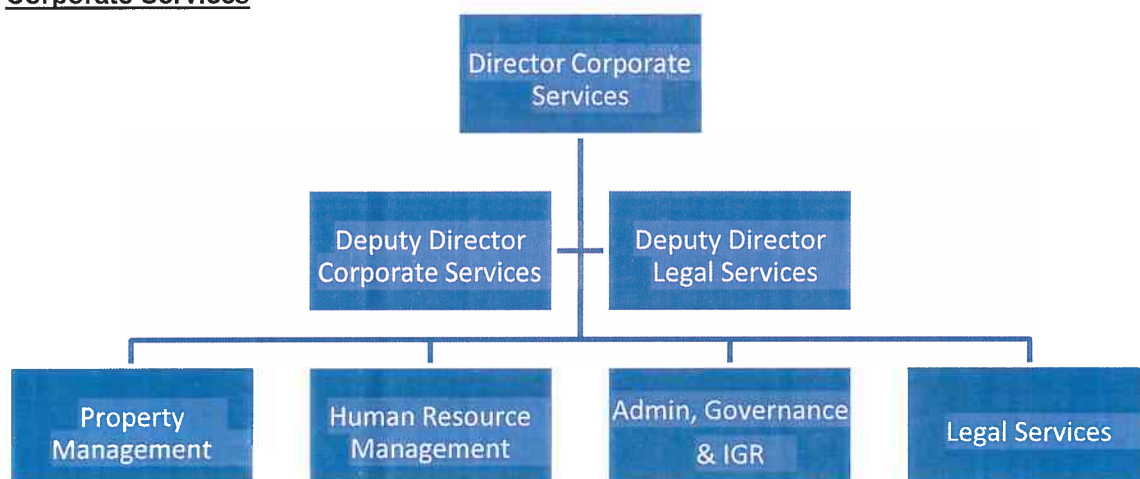
Department Planning and Development



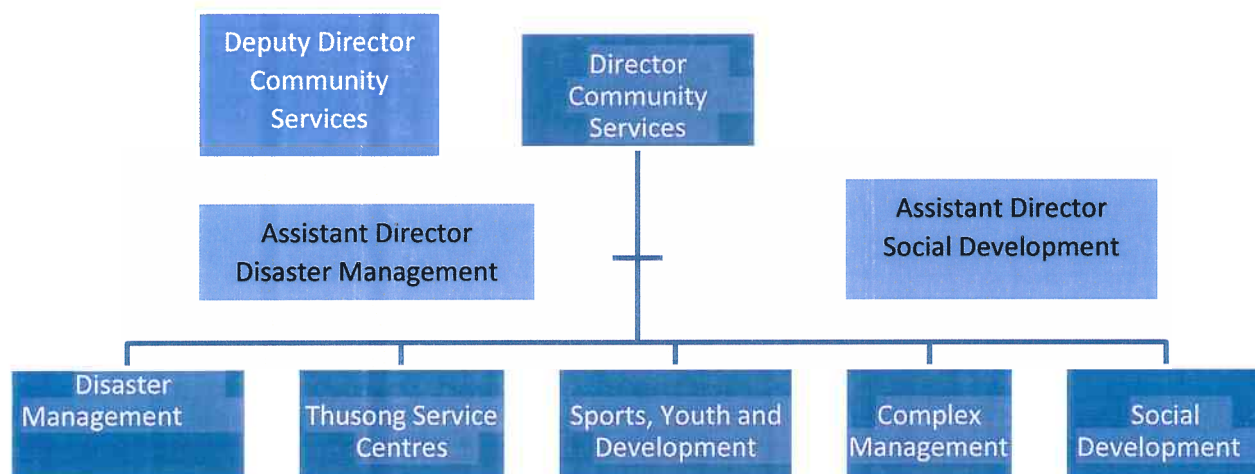
Financial Services



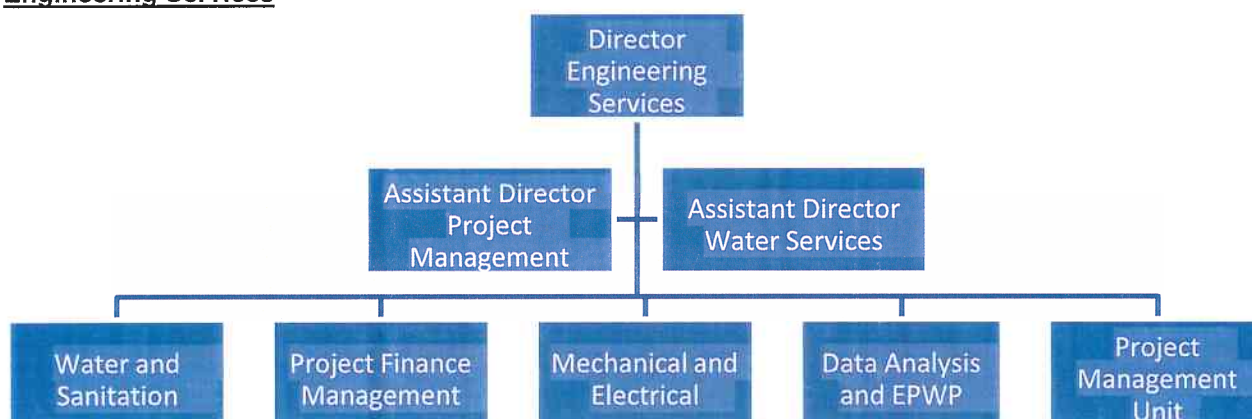
Corporate Services



Department Community Services



Engineering Services



Directorate: The ADM consists of 5 Section 56 posts and 1 Section 54 post; of which two (2) of the Section 56 positions (Chief Financial Officer and Director Corporate Services) and Section 54 position (Municipal Manager) were vacant during theyear under review. The

Municipality had in place officials seconded by CoGTA to act in the positions. The post of the Chief Financial Officer and Municipal Manager were both filled on 01 June 2017 and the Director Corporate Services posts was still vacant at the time of preparing thi annual report.

Table 2.5: Section 54/56 Managers

Position	Name	Gender	Appointment Date	In possession of Performance Agreement 2016/2017 (Yes/No)	Termination Date
Municipal Manager (<i>current</i>)	S.R. Zwane	Male	01 June 2016	No	To date
Acting Municipal Manager	S.R. Zwane	Male	05 December 2016	No	05 June 2017
Acting Municipal Manager	T.W. Zulu	Male	28 November 2016	No	02 December 2016
Municipal Manager	L.M. Africa	Male	01 December 2012	Yes	30 November 2016
Chief Financial Officer (<i>current</i>)	W.J.M. Mngomezulu	Male	01 June 2017	No	To date
Acting Chief Financial Officer (Seconded by CoGTA)	S.S. Mhlongo	Female	04 April 2016	No	05 October 2016
Acting Chief Financial Officer	S.S. Mhlongo	Female	02 September 2015	No	01 March 2016
Acting Chief Financial Officer	H. Mthembu	Male	06 June 2014	No	01 September 2015
Acting Chief Financial Officer	L.M. Africa	Male	02 March 2016	No	01 April 2016
Acting Director Corporate Services (<i>current</i>)	T.B. Dube	Male	01 June 2017	No	31 August 2017
Acting Director Corporate Services	Z.F. Ndlovu	Female	01 November 2016	No	30 April 2017
Acting Director Corporate Services (Seconded by CoGTA)	Z.J. Mkhize	Male	04 April 2016	No	05 October 2016
Acting Director Corporate Services / Deputy Director Corporate Service (Legal)	B. Kubheka	Male	04 January 2016	No	03 April 2016
Acting Director Corporate Services / Deputy Director Corporate Service	T.B. Dube	Male	23 September 2014	No	31 December 2015
Director Engineering Services	T.W. Zulu	Male	04 March 2013	Yes	To Date
Director Planning and Development	C.T. Myeza	Male	01 March 2013	Yes	To Date
Director Community Services	S.C. Mdakane	Female	01 August 2012	Yes	To Date

Source: Human Resources

Table 2.6: Staff Compliment

Department	Posts					
	2016/17			2015/16		
	Filled	Vacant	Total	Filled	Vacant	Total
Office of the Municipal Manager	22	7	29	17	5	22
Corporate Services	28	4	32	30	2	32
Financial Services	18 plus 5 Accountant Interns and 10 EPWP Workers	3	21 plus 5 Accountant Interns	17	4	21
Planning and Development Services	15	7	22	16	6	22
Engineering Services	76	35	111	79	32	111
Community Services	25	5	30	26	4	30
Total	199	61	245 plus 5 Accountant Interns	185	53	238

Source: Human Resources

2.5 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 representation, 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 2.7 and 2.8 below.

Table 2.7: Occupation Level Representation

Occupational Level	Male				Female				Total
	African	Colored	Indian	White	African	Colored	Indian	White	
Top Management	4	0	0	0	1	0	0	0	5
Senior Management	13	0	2	1	4	0	1	0	21
Middle Management	9	0	1	2	10	0	1	0	23
Technicians & Skilled Staff	62	1	1	1	22 plus 5 Accountant Interns	1	3	1	97
Other Staff	28 plus 6 EPWP Workers	0	0	0	11 plus 4 EPWP Workers	0	0	0	53
TOTAL	122	1	4	4	57	1	5	1	199

Source: Human Resources

Table 2.8: Employee Demographic Profiles

Employment Equity Demographics	Designated Group	Non-Designated Group	Women
Top Management	4	0	1
Senior Management	15	1	5
Middle Management	10	2	11
Other	91	1	58

Source: Human Resources

2.6 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. A sum of R159,019 was received from LGWSETA during the year under review.

2.7 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 2.9A and 2.9B below illustrate the said expenditures.

Table 2.9A: Personnel Expenditure

Financial Year	Municipal Unaudited Expenditure Section 12(6)	Personnel Expenditure	Personnel Expenditure as a % of Administration Section 12(6)
2016/2017	217,720,915	80,727,101	37%
2015/2016	237,070,530	81,375,498	34%
2014/2015	205,602,608	72,298,771	35%
2013/2014	236,218,255	69,628,199	29%

Source: Financial Services

Table 2.9B: Councillor Expenditure

Financial Year	Municipal Unaudited Expenditure Section 12(6)	Councillor Expenditure	Councillor Expenditure as a % of Administration Section 12(6)
2016/2017	217,720,915	4,717,430	2%
2015/2016	237,070,530	4,346,061	2%
2014/2015	205,602,608	4,320,335	2%
2013/2014	236,218,255	4,204,529	1%

Source: Financial Services

Tables 2.10A and 2.10B below indicate a summary of pension and medical aid funds utilized by council employees and councillors from 01 July 2016 to 30 June 2017:

Table 2.10A: Summary on Pension Funds

Description	Number of Members	Employee Contribution	Employer Contribution	Total
Natal Joint Municipal Employees Provident Fund (5%)	100	1 304 882	2 302 072	3 606 953
Natal Joint Municipal Employees Provident Fund (7%)	33	627 392	1 223 413	1 850 805
Natal Joint Municipal Employees Provident Fund (9.25%)	20	569 117	1 107 469	1 676 586
Natal Joint Municipal Employees Superannuation Fund	15	343 550	1 152 579	1 496 129
Government Employees' Pension Fund	5	192 153	164 938	357 091
Municipal Councillors Fund	9	296 071	0	296 071
Municipal Employees Pension Fund	1	24 483	58 760	83 243
Natal Joint Municipal Employees Retirement Fund	1	16 356	68 627	84 983
Total	184	3 374 003	6 077 858	9 451 861

Source: Financial Services – Payroll

Table 2.10B: Summary on Medical Aid Funds and Membership

Description	Number of Members	Employee Contribution	Employer Contribution	Total
Global Health Medical Scheme (Gold)	8	303 820	395 267	699 086
Global Health Medical Scheme (Silver)	4	100 858	163 632	264 490
Global Health Medical Scheme (Bronze)	3	27 306	54 323	81 629
Bonitas Standard	25	781 356	756 902	1 538 258
Hosmed	22	314 698	466 900	781 598
Bonitas Prime	9	139 293	211 282	350 575
LA Health	38	891 520	1 111 609	2 003 128
SAMWUMED	11	165 191	247 786	412 977
Total	120	2 724 041	3 407 700	6 131 741

Source: Financial Services – Payroll

2.8 INTERGOVERNMENTAL RELATIONS

The ADM has established nine (9) intergovernmental fora(IGRs) as follow:

Table 2.11: Intergovernmental Forums

	IGR Forum Name	Number of Meetings Held
1.	Mayors Forum	1 meeting
2.	Municipal Managers Forum	1 meeting
3.	District Area Financial Forum	1 meeting
4.	District Area Planning and Development Forum	4 meetings
5.	District Area Community Services Forum	4 meetings
6.	District Area Corporate Services Forum	2 meetings
7.	District Area Technical Services Forum	3 meetings
8.	District Communicators Forum	3 meetings
9.	District Area Internal Auditors and Risk Officers Forum	1 meeting

The district intergovernmental fora 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.

2.9 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. 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. 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.

Table 2.12: IDP/Budget Consultative Community Engagements 2017/18

Area	Date	Venue
Emadlangeni Local Municipality	13 May 2017	Berouw Amantungwa Sportsfield (Ward 5)
Dannhauser Local Municipality	14 May 2017	Skobhareni Community Hall (Ward 1)

2.10 CORPORATE GOVERNANCE

Risk Management and Internal Audit: 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 the top 5 risks and measures to mitigate for the 206/2017 financial year.

Table 2.13: Risk Register Top 5 Risks 2016/2017

Risk	Measures to Mitigate
Risk 01. Lack of clearly defined strategic objectives.	1) Synergy between the Integrated Development Planning and Performance Management System Units.
Risk 02. Lack of proper prioritisation.	1) To request intervention from COGTA; 2) Develop Communication Plan.
Risk 03. Lack of Standard Operating Procedure by user departments for the reviewal of Legally binding documents.	1) Development of Standard Operating Procedure for reviewal of binding documents.
Risk 04. Lack of systems.	1) Source funding.
Risk 05. Dysfunctional Electronic Document Management System	1) To invite service providers to conduct presentations on the Electronic Document Management System; 2) To workshop Registry related policies and procedures.

Anti-corruption and fraud: Anti-fraud and corruption policy was developed and a plan is in process of development.

Supply Chain Management (SCM): SCM Policy is in place. SCM bid committee have been established. 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 has water services by-laws. These by-laws are under review.

Websites: Website was updated on a quarterly basis and as the need arises.

Public satisfaction on municipal services: Public customer satisfaction survey was not conducted in this financial year.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

Section 46(1) states that – “A municipality must prepare for each financial year a performance report reflecting:

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

Section 46(2) further indicates that an annual performance report must form part of the municipality’s annual report in terms of Chapter 12 of the Municipal Finance Management Act (MFMA).

In fulfilling the legislative requirements stated above, the Amajuba District Municipality (ADM) has prepared its 2016/2017 financial year Annual Performance Report (APR) which was submitted to the internal audit unit and audit committee (meeting of 25 August 2017) for review. After incorporation of the inputs from IA and AC, the APR was submitted to Auditor General (AG) with the annual financial statements (AFS) on 31 August 2017. APR is attached as ***annexure A***.

CHAPTER 4 – 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 Annual Financial Statements (AFS) of Amajuba District Municipality are submitted to the Office of the Auditor General as per legislated timeframe. Once external auditing has been completed, audited AFS attached as **annexure B** of this report.

The AFS were tabled before the audit committee on 25 August 2017; and this provided the AC members an opportunity to review the AFS before submission to the Office of the AG. External auditing commenced on submission of the AFS on 31st of August 2017.

On receipt of audited AFS and Audit Report, the Audit Committee prepared its annual audit committee report, which is attached as **annexure C** of this report.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

4.1 GRANTS AND SUBSIDIES

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

Table 4.1: Grants and Subsidies Received

Government Grants & Subsidies – Allocations	2016/2017		2015/16	
	Budget	Actual Expenditure	Budget	Actual Expenditure
National Grant Allocations				
Municipal Systems Improvement Grant	1 041 000	0	940 000	940 000
Financial Management Grant	1 500 000	1 500 000	1 500 000	1 500 000
Municipal Infrastructure Grant	39 577 000	39 577 000	40 119 000	40 119 000
DWAF Water Operating Subsidy	0	0	3 000 000	1 903 351
Water Services Operating Subsidy II (In Kind)	0	0	0	0
Municipal Water Infrastructure Grant	49 400 000	49 400 000	19 825 000	11 175 414
Expanded Public Works Programme incentive Grant	1 497 000	1 463 618	1 252 000	1 252 000
Rural Transport and Infrastructure	2 064 000	3 067 612	2 007 000	1 810 526
Regional Bulk Infrastructure Grant (In-Kind)	0	0	0	0
ACIP -Call Centre Grant	0	0	0	135 080
Sub Total - National Grant Allocations	95 079 000	95 008 230	68 643 000	58 835 371
Provincial Grant Allocations				
Development Planning Shared Services	400 000	400 000	250 000	250 000
Small Town Rehabilitation Programme-PSC	0		0	0
Corridor Development-PSC	0		0	0

Government Grants & Subsidies – Allocations	2016/2017		2015/16	
	Budget	Actual Expenditure	Budget	Actual Expenditure
Rural Households Infrastructure Grant-Goedehoop Project	0	0	4 000 000	488 877
Environmental Management Grant	1 000 000	21 437	1 000 000	437 580
Disaster Management Centre	5 000 000	0	5 000 000	
Drought Relief	0	0	5 120 000	10 462 299
Sub Total - Provincial Grant Allocations	6 400 000	421 437	15 370 000	11 638 756
Grand Total	101 479 000	95 429 667	84 013 000	70 474 127

4.2 OPERATING INCOME

Table 4.2: Operating Income

Income	2016/2017		2015/2016	
	Projected	Actual	Projected	Actual
Service Charges – Water	19 500 000	22 321 276	19 283 844	20 862 490
Service Charges - Sanitation	3 500 000	3 732 921	3 382 207	3 559 690
Grants & Subsidies	134 948 000	211 381 651	129 876 000	129 876 000
Other Income	9 333 483	21 949 503	9 655 726.96	21 128 209
Total	167 281 483	259 385 351	162 197 778	175 426 389

4.3 TAXES AND SERVICE CHARGES

Table 4.3: Taxes and Service charges

Description	2016/2017		2015/2016	
	Projected	Actual	Projected	Actual
Service Charges	23 000 000	26 054 197	22 666 051.60	24 422 179.65
Taxes – VAT Refund	0	11 145 778	12 498 836	10 002 733
Total	23 000 000	37 199 975	35 164 888	34 424 913

4.4 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.

Amajuba District Municipality bills areas within Dannhauser and Emadlangeni. No new councillor (i.e. councillors who were inaugurated in September 2016) falls within the areas which are billed by the Amajuba District Municipality.

However, for 2015/2016 financial year, there were councillors who lived within areas billed by the ADM and some of them still owe the Municipality. Tables 4.4 below is a list of councillors who were in arrears 2015/2016. As depicted in table 4.4 below, four (4) former councillors were in arrears.

Table 4.4: Councillors in arrears – 2015/2016

Name	Total Amount	Current	> 30 Days	> 60 Days	> 90 Days	> 120 Days	> 150 days
Chonco TA	R 3 911 - 49	R 178 - 56	R 148 - 87	R 160 - 64	R 147 - 65	R 118 - 21	R 3 157 - 56
Mlangeni NM (Majola)	R 1 214 - 54	R 358 - 27	R 201 - 92	R 187 - 12	R 126 - 19	R 133 - 87	R 207 - 17
Ndlovu LM	R 63 215 - 92	R 994 - 54	R 785 - 08	R 3 302 - 56	R 1 808 - 20	R 2 546 - 81	R 53 778 - 73
Hlatshwayo VR	R 9 448 - 98	R 347 - 43	R 282 - 03	R 330 - 44	R 236 - 98	191,32	R 8 060 - 78

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

4.5 CAPITAL PROJECT - MIG

Capital projects funded during the year under review were as per table 4.5 below.

Table 4.5: Capital Projects

CAPITAL PROJECTS	2016/17		2015/2016	
	Budget	Actual Expenditure	Budget	Actual Expenditure
Emadlangeni Sanitation MIG	2 739 150	5 376 793	3 008 304	1 769 456
Disaster Management – MIG	9 700 000	7 947 166	13 147 623	13 364 729
Buffalo Flats Water – Phase 3	0	0	433 401	497 201
Buffalo Flats Water – Phase 3B	6 693 667	5 900 805	6 745 892	4 114 499
Buffalo Flats Sanitation	13 670 993	20 212 098	14 802 780	15 002 229
ADM Regional Bulk Water Scheme	323 190	499 966	1 181 000	1 715 752
MIG Administration Cost	1 950 000	464 876	800 000	37 934
MWIG - Emadlangeni Rural Water Supply Phase 1	0	0	3 000 000	1 700 079
MWIG - Emadlangeni Rural Water Supply Phase 2	9 100 000	10 612 190	7 000 000	7 095 820
Bulk Water Meter Installation	17 106 454	10 673 917	0	0
WCWDM Master Plan	4 000 000	4 000 000	7 825 000	6 840 022
Normandien Boreholes - MWIG	7 793 546	18 852 877	2 000 000	3 508 772

CAPITAL PROJECTS	2016/17		2015/2016	
	Budget	Actual Expenditure	Budget	Actual Expenditure
Public Works Grant Expenditure	1 497 000	1 463 618	1 252 000	1 252 000
Rural Households Sanitation	3 700 000	3 480 909	0	0
ACIP-Call centre Grant Funding	0	0	0	0
Emadlangeni Bulk Phase 4	0	0	0	0
Emafusini WCWDM: Massification	0	0	0	0
CoGTA Maintenance Grant	0	0	0	0
Road Asset Management System	2 064 000	3 067 612	2 007 000	1 810 526
Disaster Management Centre	5 000 000	0	5 000 000	0
Rural Households Infrastructure Grant-Goedeheop Project	4 500 000	1 046 454	4 000 000	488 877
MWIG Sanitation Project (Ramaphosa Settlement.)	7 700 000	1 768 967	0	0
Total	97 538 000	95 368 248	72 203 000	59 197 896

4.6 EXPENDITURE

Table 4.6: Operating and Capital Expenditure

Expenditure Item	2016/2017		2015/2016	
	Projected	Actual	Projected	Actual
Salaries, wages and allowances	85 593 000	85 444 531	75 963 873	80 587 833
General expenditure	92 407 050	96 986 354	97 639 956	101 975 584
Repair and maintenance	4 167 801	4 032 740	6 619 857	9 559 689
Capital charges	764 000	936 618	761 566	935 897
Grant Expenditure	0	30 320 672	84 013 000	70 474 127
Capital Expenditure	91 150 416	55 607 702	69 324 000	52 012 898
Total: Gross/Net expenditure	274 082 267	273 328 617	160 718 423	132 982 611

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

4.7 BORROWINGS AND INVESTMENTS

Table 4.7 below indicates loans made during the year under review.

Table 4.7: Borrowings

Loan	Type	Interest Rate	Balance (R)		
			30/06/2017	30/06/2016	30/06/2015
Bank overdraft	Overdraft	-	0	0	0

External Loans	Short/Long Term	-	8 103 063	9 596 136	10 224 014
Finance Leases	Lease	-	127 812	11 754	138 657
Total			8 230 875	9 607 890	10 362 671

Table 4.8: Investment Analysis

Investment Description	Balance (R)		
	30/06/2017	30/06/2016	30/06/2015
ABSA Call Account	655 189	0	0
Nedbank Call Account	5 302	0	0
First National Bank Call Account	3 877 847	0	0
Standard Bank Call Account	13 448 332	17 331 483	138,658
Total	17 986 670	17 331 483	138,658

CHAPTER 5 – AUDITOR GENERAL FINDINGS

The Municipal Systems Act states that the result of performance measurement in terms of Sect 41 (1)(c) must be audited annually by the Auditor-General. Section 41(1)(c) states that the auditing should take place with regard to each of the development priorities and objectives and against key performance indicators and targets to monitor, measure and review municipal performance at least once per annum.

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

- **Year 2016/2017:** Qualified Audit Opinion with matters of emphasis. Auditor General's report for 2016/2017 is attached as **annexure D**. The audit response plan to matters raised in the AG's report is attached as **annexure E**.
- **Year 2015/2016:** Qualified Audit Opinion.
- **Year 2014/2015:** Qualified Audit Opinion which is progressive from the previous financial year 2013/2012 where the municipality received a Disclaimer Audit Opinion.

LIST OF REFERENCES

- Annual Report 2015/2016
- Annual Performance Report 2015/2016 & 2016/2017
- Integrated Development Plan 2015/2016 & 2016/2017
- Performance Management System Policy and Framework Review 2016/2017
- Service Delivery and Budget Implementation Plan (Original & Revised) 2016/2017

NOTES

[illegible]