



DRAFT ANNUAL REPORT
2020/2021

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

On the 30th of November 2021, I was honoured to be inaugurated as a Mayor of Amajuba District Municipality. As a newly elected political representative of this Municipality, it is my duty to reflect on the municipality's performance results during the 2020/2021 financial year, i.e. a year which began on 01st of July 2020 to the 30 June 2021. This annual report gives effect to the legal framework requirements, concepts and principles governing the sphere of local government which reflect public responsibility and accountability.

The year 2020/2021 had several challenges due to the worldwide pandemic which has affected many lives and the economy at large. This further had an impact on how we conduct municipal affairs, in particular public participation initiatives such as conduct of Integrated Development Plan (IDP) and Budget Roadshows as well as meetings with community stakeholders.

As a country moves out of the woods of Covid-19 pandemic, we are embarking on measures to improve service delivery while observing Covid-19 protocols. We will ensure that a consultation processes are part of the municipal affairs, programs and activities in line with Chapter 4 of the Municipal Systems Act 32 of 2000 as amended. A process of consultation with the stakeholders with a view to present the IDP and Budget for the 2022/2023 financial year is underway. This IDP and Budget must be informed by the culmination of a lengthy process of consultation with the key stakeholders across the district. Our programmes in this IDP and Budget carry the aspirations of our people and our primary task at hand despite the increasing level of unemployment on the international front.

Our country, the district and its local municipalities have financial challenges which emanates from the scourge of Covid-19 pandemic whom death toll of our communities in the country has rapidly increased and threaten business operations and solvency as it is limiting our resources and daily livelihoods within our communities.

Inkatha Freedom Party (IFP) in collaboration with Economic Freedom Fighters (EFF), Team Sugar SA, Democratic Alliance (DA) and Action SA is leading with integrity. As an IFP, we live by our slogan, #SETHEMBE - TRUST us to facilitate work that will satisfy the needs of our citizens.

Our wish as Councillors of Amajuba district for our beautiful district is as follows:

- Be a District of broad appeal for people of all ages and cultural backgrounds;
- Be a District of physical beauty with great appeal;
- Be a District of strong neighbourhoods and communities;
- Be a District where it is easy to move around;
- Be a District with a high-quality living environment; and
- Be a river city where locals and tourists love to meet.

We remain committed to the alignment of our plans in realization of the National Development Plan vision 2035, District Development Model Strategy. The District Development Model

builds on the White Paper on Local Government (1998), which seeks to ensure that “local government is capacitated and transformed to play a developmental role”. The White Paper says developmental local government “is local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives”. As a municipality, we have coordinated the development of Amajuba District Development Model.

My promise to the citizens of Amajuba district is to demonstrate tireless commitment to making a difference in the lives of ordinary citizens living within Amajuba district jurisdiction by providing proper service delivery. I also pledge to instill reputation of excellence, effectiveness, and efficiency so that we not only provide services to the community members of our district but deliver quality service timeously and diligently.

I am very confident that despite the challenges that the Municipality is confronted with, the District remains safe with potential for investments, economic opportunities which could ultimately address high unemployment rate that the district current faces.

I Thank You.

Cllr VV Bam
Her Worship, the Honourable Mayor

1.2 FOREWORD BY THE MUNICIPAL MANAGER

The Amajuba District Municipality prepared its Annual Report for the year 2020/2021 in line with Section 121 of the Local Government Municipal Finance Management Act, No. 56 of 2003 as well as accompanying circulars, templates, and guidelines. This report provides the overview of the performance and progress made by the district in fulfilling its strategic objectives and priorities as aligned in the Integrated Development Plan (IDP), National Development Plan (NDP) as well as Provincial and National strategic directives.

In terms of Section 127(5)(a)(i) of the MFMA the Annual Report is hereby made public.

The Annual Report is one of the critical mechanisms through which the municipality provides, to the community, an account of its performance for the financial year under review. The report, as required by the legislation, should reflect on issues such as the performance of the municipality, financial management, service delivery, governance and administration. The 2020/2021 Annual Report is crucial as it is the last one for the term of Council for 2016-2021.

On behalf of management, as part of a reflection on what we believe stood out during the 2020/2021 Financial Year, we will reflect on a few things as part of our contribution to the Annual Report.

Governance and Administration

The municipality was able to perform well insofar as governance is concerned. Council, Council Committees, the Executive Committee and the Portfolio Committees did all in their power to execute the legislated duties and functions.

The district continues to enjoy political stability in Council with Councillors from different political parties always treating each other with respect and having a conducive space to make their contributions towards the enhancement of the lives of our people.

Administratively, the issue of not having a full complement of senior managers as there were vacancies for Municipal Manager, Director Engineering Services, Director Planning and Development Services and Chief Financial Officer. As much as the role and contributions of all those who served as Acting incumbents in the vacant positions was highly appreciated, but this negatively impacted on the functionality of the respective departments and management. However, Council, with the support of management, worked hard to expedite the recruitment processes.

Finance Management and Reporting

During the 2020/21 financial year the municipality operated with an unfunded budget, and this proved to be a challenge a great concern as it limited the capacity of the municipality to achieve its service delivery objectives. The approach of Council and management was that of achieving more with less in ensuring that provision of basic services such as water and sanitation are provided to the community.

The municipality had to own up and deal with legacy issues such as the unfunded budget issue as stated above, which was over R20 million budget deficit to name a few.

The municipality did not do well with regards to compliance with the Municipal Standard Chart of Accounts (mSCOA) as required by the National Treasury Regulation. Working closely with both the Provincial and National Treasuries, the municipality worked towards finding a solution to the financial management challenges with success. Following to the termination of the contract of the service provider that was appointed to provide financial management support, the municipality appointed a new service provider for financial management system which improved the audit opinion from the Disclaimer Audit opinion to Qualified one with matters of emphasis.

The Municipality also acknowledges the limitations which require a concerted effort in a quest to deliver quality services to our community. The outbreak of Covid-19 has put a strain on everyone globally including the district and it has significantly impacted on the Municipality's maximum ability to implement its planned programmes.

The municipality continues to have a serious challenge of raising sufficient revenue from the provision of services such as water and sanitation. Challenges in this regard range from the slim revenue base in the poverty-stricken areas of Emadlangeni and Dannhauser, non-payment by households, illegal connections, water losses and the high cost of providing water through water tankers. This is one critical area that requires special attention for the municipality to improve on its finances and service delivery.

We extend our deepest gratitude to the political leadership for their tenacity and oversight role of the administration. The way our staff members executed their responsibilities during this period carried us through in playing a meaningful role on the lives of those we serve. Our existence as the district mostly depends on the community and we would like to take a pause to express sincere appreciation on the constructive criticism from our community which serves as a steppingstone to realize our objectives.

On behalf of the Amajuba District Municipality Management Team and the entire staff we wish to extend our gratitude to the outgoing Councillors who have hand-over the baton to the new administration after the 2021 Local Government Elections. Thank you for all your efforts and leadership. Please do join us as we give support to the new administration that takes over after the said elections.

Acting Municipal Manager
Mrs. S.C.N Mdakane

1.3 MUNICIPAL OVERVIEW

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

Mission: Amajuba District Municipality will champion good governance through:

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

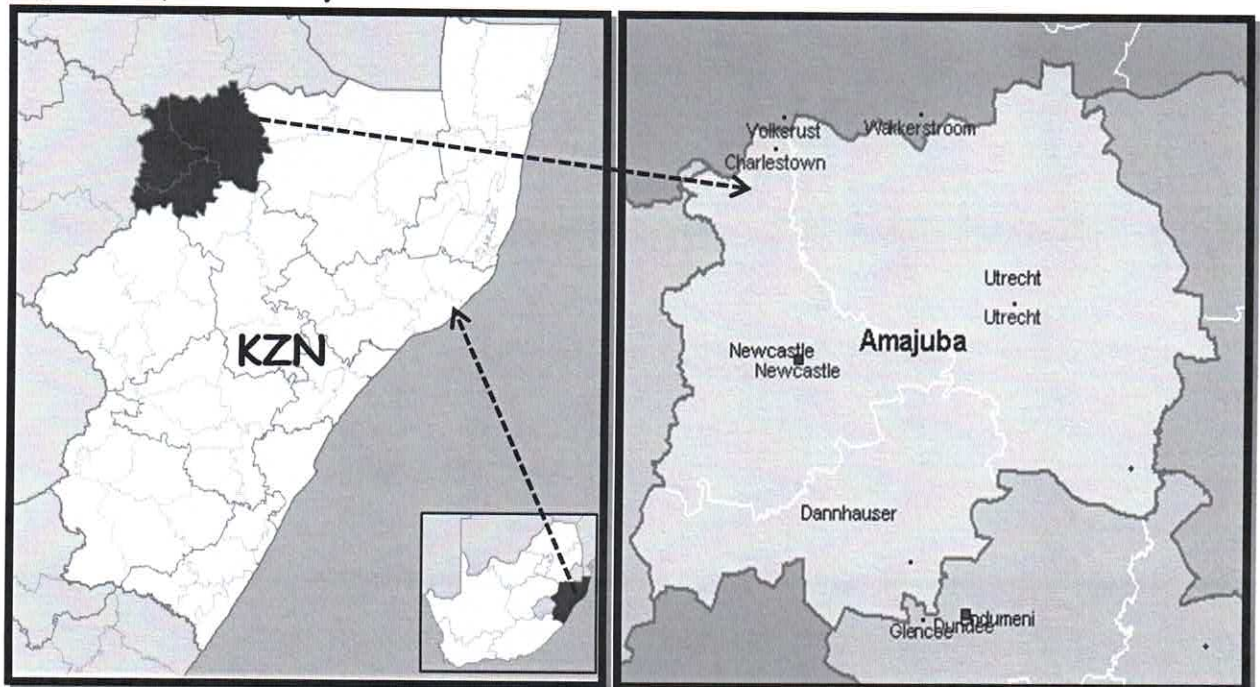
Values: The following values to be followed by the organisation were identified:

- Integrity Commitment
- Responsiveness
- Accountability
- Effectiveness

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

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

Figure 1: Spatial Locality of ADM



Source: ADM GIS

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.

- Newcastle Local Municipality has 34 wards
- Emadlangeni Local Municipality has 6 wards
- Dannhauser LM has 13 wards

Population data: Amajuba district comprises of a total population which is estimated at 531 327 people who are accommodated on 117 256 households. Newcastle has the highest population which is estimated at 389 117 people (90 347 households) within 34 wards followed by Dannhauser 105 341 people (20 242 households) within 13 wards and Emadlangeni with 36 869 people (6 668 households) within 6 wards.

Table 1.1: Population size and Distribution

Municipality	Total Population			Population Growth Rate (2011-2016)
	2001	2011	2016	
Newcastle	332 981	363 236	389 117	7.1%
Emadlangeni	32 277	34 442	36 869	7.0%
Dannhauser	102 779	102 161	105 341	3.1%
Amajuba	468 036	499 839	531 327	6.3%

Source: Statistics SA, Census 2011 & Community Survey 2016

Population Groups: The population of Amajuba comprises mainly of Africans which form 93.2% of the population followed by whites (3.4%), Asians (20.8%) and Coloured (0.6%), 67.6% of the Africans is geographically located in Newcastle. It is noted that for the year 2016 Asians don't form part of the population of Emadlangeni LM.

Table 1.2: Population Groups

Population Groups					
Group / Municipality	Year	Newcastle LM	Emadlangeni LM	Dannhauser LM	Amajuba DM
African	2011	335 142	32 001	99 650	466 793
	2016	359 117	33 870	102 129	495 116
White	2011	14 275	1 968	787	17 030
	2016	13 816	2 603	1 685	18 104
Asian	2011	11 686	42	1 439	13 167
	2016	13 664	-	1 121	14 785

Population Groups					
Group / Municipality	Year	Newcastle LM	Emadlangeni LM	Dannhauser LM	Amajuba DM
Coloured	2011	2 733	431	285	3 449
	2016	2 519	396	406	3 321

Source: Statistics SA – Census2011, Community Survey 2016 no 30-06-2016

Number of Households: The number of households within the district has increased between 2011 and 2016, from 110 963 to 117 256, with an increase average household size (from an average of 4.4 persons per household to 4.5 persons per household). Immigration and birth contribute to the increased number people within the geographical area, this is supported by the increase in average household size as depicted in the table below.

Table 1.3: Number of Households

Municipality	Number of Households			Average Household Size		
	2001	2011	2016	2001	2011	2016
Newcastle	71 164	84 272	90 347	4.6	4.2	4.3
Emadlangeni	6 187	6 252	6 668	4.7	5.2	5.5
Dannhauser	19 320	19 320	20 242	5.3	4.9	5.2
Amajuba	96 670	110 963	117 256	4.7	4.4	4.5

Source: Statistics SA – Census2011, Community Survey 2016 no 30-06-2016

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 LM	Emadlangeni LM	Dannhauser LM	Amajuba DM
Yard Connections	2001	43886	1947	2798	48631
	2011	71635	2410	10175	84220
	2016	84909	3039	16984	104931
Communal Connection	2001	18175	1154	7693	27022
	2011	9347	1260	7595	18202
	2016	6703	6690	3307	16701
No access to piped water	2001	9103	3086	8829	21018
	2011	3290	2581	2669	8540
	2016	5438	3629	3183	12249

Statistics SA – Community Survey (30-06-2016)

- **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 1.5: Sanitation by service type

Type of access	Year	Newcastle LM	Emadlangeni LM	Dannhauser LM	Amajuba DM
Waterborne/ Chemical	2001	52719	2832	4753	60304
	2011	44188	1800	3301	49289
	2016	246250	8279	9558	264087
Pit latrine	2001	23806	2030	14694	40530
	2011	26270	2151	14717	43138
	2016	100625	23020	74345	196990
Bucket latrine / Ecological	2001	460	34	74	568
	2011	688	36	33	757
	2016	6143	319	136	6588
None	2001	2710	2324	1251	6285
	2011	2298	956	620	3874
	2016	7119	1448	186	8753

Statistics SA – Community Survey (30-06-2016)

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 1.6 demonstrates the status of the sector plans at the end of the year under review:

Table 1.6: Status of Sector Plans

	Sector Plan	Completed (Y/N)	Adopted (Y/N)	Adoption Date (if adopted)	Reviewed / Requires review
1	Spatial Development Framework 2020/21	Yes	Yes	May 2020	Current under review
2	Local Economic Development Plan	Yes	Yes	June 2020	n/a
3	Water Services Development Plan 2018 2019	Yes	No	n/a	n/a
4	Environment Management Framework 2019/20	Yes	Yes	May 2019	n/a
5	Employment Equity Plan 2020/21	Yes	Yes	May 2021	n/a

	Sector Plan	Completed (Y/N)	Adopted (Y/N)	Adoption Date (if adopted)	Reviewed / Requires review
6	Information and Communication Technology Plan 2019/20	Yes	Yes	2018	Going to be reviewed
7	Air Quality Management Plan 2019/20	Yes	Yes	May 2019	n/a
8	Tourism Development Strategy	Yes	Yes	2012	Requires review
9	Investment Promotion and Facilitation Strategy	Yes	Yes	2013	Requires review
10	Human Resource Strategy 2017-2021	Yes	Yes	2019	n/a
11	Climate Change Response Plan	Yes	Yes	May 2019	n/a
12	Amajuba District Growth & Development Plan 2035	Yes	Yes	May 2021	n/a
13	Amajuba Environmental Management Framework	Yes	Yes	June 2019	n/a
14	Workplace Skills Development 2020/21	Yes	Yes	May 2020	n/a

Source: Integrated Development Plan

CHAPTER 2 - GOVERNANCE

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.

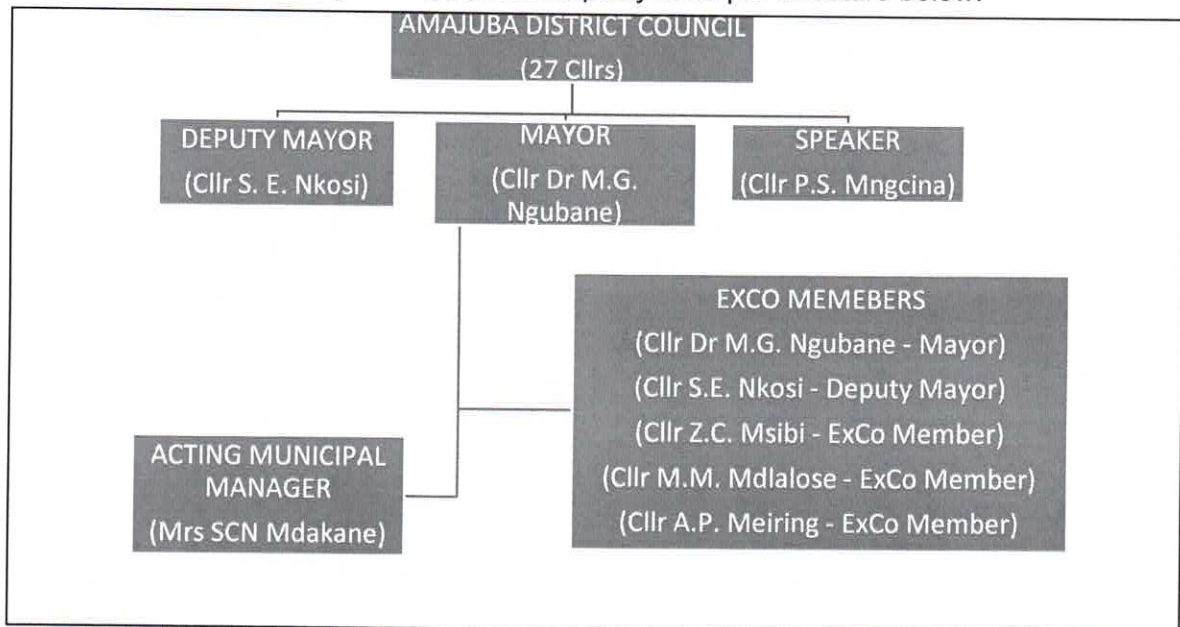
It further plays oversight on the administration of the municipality in terms of the organizational structure being implemented effectively and efficiently to ensure service delivery.

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 structure below.



The Municipality consist of 27 Councillors (see table 2.1 below) 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 (EEF), and
- 1 is from Azanian People's Organisation (AZAPO).

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 2.1: List of Councillors and Representation

No.	Name & Surname	Gender	Party	Speaker & ExCo Members
1	Cllr PS Mngcina	Female	ANC	Speaker
2	Cllr Dr M Ngubane	Male	ANC	Mayor
3	Cllr S Nkosi	Male	ANC	Deputy Mayor
4	Cllr MM Mdlalose	Female	IFP	ExCo Councillor
5	Cllr ZC Msibi	Female	ANC	ExCo Councillor
6	Cllr AP Meiring	Male	DA	ExCo Councillor
7	Cllr MV Buhali	Male	AZAPO	Ordinary Councillor
8	Cllr MA Buthelezi	Male	IFP	Ordinary Councillor
9	Cllr XNM Dladla	Male	ANC	Ordinary Councillor
10	Cllr NS Hlatshwayo	Male	ANC	Ordinary Councillor
11	Cllr NC Khabanyane	Male	ANC	Ordinary Councillor
12	Cllr BV Khumalo	Female	ANC	Ordinary Councillor
13	Cllr NP Khumalo	Female	ANC	Ordinary Councillor
14	Cllr MJ Madela	Male	ANC	Ordinary Councillor
15	Cllr LN Zulu	Male	IFP	Ordinary Councillor
16	Cllr HN Mkhwanazi	Female	ANC	Ordinary Councillor
17	Cllr MV Molefe	Female	ANC	Ordinary Councillor
18	Cllr VP Mzima	Female	ANC	Ordinary Councillor
19	Cllr TM Ndaba	Male	ANC	Ordinary Councillor
20	Cllr JA Vorster	Male	IFP	Ordinary Councillor
21	Cllr VC Ndlovu	Male	ANC	Ordinary Councillor
22	Cllr RN Ngcobo	Male	DA	Ordinary Councillor
23	Cllr D Ngwenya	Male	ANC	Ordinary Councillor
24	Cllr M Msibi	Male	EFF	Ordinary Councillor
25	Cllr MN Ntshangase	Male	ANC	Ordinary Councillor
26	Cllr SB Buthelezi	Female	EFF	Ordinary Councillor
27	Cllr TM Nzuza	Male	IFP	Ordinary Councillor

Table 2.2: Municipal Public Accounts Committee

	Name	Designation	Political Party
4.1	Cllr D Ngwenya	Chairperson	ANC
4.2	Cllr MN Ntshangase	Councilor	ANC
4.3	Cllr NS Hlatshwayo	Councilor	ANC
4.4	Cllr VP Mzima	Councilor	ANC
4.5	Cllr M Msibi	Councilor	EFF
4.6	Cllr MV Buhali	Councilor	AZAPO
4.7	Cllr TM Nzuzza	Councilor	IFP
4.8	Cllr RN Ngcobo	Councilor	DA
4.9	Cllr MV Molefe	Councilor	ANC
4.10	Cllr N Khabanyane (no longer a member)	Councillor	ANC
4.11	Inkosi SE Shabalala	Inkosi	Traditional Leader

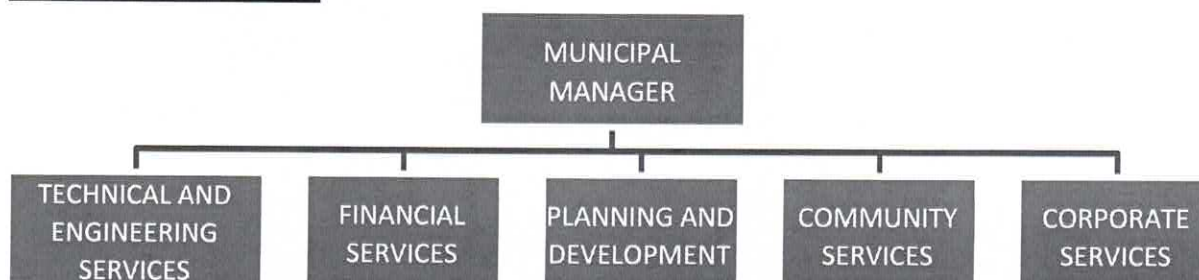
Table 2.3: Committee Seatings

	Name	Meetings Scheduled	Meetings Held	Reasons for Deviation
1.	Executive Committee (ExCo)	12	17	Not Applicable
2.	Council Committee (council)	12	21	Not Applicable
3.	Municipal Public Accounts Committee (MPAC)	12	5	No Quorum
4.	Party Whips Committee (Whips)	12	8	No quorum

2.4 ADMINISTRATIVE GOVERNANCE

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

Organisational Structure



2.5 INTERGOVERNMENTAL RELATIONS

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

- two (2) are Technical forums namely Mayors Forum and MMs Forum
- seven (7) Sub Technical forums

Table 2.4: Intergovernmental Forums

Name	Meetings Scheduled	Meetings Held	Reasons for Non-Achievement
Mayors Forum	4	1	Non availability of the Members
Municipal Managers Forum	4	2	Non availability of the Members
Communicators Forum	4	4	Not Applicable
Planning and Development Forum	4	4	Not Applicable
Engineering /Technical Services Forum	4	3	Non availability of the Members
Community Services Forum	4	4	Not Applicable
Financial Services Forum	4	1	Non availability of the Members
Corporate Services Forum	4	3	Due to Covid-19 pandemic
Risk and Internal Audit Forum	4	2	Non availability of the Members
Speakers Forum	4	3	Non availability of the Members

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

2.6 PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

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.

2.7 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 high risks areas for the 2020/2021 financial year.

Table 2.5: High Risks 2020/2021

Top Five Risks	
Risk 1: Water Distribution Losses	
Causes of Risk: <ul style="list-style-type: none"> • Shortage of human resources. • Non calibration of bulk meters. • Insufficient water meter readings. • Ageing infrastructure. • Illegal connections. • Poor workmanship and quality control during construction. • Lack of planned maintenance. • Inadequate inspections. • Theft of water meters. • Non billing of some consumers. • Unethical conduct by Municipal employees. 	Potential Effects: <ul style="list-style-type: none"> • Compromised service delivery. • Loss of revenue. • Poor conservation of scarce resources (water). • Non-compliance with • No-drop initiative. • Community unrest. • Tarnished image of the municipality.
Risk 2: Ineffective inventory management	
Causes of Risk: <ul style="list-style-type: none"> • Lack of inventory stores • Inventory has been decentralised to user departments • Lack of Standard Operating Procedures. • Lack of Inventory Management Policy. • Lack of inventory management module on the financial system. 	Potential Effects: <ul style="list-style-type: none"> • Misuse of raw materials. Theft. • Financial loss. • Misstatement of inventory in the financial statements.

Risk 3: Inability to deliver decent sanitation services to the community	
<p>Causes of Risk:</p> <ul style="list-style-type: none"> • Uncontrolled increasing urbanisation of population. • High household growth • Unreliable demand and baseline information • Lack of funding. • Inadequate co-ordination of new developments by the sector departments and stakeholders. • Continuously changing baseline information. • Reliance on government by community members in relation to the replacement of VIP toilet structure. 	<p>Potential Effects:</p> <ul style="list-style-type: none"> • Disease outbreaks (e.g. Diarrhoea, typhoid, cholera). • Fatalities. • Possible damage to private property (sewer spillages) • Possible litigations against the municipality. • Community unrest. • Tarnished image of the Municipality. • Compromised service delivery.
Risk 4: Failure to develop a credible budget	
<p>Causes of Risk:</p> <ul style="list-style-type: none"> • Inadequate budget inputs by Departments. • Ineffective Budget Steering Committee. • Poor budget planning. • Poor budget management. • Lack of expenditure monitoring by departments. • Lack of accountability by user departments. • Inadequate implementation of the Financial Recovery Plan. 	<p>Potential Effects:</p> <ul style="list-style-type: none"> • Poor cash flow management. • Failure to meet financial commitments. • Unauthorized expenditure. Non-compliance with legislation. • Mandatory provincial interventions arising from financial crises in terms of S139 of the MFMA. • Compromised service delivery. • Going Concern problems.
Risk 5: Inability to maintain municipal infrastructure.	
<p>Causes of Risk:</p> <ul style="list-style-type: none"> • Inheritance of dilapidated infrastructure from uThukela water in Dannhauser and Emadlangeni Local Municipalities • Outdated maintenance Infrastructure Plans due to limited funding to undertake an assessment and compile plans. • Limited funding to construct, maintain and upgrade infrastructure • Non-compliance to GRAP in relation to operations and maintenance budget allocation. • Outdated technology within the Water Treatment Plant and Wastewater Treatment Plant. • Outdated Infrastructure Asset Management Plan. • Limited funding to undertake the process of a detailed Asset Management Plan. • Crime and vandalism of infrastructure • Lack of internal technical skills. • Lack of an Operations Maintenance Plan. 	<p>Potential Effects:</p> <ul style="list-style-type: none"> • Migration of investors. • Loss of potential revenue. • Community unrest. • Poor access to rural roads. • Increase in road accidents and damage to vehicles. • Loss of life. • Compromised service delivery. • Possible litigations against the municipality. • Aging infrastructure.

<ul style="list-style-type: none"> • Insufficient vehicles, tools and equipment. -Vehicles used are not safe. Lack of a Geographic Information System. -Data -Capacity -Integration with planning department. Storm water ingress during rainy seasons which floods the plant. Inability to clean the reed beds 	
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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 (PERFORMANCE REPORT PART I)

3.1 LEGISLATIVE FRAMEWORK

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 2019/2020 Annual Performance Report (APR) which was submitted to the internal audit unit and audit committee for review. This report is divided into three sections in line with the above-stated legislative background. The assessment report of key performance indicators for the year under review is attached as **annexure A** of this report. The assessment of the external service providers is also part of **annexure A**.

3.2 PERFORMANCE ASSESSMENT

The assessment of actual performance against targets set for each key performance indicator (KPI) as documented in the SDBIP is conducted using assessment criteria in the table below.

Table 3.1: Assessment Criteria – Key Performance Indicators

Category	Explanation
Targets not met (not achieved)	Actual vs. target equal to or less than 99%
Targets met (achieved)	Actual vs. target equal to or more than 100% achieved

Table 3.2: Overview of achievement 2020/2021 versus 2019/2020

Assessment Category	Explanation	2020/2021		2019/2020	
		Number	Percentage (%)	Number	Percentage (%)
Targets not met (not achieved)	Actual vs. target equal to or less than 99%	57	31%	109	61%
Targets met (achieved)	Actual vs. target equal to or more than 100% achieved	126	69%	70	39%
Total		183	100%	179	100%

Table 3.3: Performance per Key Performance Area 2020/2021 versus 2019/2020

Key Performance Area (KPA)	2020/2021				2019/2020			
	Number of Targets			%age Achieved	Number of Targets			%age Achieved
	Not Met	Met	Total		Not Met	Met	Total	
Basic Service Delivery (BSD)	6	20	26	77%	17	6	23	26%
Municipal Institutional Transformation and Development (MIT&D)	5	30	35	86%	18	20	38	53%
Local Economic Development (LED)	5	3	8	38%	4	2	6	33%
Municipal Financial Viability and Management (MFV&M)	18	16	34	47%	20	14	34	41%
Good Governance and Public Participation (GG&PP)	22	52	74	70%	47	26	73	36%
Spatial Planning and Environmental Management (SP&EM)	1	5	6	83%	3	2	5	40%
Total	57	126	183	69%	109	70	179	39%

Table 3.4: Performance per Municipal Department 2020/2021 versus 2019/2020

Department	2020/2021				2019/2020			
	Number of Targets			%age Achieved	Number of Targets			%age Achieved
	Not Met	Met	Total		Not Met	Met	Total	
Corporate Services (CORPS)	8	27	35	77%	21	15	36	42%
Financial Services (FINS)	18	15	33	45%	17	16	33	48%
Community Services (COMS)	10	22	32	69%	18	13	31	42%
Engineering Services (ENGS)	4	19	23	83%	13	9	22	41%
Planning and Development Services (PDS)	7	9	16	56%	9	5	14	36%
Office of the municipal Manager (OMM)	10	34	44	77%	31	12	43	28%
Total	57	126	183	69%	109	70	179	39%

Performance per National Key Performance Indicators

This section contains an assessment of national key performance indicators (NKPIs) as set out in Section 10 of the Municipal Planning and Performance Management Regulations of 2001.

Table 3.5: Statistical indicators on service delivery as at 01 July 2021

Statistical indicator	Total Number of Households requiring Services	Baseline = Number of Households with Services	Backlog = Number of households without Services
Number of sites currently serviced with electricity, sewerage removal service and solid waste removal service	not applicable	not applicable	not applicable
Number of households living in informal settlements	45 909	not applicable	not applicable
Number of hectares of land already acquired and suitable for human settlements	not applicable	not applicable	not applicable
Number of households in formal areas with access to basic electricity	not applicable	not applicable	not applicable
Number of households in informal areas with access to basic electricity	not applicable	not applicable	not applicable
Number of households in formal areas receiving water services	63 924	65275	0
Number of households living in informal areas receiving water services	38 439	40919	4371
Number of households in formal areas receiving sewerage services	63 213	64370	0
Number of households living in informal areas receiving sewerage services	41 390	38987	3468
Number of households in formal areas with kerb-side refuse removal services (once a week)	not applicable	not applicable	not applicable
Number of households living in informal areas with access to refuse removal	not applicable	not applicable	not applicable

Table 3.6: Assessment of National Key Performance Indicators

National Key Performance Indicator (NKPI)	2020/2021		2019/2020	
	Target	Achieved	Target	Achieved
Basic Service Delivery				
Number of households with access to basic level of water services	0	0	0	0
Number of households with access to basic level of sanitation services	0	0	0	0

National Key Performance Indicator (NKPI)	2020/2021		2019/2020	
	Target	Achieved	Target	Achieved
Number of households with access to basic level of electricity services	Not applicable			
Number of households with access to basic level of solid waste removal	Not applicable			
Financial Viability and Management				
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP	100%	98%	100%	97%
Local Economic Development				
The number of jobs created through the municipality's local economic development initiatives including capital projects	294	442	292	453
Institutional Development and Transformation				
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	1 Coloured Male & 1 Indian Male, 1 Indian Female & 1 White Female	Not Achieved	1 Coloured Male & 1 Indian Male, 1 Indian Female & 1 White Female	Not Achieved
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	100%	100%	-	-
Debt coverage $A = \frac{B - C}{D}$ Where – “A” represents debt coverage “B” represents total operating revenue “C” represents operating grants “D” represents debt service payments (interest and redemption) due within the financial year	-	B = 236 103 257 C = 192 846 119 D = 484 421 A = 89%	B = 209 747 558 C = 166 892 001 D = 764 000 A = 56%	B = 205 809 557 C = 166 892 000 D = 764 000 A = 51%

National Key Performance Indicator (NKPI)	2020/2021		2019/2020	
	Target	Achieved	Target	Achieved
Outstanding service debtors to revenue A = B C Where - "A" represents outstanding service debtors to revenue "B" total outstanding service debtors "C" represents annual revenue actually received for services.	-	B = 128 189 783 C = 13 965 707 A = 9: 17	B = 79 833 506 C = 28 524 258 A = 2:79	B = 103 464 884 C = 16 654 814 A = 6: 21
Cost coverage A = B + C D Where – "A" represents cost coverage "B" represents all available cash at a particular time "C" represents investment "D" represents monthly fixed operating expenditure.	-	B = 7 530 596 C = 44 581 071 D = 24 196 384 A = 3.16 (94.8 days)	B = 799 972 C = 69 627 004 D = 17 877 483 A = 42.72 (43 days)	B = 1 956 605 C = 87 276 882 D = 66 185 896 A = 1:35

3.3 MEASURES TAKEN TO IMPROVE PERFORMANCE

Reasons for targets which were not achieved during the year under review and corrective measures thereof are stated in the attached document which assesses performance towards achievement of the municipal approved key performance indicators.

3.4 UTHUKELA WATER (PTY) LTD PERFORMANCE INFORMATION

The Amajuba District Municipality has an entity, uThukela Water (Pty) Ltd, which assists with provision of bulk water services. uThukela Water is therefore a Water Service Provider (WSP) and Amajuba District Municipality is a Water Service Authority (WSA).

uThukela Water Vision Statement is as follows: *"uThukela Water, Your Partner in Growth" - "Amanzi oThukela Umngani Wakho Entuthukweni"*.

The uThukela Water Strategy is based upon the following, agreed, Mission Statements:

- The provisioning of bulk water services and related environmental services.
- Bulk water planning and the safeguarding of water resources to maximize customer benefit.
- To support the WSAs with water services wherever required to do so.

As a WSP, uThukela Water provides the bulk water services on behalf of, and in agreement with the WSA to the municipalities who in turn reticulates the treated water to their respective community households, industries, businesses, agriculture, government institutions and other users.

For the year under review, three (3) core indicators were developed for the purpose of assessing entity's performance. Of the 3 indicators, the following indicator was not achieved:

Key Performance Indicator: Volume of uninterrupted bulk water supplied as per budgeted volumes

Unit of Measure: Kilolitres (KLs)

Target: 5 750 000 KL

Actual: 5 297 103 KL

Reason for non-achievement: Amajuba DM has no dedicated reservoir and supply volumes to the DM are dependent on the consumption volumes of Newcastle LM. The more Newcastle LM consume the less water available for Amajuba DM.

Corrective measure: Lobby for the roll out of the Regional Bulk Water Masterplan to all 3 WSAs for all WSA's to have their own dedicated reservoir.

Attached as **annexure B** is a summary of performance assessment of the core key performance indicators.

3.5 CONCLUDING REMARKS

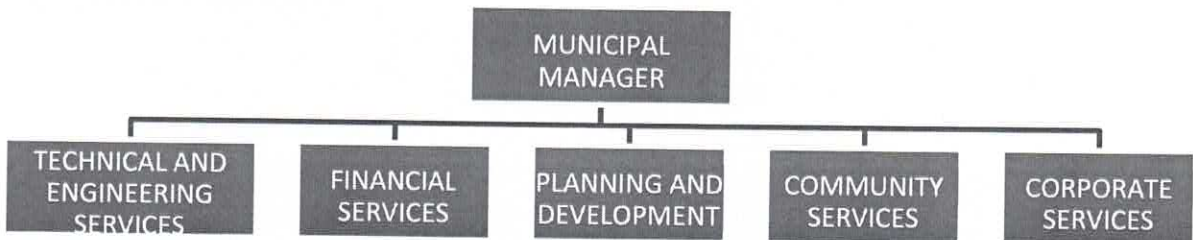
The Amajuba District Municipality was proud to submit its annual performance report 2020/2021 to the Office of the Auditor General as guided by Section 45(1)(b) of the MSA. The Municipality remains committed to respond to the expectations of the residents and local business fraternity by providing access to quality and affordable basic services. In the previous financial year, 68 (39%) targets of the planned 179 targets could be achieved; while in the year under review, 126 (69%) targets of the planned 183 targets could be achieved.

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

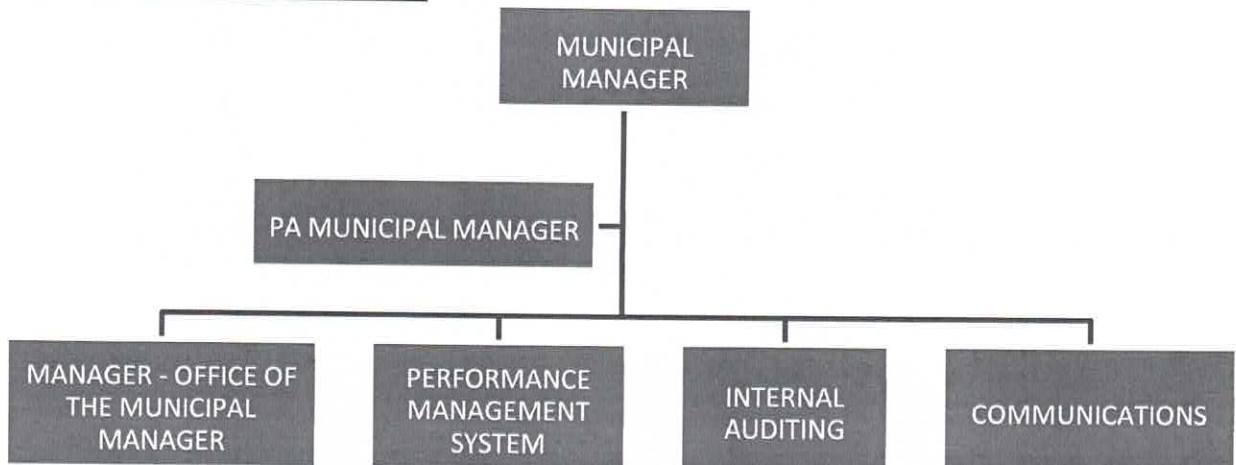
4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

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

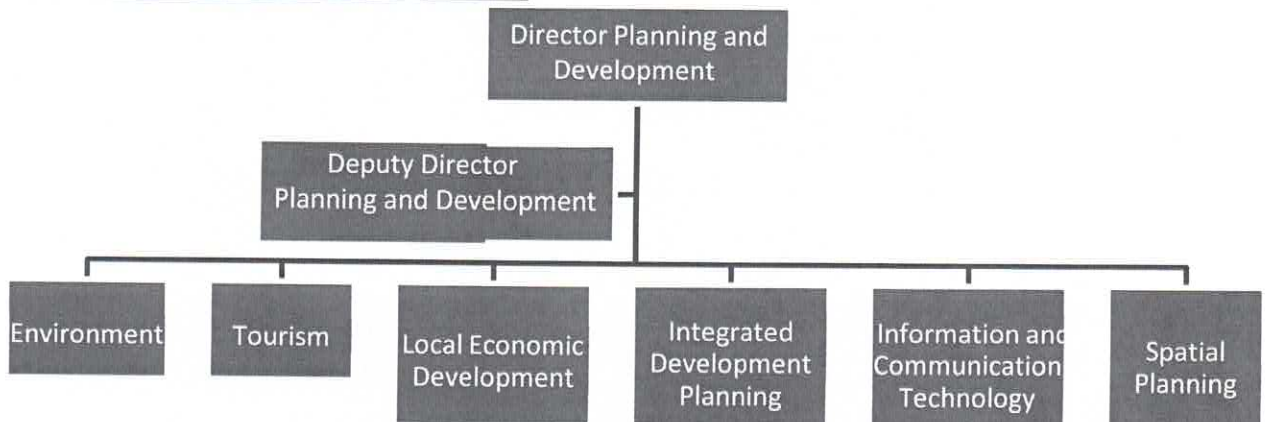
Organisational Structure



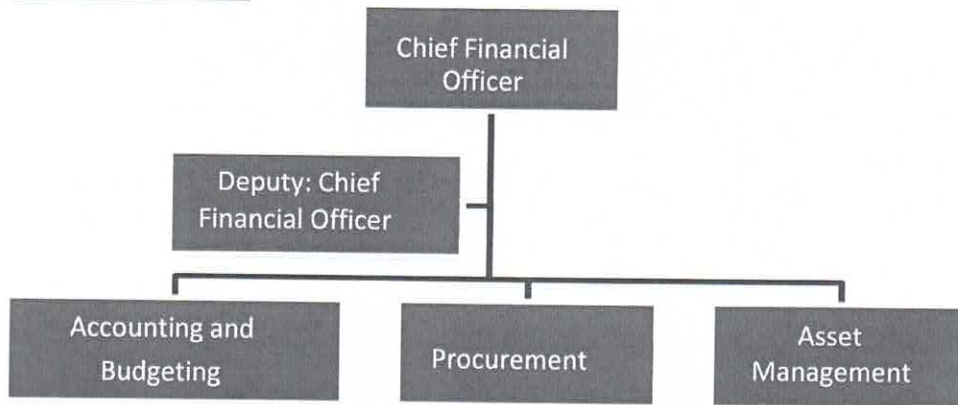
Office of the Municipal Manager



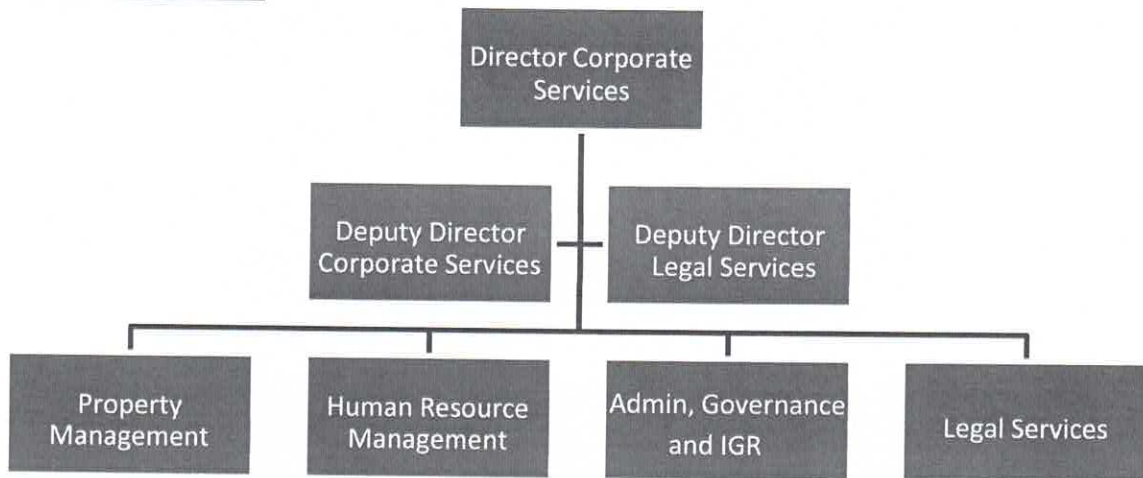
Department Planning and Development



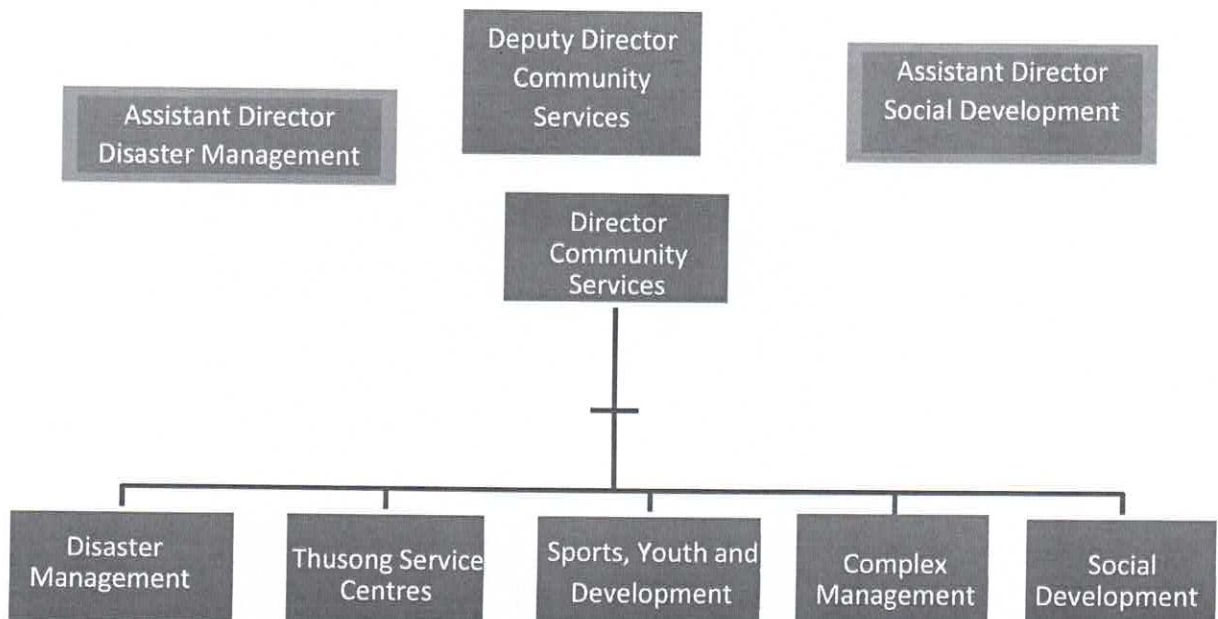
Financial Services



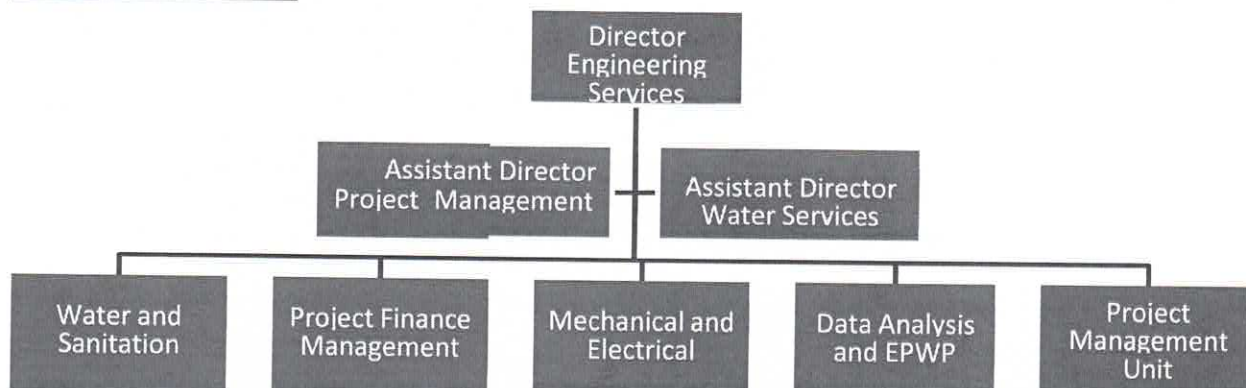
Corporate Services



Department Community Services



Engineering Services



Directorate:

- The ADM consists of (five) 5 Section 56 posts and (one) 1 Section 54 post; of which (three) 3 of the Section 56 positions.
- In the year under review, the Municipal Manager, Mr SR Zwane resigned with effect from the 31 January 2021. In February 2021, Council resolved to place Director Corporate Services, Advocate NN Khambule, as an Acting Municipal Manager for a period of three months or until the Municipal Manager is appointed. Director Corporate Services acted in the position until her immediate resignation on 23 August 2021.

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

Table 4.1: Section 54/56 Managers

Position	Name	Gender	Appointment Date	Signed Performance Agreement 2019/2020 (Yes/No)	Termination Date
Municipal Manager	S.R. Zwane	Male	01 June 2017	Yes	31 January 2021
Acting Municipal Manager	N. N. Khambule	Female	01 February 2021	No	23 August 2021
Chief Financial Officer	W.J.M. Mngomezulu	Male	01 June 2017	Yes	30 September 2020
Chief Financial Officer	M.S Sithole	Male	10 February 2021	Yes	To Date
Director Corporate Services	N. N. Khambule	Female	13 December 2018	Yes	23 August 2021
Director Engineering Services	L. Thwala	Female	01 January 2021	Yes	To date
Director Planning and Development Services	S. Ndaba	Male	01 November 2020	No	To date
Director Community Services	S.C. Mdakane	Female	01 August 2012	Yes	To date

Source: Human Resources

Table 4.2: Staff Complement

Department	Posts					
	2020/2021			2019/2020		
	Filled	Vacant	Total	Filled	Vacant	Total
Office of the Municipal Manager	17	12	29	18	11	29
Corporate Services	30	02	32	28	04	32
Financial Services	18	03	21	18	03	21
Planning and Development Services	15	07	22	14	08	22
Engineering Services	75	36	111	71	40	111
Community Services	24	06	30	24	06	30
Total	179	66	245	173	72	245

Source: Human Resources

4.2 EMPLOYMENT EQUITY DEVELOPMENT

In accordance with the Employment Equity Act No. 55 of 1998, the District Municipality developed and implemented the Employment Equity Plan; and as required by the said Act, the 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 4.3 and 4.4 below.

Table 4.3: Occupation Level Representation

Occupational Level	Male				Female				Total
	African	Colored	Indian	White	African	Colored	Indian	White	
Top Management	3	0	0	0	3	0	0	0	6
Senior Management	12	0	2	1	3	0	1	0	19
Middle Management	9	0	1	2	10	0	1	0	23
Technicians & Skilled Staff	64	1	0	1	23	1	3	1	94
Other Staff	24	1	0	0	9	0	0	0	33
TOTAL	111	1	3	4	47	1	5	1	173

Source: Human Resources

Table 4.4: Employee Demographic Profiles

Employment Equity Demographics	Designated Group	Non-Designated Group	Women
Top Management	6	0	3
Senior Management	15	1	5
Middle Management	10	2	11
Other	72	1	50
TOTAL	101	4	68

Source: Human Resources

4.3 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 (LGSETA) and skills development initiatives relating to the municipal core services have been carried out at all levels of employment a sum of R78 656.50 was received from LGSETA during the year under review.

4.4 EXPENDITURE MANAGEMENT OF EMPLOYEES AND COUNCIL

In terms of the MFMA the municipality is required to disclose all expenditure of staff and councillors, in compliance with Section 65-66 of the MFMA. Tables 4.5A and 4.5B below illustrate the said expenditures.

Table 4.5A: Personnel Expenditure

Financial Year	Municipal Unaudited Expenditure Section 12(6)	Personnel Expenditure	Personnel Expenditure as a % of Administration Section 12(6)
2020/2021	292 872 432	102 149 573	35%
2019/2020	253,895,816	95,584,802	38%
2018/2019	234 279 743	84 287 393	36%

Source: Financial Services

Table 4.5B: Councillor Expenditure

Financial Year	Municipal Unaudited Expenditure Section 12(6)	Councillor Expenditure	Councillor Expenditure as a % of Administration Section 12(6)
2020/2021	292 872 432	7 619 809	2.6 %
2019/2020	253,895,816	6,196,658	2.4%
2018/2019	234,279 743	6,032,624	3%

Source: Financial Services

Tables 4.6A and 4.6B below indicate a summary of pension and medical aid funds utilized by council employees and councillors from 01 July 2020 to 30 June 2021:

Table 4.6A: Summary on Pension Funds

Description	Number of Members	Employee Contribution	Employer Contribution	Total
Natal Joint Municipal Employees Provident Fund (5%)	77	1 137 513	2 218 148	3 355 662
Natal Joint Municipal Employees Provident Fund (7%)	31	738 256	1 439 601	2 177 857
Natal Joint Municipal Employees Provident Fund (9.25%)	38	1 328 280	2 584 580	3 912 860
Natal Joint Municipal Employees Superannuation Fund	13	419 695	1 367 072	1 786 767
Government Employees' Pension Fund	4	195 954	112 156	308 111
Municipal Employees Pension Fund	4	31 825	76 381	108 206
Natal Joint Municipal Employees Retirement Fund	1	15 771	120 244	136 016
Total	169	3 867 295	7 918 183	11 785 478

Source: Financial Services – Payroll

Table 4.6B: Summary on Medical Aid Funds and Membership

Description	Number of Members	Employee Contribution	Employer Contribution	Total
Global Health Medical Scheme (Gold)	4	175 171	228 912	404 083
Global Health Medical Scheme (Silver)	3	93 547	140 321	233 868
Global Health Medical Scheme (Bronze)	2	11 930	19 1887	31 119
Bonitas Standard	19	745 780	750 853	1 496 633
Hosmed	17	483 651	706 670	1 190 321
Bonitas Prime	4	76 384	114 636	191 021
LA Health	63	1 404 727	1 842 916	3 247 643
SAMWUMED	4	67 166	100 750	167 916
Total	116	3 058 357	3 904 247	6 962 604

Source: Financial Services – Payroll

CHAPTER 5 – FINANCIAL PERFORMANCE

Sound financial management practices are essential to the long-term sustainability of municipalities. This chapter provides an overview of financial performance of Amajuba district Municipality.

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

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 GRANTS AND SUBSIDIES

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

Table 5.1: Grants and Subsidies Received

Government Grants & Subsidies — Allocations	2020/2021			2019/2020		
	Budget	Roll-over 2019/20	Actual Expenditure	Budget	Roll-over 2018/19	Actual Expenditure
National Grant Allocations						
Municipal Systems Improvement Grant	0	0	0	0	0	0
Financial Management Grant	2 400 000	0	2 035 000	2 035 000	0	0
Municipal Infrastructure Grant	40 279 000	6 810 079	45 420 690	41 039 000	0	35 895 740
DWAF Water Operating Subsidy	0	0	0	0	0	0
Water Services Operating Subsidy II (In Kind)	0	0	0	0	0	0
Municipal Water Infrastructure Grant	50 000 000	5 141 690	54 793 657	46 000 000	With-held (24 657 259)	39 189 921
Expanded Public Works Programme incentive Grant	1 850 000	0	1 850 000	1 387 000	0	1 387 000
Rural Transport and Infrastructure	2 223 000	1 570 222	3 368 136	2 337 000	With-held (1 237 216)	766 778
Sub Total - National Grant Allocations	96 752 000	13 521 991	107 467 483	92 798 000	25 894 475	79 274 439

Provincial Grant Allocations						
Development Planning Shared Services	1 500 000	0	0	550 000	0	550 000
Growth and Development Summit	387 000	0	386 106	0	0	0
Disaster Management Centre	0	0	0	1 771 140	0	0
Councillors Training	0	0	0	70 163	0	0
Sub Total - Provincial Grant Allocations	1 887 000	0	386 106	2 391 303	0	550 000
Grand Total	98 639 000	13 521 991	107 853 589	95 189 303	25 894 475	79 824 439

5.2 OPERATING INCOME

Table 5.2: Operating Income

Income	2020/2021		2019/2020	
	Projected	Actual	Projected	Actual
Service Charges — Water	18 000 000	24 766 400	24 218 564	23 078 320
Service Charges Sanitation	5 626 343	5 956 761	5 209 013	5 220 812
Grants & Subsidies	195 158 223	195 805 809	169 042 000	256 739 107
Other Income	10 091 000	14 032 463	11 277 981	16 578 704
Total	228 875 566	216 666 833	209 747 558	301 616 943

5.3 TAXES AND SERVICE CHARGES

Table 5.3: Taxes and Service charges

Description	2020/2021		2019/2020	
	Projected	Actual	Projected	Actual
Service Charges	23 626 343	29 427 577	29 427 577	23 078 320
Taxes – VAT Refund	0	0	25 350 296	17 543 719
Total	23 626 343	29 427 577	54 777 873	53 132 504

5.4 DISCLOSURE OF COUNCILLORS IN ARREARS

Section 124(1)(b) of the MFMA requires each municipality to indicate any arrears owed by individual councillors to the municipality, or a municipal entity under its sole or shared control, for rates or services and which at any time during the relevant financial year were outstanding for more than 90 days, including the names of those councillors. Amajuba District Municipality bills areas within Dannhauser and Emadlangeni. No new councillor (i.e. councillors who were inaugurated in September 2016) fell within the areas which are billed by the Amajuba District Municipality. Table 5.4 below is a list of councillors who were in arrears 2020/2021.

Table 5.4: Councillors in arrears – 2020/2021

Name	Locality	Total Amounts (R)	Current (R)	Days	< 60 Days	< 90 Days	<120 Days	< 150 Days	180 Days
Cllr 1	Durnacol	43 266,57	581,37	504,20	579,42	675,27	592,3	638,27	39 695,7
Cllr 2	Utrecht	855,39	340,77	264,62	250,00	0,00	0.00	0,00	0,00
Total Amounts (R)		44 121,96	922,14	768,82	829,42	675,27	592,30	638,27	39 695,7

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL PROJECT - MIG

Capital projects funded during the year under review were as per table 5.5 below.

Table 5.5: Capital Projects

Capital Projects	2020/2021		2019/2020	
	Budget	Expenditure	Budget	Expenditure
Emadlangeni Sanitation MIG	560 000	0	0	0
Disaster Management — MIG	2 000 000	129 007	0	0
PMU admin cost Project Management	2 038 950	2 213 409	0	0
Buffalo Flats Water — Phase 3B	0	0	5 100 000	3 984 536
Buffalo Flats Sanitation	0	0	0	0
Dannhauser Housing Development Bulk Water and Sanitation	13 480 000	9 507 209	17 450 000	5 617 204
ADM Regional Bulk Water Scheme	0	0	0	0
MIG Administration Cost	0	0	2 051 960	2 079 927
Goedehoop bulk water and sanitation	700 000	0	5 000 000	1 235 400

Capital Projects	2020/2021		2019/2020	
	Budget	Expenditure	Budget	Expenditure
MWIG - Emadlangeni Rural Water Supply Phase 2	0	0	0	0
Buffalo Flats Water Supply Scheme Phase 3B-MIG	4 800 000	5 814 302	5 100 000	3 984 536
Hilltop Reservoir Water Supply Scheme-MIG	18 301 740	18 301 740	11 437 050	22 980 244
Buffalo Flats Water Supply Phase 4Scheme	7 540 000	0	20 935 000	13 899 863
COVID-19 Intervention MIG Reprioritisation-Elevated Static Tanks Stands	4 600 000	3 868 210	0	0
New Refurbishment of water and wastewater treatment plants	6 000 000	1 821 608	0	0
Construction of Brakfontein reservoir	17 850 000	19 854 171	3 747 000	581 432
WC/WDM Program	10 420 079	2 520 960	0	0
Construction of Brakfontein reservoir pipeline extension	0	1 929 986	0	0
Raw Water Feasibility Study	0	2 571 200	0	0
Sanitation Project (RHIP) MWIG	0	0	0	0
Emergency Upgrades — Durnacol	0	0	2 900 000	2 897 858
Emergency water supply to Ramaphosa, skobharen and 2 megalitre reservoir at Hilltop Emadlangeni LM	15 000 000	14 621 839	18418 000	21 588 616
DC25_Dannhauser Borehole Refurbishment Program	0	0	0	0
Refurbishment of boreholes and Water Infrastructure-COGTA	0	0	1 210 000	1 210 000
Refurbishment of existing Hand Pumps borehole in reticulation	0	0	1 100 000	1 100 000
Total	102 730 769	85 767 563	89 349 000	75 087 231

5.6 EXPENDITURE

Table 5.6: Operating and Capital Expenditure

Expenditure Item	2020/2021		2019/2020	
	Projected	Actual	Projected	Actual
Salaries, wages and allowances	112 471 010	109 365 224	101 072 801	102 591 660
General expenditure	179 137 422	40 565 206	153 086 885	160 978 327
Repair and maintenance	12 341 164	5 098 135	8 496 383	0
Capital charges	1 374 460	91 502	1 264 000	1 053 229
Capital Expenditure	14 180 000	9 756 501	89 376 000	71 480 811
Total: Gross/Net expenditure	292 872 432	150 021 932	353 296 069	336 104 027

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.7 BORROWINGS AND INVESTMENTS

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

Table 5.7: Borrowings

Loan	Type	Interest Rate	Balance (R)		
			30/06/2021	30/06/2020	30/06/2019
Bank overdraft	Overdraft	-	0	0	0
External Loans	Short/Long Term	-	5 228 946	6 273 159	7 227 636
Finance Leases	Lease	-	37 577	170 660	138 657
Total			5 266 523	6 443 819	7 366 293

Table 5.8: Investment Analysis

Investment Description	Balance (R)		
	30/06/2021	30/06/2020	30/06/2019
ABSA Call Account	7 530 496	1 956 605	0
First National Bank Call Account	321 468	7 243 556	13 372 986
Investec	1 801 109	4 551 555	6 973 283
Nedbank	6 550 508	6 421 190	0
Standard Bank Call Account	28 336 915	69 060 581	49 280 735
Total	44 540 496	89 233 487	69 627 004

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

The Municipal Systems Act states that the result of performance measurement in terms of Section 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 the past three (3) years are as follows:

- **Year 2020/2021:** Qualified with matters of emphasis.
- **Year 2019/2020:** Disclaimer
- **Year 2018/2019:** Qualified audit opinion with matters of emphasis.

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

LIST OF REFERENCES

- Annual Report 2019/2020
- Annual Performance Report 2019/2020
- Integrated Development Plan 2019/2020 & 2020/2021
- Local Government Legislations
- Performance Management System Policy and Framework Review 2020/2021
- Original and Revised Service Delivery and Budget Implementation Plan 2020/2021

