

DISTRICT PROFILE - AMAJUBA DISTRICT MUNICIPALITY

MUNICIPALITY		
Municipal Profile		
Population	442 266	
2011 No. of Councillors	25	
2016 No of Councillors	27	
Current Political make-up	African National Congress	7
	Democratic Alliance	1
	Economic Freedom Fighters	1
	Inkatha Freedom Party	2
	Local to District	16
2011 Registered Voters	191 346	
2014 Registered Voters	233 136	

DETAILS OF THE OFFICE BEARERS									
MUNICIPALITY	NAME OF SPEAKER	POLITICAL PARTY	ELECTION OF EXECUTIVE COMMITTEE (Formula: [number of party seats ÷ by total number of councillors) x size of exco]			NAME OF MAYOR	POLITICAL PARTY	NAME OF DEPUTY MAYOR	POLITICAL PARTY
			NO. OF MEMBERS	NAMES OF MEMBERS	POLITICAL PARTY				
Amajuba District	Afzul Rehman	ANC	5	Musa Ngubane	ANC	Musa Ngubane	ANC	Sipho Nkosi	ANC
				Sipho Nkosi	ANC				
				Ms Zanele Msibi	ANC				
				Ms M Mdlalose	IFP				
				DA to submit name next week	DA				

SECTION 54/56 MANAGERS			
Designation	Manager's Name	Cellphone Number	Email address
Municipal Manager	Mr LM Africa	0343297256	mpumes@amajuba.gov.za
Head of Communication	Mr Sbonelo Cebekhulu	034 329 7303	sboneloc@amajuba.gov.za
The Acting Chief Financial Officer	Ms P Mhlongo	0343297263	
The Acting Director Corporate Services	Mr J Z Mkhize	0343297232	
The Director Community Services	Mrs J Z Mkhize	034 329 7245	
The Director Engineering Services	Mr Thanda Zulu	034 329 7234	thandaz@amajuba.gov.za
The Director Planning & Development Services	Mr Celani Myeza	034 329 7283	celanim@amajuba.gov.za

PILLAR ONE: PUTTING PEOPLE FIRST

Ward Committee Establishment

All 46 ward committees were established in line with the provincial guidelines on Ward Committee Operations and Functionality. The establishment process included the following elements:

- Adoption of the ward committee establishment and operations policy
- Identification of stakeholders through a stakeholder register
- Election of ward committees
- Launch and swearing in of newly elected committees

As per the adopted policies, municipalities are encouraged to continuously to fill in all vacancies within their ward committees as soon as they become available.

Functionality Status

Ward committee functionality assessments are conducted on quarterly basis to assess the functionality status of ward committees in a district. Based on the functionality assessments conducted during the period April to June 2016, the following is a reflection on the verified functionality status of ward committees under Amajuba District:

Name of LM	Total number of wards	Number of functional wards	Number of non-functional wards	Comments
Newcastle	31	5 & 14	1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30 & 31	Lack of evidence to support functionality
Dannhauser	11	2, 3, 4, 5, 7 & 11	1, 6, 8, 9 & 10	Lack of evidence on community feedback meetings & ward reports
Emadlangeni	04	0	4	Non-submission of evidence
Total	46	8	38	

Out of Pocket Expense Implementation

The National Framework for determining of out of pocket expenses for ward committee members, 2009, provides guidelines for provinces to develop provincial specific frameworks within which local councils should set policies for payment of out of pocket expenses for ward committee members

In accordance with the national framework requirements all three municipalities under Amajuba District have developed policies on the payment of out of pocket expenses to ward committees. During the current MTEF period all municipalities under the district have been receiving a grant allocation through the equitable share, to compensate for ward committee activities. All wards are reimbursed for the out pocket expenses incurred as follows:

Table of payment of out of pocket expenses

Name of LM	Out of pocket policy	Council resolution	Amount paid per member	Frequency of payment	Method of payment
Newcastle	Yes	Yes	R1000.00	Monthly	EFT
Dannhauser	Yes	Yes	R 550.00	Monthly	EFT
Emadlangeni	Yes	Yes	R 800.00	Monthly	EFT

Community Feedback Meeting

In terms of the legislative requirements, ward councilors have a responsibility to report to their communities on issues of service delivery. At least a minimum of one meeting must take place in a ward within the period of three months. The following table provides the total number of community feedback meetings convened by ward councilors during the period April to June 2016 in the district.

Table of Community report back Meetings

Name of LM	Total Number of wards	Number of community report back meetings convened by ward councillors	Comments
Newcastle	31	2	Lack of evidence on community feedback convened by councilors
Dannhauser	11	6	Lack of evidence on community feedback convened by councilors
Emadlangeni	04	8	Lack of evidence on community feedback convened by councilors

Traditional leadership Representation and Participation

Section 8(4) of the policy on ward committee establishment and operations stipulates that during the composition of ward committees diversity of interests must be pursued by ensuring the inclusion of interest groups as identified in the municipal stakeholders register and adopted by council. In areas under the jurisdiction of Traditional Leadership it is recommended that a traditional institutions seat must be included in the ward committee.

The following municipalities in the district have representatives from traditional institutions participating in the ward committees.

Municipality	Traditional leadership participation in the ward committee
Newcastle	There is confirmed participation by traditional council in the following ward committees: ward 14
Emadlangeni	There is confirmed participation by traditional council in the following wards: 1,2,3,4
Dannhauser	There is confirmed participation by traditional council in the following ward committees: 1,2

Exit Strategy for Ward Committee.

The term of office for ward committees is five years as contemplated in S24 of the Municipal Systems Act 2000 as amended. Municipalities were expected to develop an exit strategy for serving members in preparation for the local government elections. Guidelines will be distributed to municipalities for customization and implementation before April 2016. The election plan was presented during Provincial Steering Committee Meeting held on the 20th July 2015.

CDW PROGRAMME

The purpose of CDWs as to “work with government and other stakeholders in order to help bridge the gap between government and the community, strengthen the integration and coordination between services provided by government and access to the services by communities”. The objective of the programme is to:

- Improve Service delivery and accessibility of services
- Assist with governmental coordination, both between different spheres and different line departments
- Facilitate community development and strengthen interaction between government and communities and
- Support participatory democracy,

CDWs provide administrative support in the war rooms and coordinate profiling, making referrals to government departments under Operation Sukuma Sakhe (OSS) and participate in integrated service delivery initiatives such as Operation Mbos. CDWs are involved in Community Mobilization for IDP Roadshows, Voter education awareness campaigns and MEC visits in the district. The stakeholders utilize the CDWs in the identification of beneficiaries for Expanded Public Works programmes and CWP

CDWs are also playing the vital role in supporting the implementation of the Back to Basics Programme (B2B). Back to Basics is aimed at strengthening local government by getting the basics right, and local government, together with other spheres of government. Cabinet has resolved that B2B must be integrated with OSS.

In Amajuba District there are 17 active CDWs. One CDW was placed by Labour Relations in Zululand Admin duties. CDWs attend ward committee meetings to present government programmes, collect issues, collect information that might be related to service delivery protests and monitor ward committee functionality. CDWs assist in mobilizing communities to attend and they attend ward community/Public meetings to collect community issues for the attention of other stakeholders. CDWs refer issues to relevant Departments for actioning.

Highlights for CDW activities were as follows:

- CDW in ward 9 Dannhauser referred and made a follow up on the community concern regarding the termination of CSG grants and the Old age grants and realised the importance of this office to improve the communication with the clients to avoid the dissatisfaction with the service.
- In ward 1 Dannhauser, the MEC for Agriculture held a public meeting at Normandien Area to intervene with regards to the families that their livestock were taken by the Farm Owner the meeting was a success community members came in their numbers.
- The challenges regarding water supply in ward 11 Dannhauser is still under control as all areas now have the clean running water nearby stands pipes. But the councillor warn the community that not so late the water supply will be the challenge because of the shortage of water in the country. He then advised community to save water and report any pipe leaks.
- **In ward 11 Dannhauser** Stats SA Data session attended
- Meeting for the electing the clinic committee
- Physical Education and Training programme was introduced

- Dannhauser ward 11, Department of Health achieved to handover 5 wheelchairs, 5 walking sticks and crushes to the applicants.
- Achievement in hosting Prayer against abuse, killing & violence based to women & children. The event was on the 16th of June 2017 at Iphunguphungu primary school.
- The Immunisation Campaign for children with 6 months to 4 years 8months was successful. It was started on the 12th to the 30th of June 2017.
- Ten 10 school shoes were distributed to school children in Khethukuthula High School for public service day in ward 9 Newcastle on the 24th of June 2017.
 - There was a RDP house from phase 3 good news the housing project will start working immediately in section E and they will continued working with their employees from last year. They were earning 2500 per month but it depending on how many houses they have been built for the month. Their target house houses per month it 60 RDP houses.
- In ward 9 Newcastle, the SASSA ICROP project needed 100 people to be identified within ward 09 communities in Newcastle. The criteria was destitute people and people who are living with the disability and not getting disability grants, The councillor and the communities identified those households and on the 12th of June there was a SASSA events. The department was there it was SASSA, DSD, and Municipality from special programme, COGTA, CCG from health, ward committees and the ward councillor. The event did go very well and 100 destitute families got food parcels from SASSA and lunch for the community was provided. The department of social development reported that there is a Youth Development centre that will be opening soon at Amajuba District for the youth so the department will no longer fund the youth organisation since they will be a youth centre that will provide them with all the youth services, so the youth needs help they have to come to the youth centre. Services that they will provide at the centre will counselling, social worker will be there , inter net café ,chrome counselling and life, carrier guidance will be provided but they have to be a youth workshop within the ward so that the department of social development can explain their services for the youth
- During the IDP roadshow in ward 25 Newcastle, most of the community concerns were answered and they received assurance that the projects have budget and the relocation of people is done properly.
- The Luncheon Club in ward 25 Newcastle is becoming strong and the elderly people are eager to start making bracelets.

PILLAR TWO: BASIC SERVICES

1. PURPOSE

The purpose of this report is to apprise on the status of infrastructure development in the Amajuba District Municipality. It must be noted that both the Newcastle and Amajuba municipalities are both *Water Services Authorities* with Amajuba servicing eMadlangeni and Dannhauser, with Newcastle being responsible for its own municipal area.

2. BACKLOGS AND SERVICE DELIVERY AMAJUBA DISTRICT MUNICIPALITY

The table below accounts for backlogs that have been recorded by Statistic South Africa (StatsSA) as at 2011, when the survey was conducted.

TABLE 1: ACCESS TO MUNICIPAL SERVICE IN AMAJUBA DM

AMAJUBA DM WSA							
Table one Municipality	Number of HH's	Piped water(Tap) inside dwelling or yard or on community standpipes		HH's unserved	Pit latrine Los (PIT ,Flush or chemical		HH's unserved
AMAJUBA DM WSA		HH's served	% served		HH's served	% served	% unserved
Dannhauser LM	20438	16722	81.82%	3716	17484	86%	2954
Emadlangeni LM	6251	3669	58.69%	2582	4887	78%	1364

2.1 ACCESS TO WATER

Based on the 2011 Stats SA, the following emerged as a result of numerous projects that are underway within the Amajuba District Municipality.

2.2.1 Water Status Quo

While it appears that a large percentage of households have access to sources of water, it cannot be confirmed that these households have access "to a secure source of water for human consumption". Many people have to travel a distance to collect water from a public tap, based on the Basic level of service, the Strategic Framework for Water Services of the Department of Water Affairs and Forestry, September 2003, defines a basic water supply facility as "the infrastructure necessary to supply 25 litres of potable water per person per day within 200 metres of a household and with a minimum flow of 10 litres per minute (in case of communal water points) or 6000 litres of potable water supplied per formal connection per month (in case of yard or house connections)."

Despite the relatively high level of water provision, the figures hide wide disparities among the three local municipalities.

Up to 83 % of households with piped water supply either to dwelling or on site are residing in Newcastle Municipality, Up to 81 % of households with piped water supply either to dwelling or on site is residing in Dannhauser Municipality, Unauthorized households connections are largely contributing to increased number of households with yard connections.

Up to 58 % of households with piped water supply either to dwelling or on site are residing in eMadlangeni Municipality, While 41% of households in Emadlangeni Municipality are reliant on natural and other water

supplies. Almost 19% of households in Dannhauser Municipality are reliant on natural and other water supplies.

Therefore, eMadlangeni been the most challenged municipality with a water backlog of 41%.

2.1.2 Sanitation Status Quo

According to the STATS SA (2011), about 54% of the households in Amajuba DM area have flush toilets that are connected to a sewerage system of some type, an improvement of 7% since 2007 stats. The 2011 figures also indicate only 3.0% of households in the ADM do not have any form of sanitation.

There are, however, wide variations within the district.

- 22% of households in the eMadlangeni municipality do not have access to any form of toilet ie: pit with no ventilation, other (home built or none)
- 14 % of households within the Dannhauser municipality are below the basic level of service (backlog).
- Out of the three municipal areas, the highest level of service is found in Newcastle Municipality, where over 73% of households have either flush or chemical toilets or pit latrines.
- While the statistics reflect that a substantial proportion of the households in the ADM have adequate sanitation, it has, however, been noted that analyses done within wards, are faced with unhygienic conditions due to pit latrines and are not ideal and many of them are full, thereby exacerbating the problems associated with poor sanitation.

According to Amajuba DM WSA, No buckets system currently exists within the Dannhauser and Emadlangeni Local municipalities

TABLE 2: ACCESS TO SERVICES IN AMAJUBA DM & IMPLEMENTATION PLAN

Project Name and Description	Project Duration Months	Project allocation	Status quo of the Project (Planning,Design,Waiting for approval,Construction or Completed)	Names of wards/Villages Benefitting	Total backlog per ward/village	DWA Information			Municipal Information		After Project Completion, will H/H benefit?
						Villages/wards Identified in DWA Action List [Y/N]	Households to be reduced as per action list	Classification according to the DWA following classes(1)	No. of H/H Benefitting After Project Completion per project design	Classification according to the DWA following classes(1)	
MIG FUNDED PROJECTS 2013/14-2015/16											
Buffalo flats water supply ph 3	48	83 517 981	Construction	Dannhauser ward	2890	y	1227	1	1227	1	1227
Buffalo flats water supply ph 3 VO	24		Bus Plan stage	Dannhauser ward			1663	1	1663	1	1663
Buffalo flats Sanitation	48	141 559 111	Construction	Dannhauser ward 1-11	17235	y	17 235	1	17 235	1	17 235
Emadlangeni Sanitation	36	49 434 865	Construction	Emadlangeni ward 1-4	5194	y	5194	1	5 194	1	5 194
WSDP	8	1 989 000	Bus Plan stage	NDH and NUT	26689				26689		26689
TOTAL MIG FUNDED PROJECTS											
		R 276 500 957									
MWIG FUNDED PROJECTS 2013/14-2015/16											
Emadlangeni Rural Water Supply Phase 1 (Development of Water Sources)	12		Construction	Emadlangeni ward 1-4	5194	y		1	5194	1	5194
Emadlangeni Rural Water Supply Phase 2 (Network Reticulations)	32		planning	Emadlangeni ward 1-5	5194	n		2	5194	2	5194
Buffalo Flats Water Supply Scheme Phase 4 (Phase 1 to 3 infill)	32		planning	Dannhauser ward 1-11	1675	n		1	1675	1	1675
Buffalo Flats WCDM Phase 2	48		planning	Dannhauser ward 1-11		n					
TOTAL MWIG FUNDED PROJECTS											
		151 375 446.19									
PROPOSED MWIG RBIG FUNDED PROJECTS 2016/18											
Amajuba Regional water scheme -Feasibility	24	2 000 000.00	planning	Planning :NO Fundiig approved ,Compile b/p	26689	n		3 &4		3 &4	26689
Emad bulk pipline :cathodic protection	6		planning	Planning :NO Fundiig approved		n		4		4	
TOTAL RBIG FUNDED PROJECTS											
		91 669 242.00									
ACIP FUNDED PROJECTS											
CMS				Dannhauser ward 2	1286	y		4		4	
WATER CONS WATER DEMAND		0.00		NUT	2218						
TOTAL ACIP FUNDED PROJECTS											
		1 120 000.00									
Refurbishment /Upgrade of WWTP		1 500 000.00	Planning		1286	y		4		4	
Refurbishment /Upgrade of WWTP		0.00									
UNFUNDED PROJECTS											
			Awaiting Feasibility study outcomes		26689						
			Awaiting WSDP outcomes								
			Awaiting WSDP outcomes								
			Awaiting WSDP outcomes								
			Awaiting WSDP outcomes	Dannhauser ward 2	1286	y		4		4	
			Awaiting WSDP outcomes	NUT	2218						

3. BACKLOGS AND SERVICE DELIVERY NEWCASTLE LOCAL DISTRICT MUNICIPALITY

The table below accounts for backlogs that have been recorded by Statistic South Africa (StatsSA) as at 2011, when the survey was conducted.

TABLE 3: ACCESS TO MUNICIPAL SERVICE IN NEWCASTLE LM

3.1 ACCESS TO WATER

Based on the 2011 Stats SA, the following emerged as a result of numerous projects that are underway within the Newcastle Local Municipality.

3.2.1 Water Status Quo

While it appears that a large percentage of households have access to sources of water, it cannot be confirmed that these households have access "to a secure source of water for human consumption". Many people have to travel a distance to collect water from a public tap, based on the Basic level of service, the Strategic Framework for Water Services of the Department of Water Affairs and Forestry, September 2003, defines a basic water supply facility as "the infrastructure necessary to supply 25 litres of potable water per person per day within 200 metres of a household and with a minimum flow of 10 litres per minute (in case of communal water points) or 6000 litres of potable water supplied per formal connection per month (in case of yard or house connections)."

Despite the relatively high level of water provision, the figures hide wide disparities among the three local municipalities. Up to 96 % of households with piped water supply either to dwelling or on site are residing in Newcastle Municipality,

3.1.2 Sanitation Status Quo

According to the STATS SA (2011), about of the households in Newcastle LM area have flush toilets that are connected to a sewerage system of some type, an improvement of% since 2007 stats. The 2011 figures also indicate only% of households in the NLM do not have any form of sanitation.

There are, however, wide variations within the district.

-% of households in the Newcastle municipality do not have access to any form of toilet i.e.: pit with no ventilation, other (home built or none)
- While the statistics reflect that a substantial proportion of the households in the NLM have adequate sanitation, it has, however, been noted that analyses done within wards, are faced with unhygienic conditions due to pit latrines and are not ideal and many of them are full, thereby exacerbating the problems associated with poor sanitation.

4. CAPEX ALLOCATION

Amajuba DM and Newcastle LM has been allocated the following grants to address service delivery backlogs across its jurisdiction for the MTEF period, namely;

TABLE 4: AMAJUBA DM CAPEX ALLOCATION

AMAJUBA DM MTEF GRANT ALLOCATIONS				
GRANT	2014/15 FY	2015/16 FY	2016/17 FY	TOTAL ALLOCATION
RBIG	8 500 000	0	0	8 500 000
MIG	41 650 000	40 721 000	42 445 000	124 816 000
MWIG	12 040 000	19 825 000	15 133 000	46 998 000
TOTAL				179 814 000

TABLE 5: NEWCASTLE LM CAPEX ALLOCATION

NEWCASTLE LM MTEF GRANT ALLOCATIONS				
GRANT	2014/15 FY	2015/16 FY	2016/17 FY	TOTAL ALLOCATION
RBIG	8 000 000	0	0	8 000 000
MIG	106 611 942.10	115 266 000	122 104 000	124 816 000
MWIG		14 825 000		46 998 000
TOTAL				179 814 000

3.1. WATER QUALITY ASSESSMENT**3.1.1 Water Quality Amajuba DM****TABLE 6: BLUE DROP**

Year	2013	2012	2011	2010
Score	Risk rating score	83.31%	84.43%	56.4%
Risk rating scores	37.49%	48.82%		

The department is impressed with the high level of microbiological water quality compliance in the registered systems. But there are also areas that need attention namely:

Challenges

- Compliance with regulation 17 for process controllers.
- Risk Management- Establishment of the water safety plans and implementation of mitigation measures to reduce risks at the water services interface.

Interventions for the challenges

- There are plans in place to beef up the number of process controllers and there are on-going trainings to capacitate and train them to comply with regulation 17.
- Assistance in developing the water safety plans has been given by the Department of Water and Sanitation.

Wastewater Quality**TABLE 7: GREEN DROP**

Year	2013	2011	2009
Score	60.36%	59.10%	47.00%
Year	2013	2012	
Risk rating scores	54.41%	58.83	

Overall the municipality is operating on average with points of strengths evident in the monitoring and submission of compliance results. Three out four treatment systems reside in low risk positions. Attention

should be given to drafting and implementation of the wastewater risk abatement plan and compliance with regulation 17 at the level of process controllers, implementation of bylaws and carrying out of process audits.

Challenges

- Absence of O and M manuals.
- No. of process controllers.
- Absence of as built design drawings.
- Effluent quality compliance.
- No flow data

Interventions on the challenges

- There are plans to beef up the staff and meet the required numbers as per regulation 17.
- Inlets and outlets flow meters are at the procurement stage.
- Attention is given to effluent quality by enforcement of disinfection methods at the outlet points.

3.1.2 Water Quality Newcastle LM

TABLE 8: BLUE DROP

Year	2013	2012	2011	2010
Score	Risk rating score	96.50%	75.61%	74.80%
Risk rating scores				

The municipal compliance for microbiological water quality is relatively high and is registered systems. However there are challenges municipality encounters. the listed as follows:

Challenges

- Compliance with regulation 17 for process controllers.
- Risk Management- Establishment of the water safety plans and implementation of mitigation measures to reduce risks at the water services interface.

Interventions for the challenges

- There are plans in place to beef up the number of process controllers and there are on-going trainings to capacitate and train them to comply with regulation 17.
- Assistance in developing the water safety plans has been given by the Department of Water and Sanitation.
- Risk assessment philosophy has been drafted and risk register have been adopted and is monitored on monthly basis

Wastewater Quality

TABLE 9: GREEN DROP

Year	2013	2011	2009
Score			
Year	2013	2012	
Risk rating scores			

Overall the municipality is operating on average with points of strengths evident in the monitoring and submission of compliance results. All 3 treatment systems reside in low risk positions. Attention should be given to drafting and implementation of the wastewater risk abatement plan and compliance with regulation 17 at the level of process controllers, implementation of bylaws and carrying out of process audits.

Challenges

- Absence of O and M manuals.
- Very few. of process controllers.
- Absence of as built design drawings.
- Effluent quality compliance.
- No flow data.

Interventions on the challenges

- There are plans to beef up the staff and meet the required numbers as per regulation 17.
- Inlets and outlets flow meters are at the procurement stage.
- Attention is given to effluent quality by enforcement of disinfection methods at the outlet points.
- Risk assessment philosophy has been drafted and risk register have been adopted and is monitored on monthly basis

3.2 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

TABLE: 10 EXPENDITURE AND COMMITMENT

MIG PERFORMANCE AS AT JULY 2015		2014/2015		2015/2016		2016/2017	
MUNICIPALITY	%EXPENDITURE	%Commitment	ALLOCATIONS	%Commitment	ALLOCATIONS	%Commitment	ALLOCATIONS
Amajuba DM	99.93	100	40 721 000	100%	41 119 000	100	43 906 000
Newcastle LM	100	100	101 611 942.18	100%	112 554 000	100	117 742 000
Dannhauser LM	100	100	20 422 000	100%	21 074 000	100	21 767 000
Emadlangeni LM	100	100	9 050 000	100%	9 364 000	88.02	9 364 000

4.2.1 Amajuba DM

The Amajuba District Municipality has been allocated R125 746 million from the Municipal Infrastructure Grant (MIG) over the MTEF period. The municipality is 100% committed with the following projects implemented in the Amajuba area. The Table below reflects all the projects being implemented by the District. The District has spent 99.93% of its allocation as at end of July 2015.

TABLE:11 MIG FUNDED PROJECTS

Provincial Reference Number	Project Title (as per MIG 1 form)	Project Status	Approved MIG Funding [=NOR + AFAs]
DC25 PMU	PMU		0.00
2007MIGFDC25153355	Buffalo Flats Water Supply Scheme Phase 2	Construction	34 800 553.00
2008MIGFDC25157145	Buffalo Flats Water Supply Scheme Phase 3a MIS 230852	Registration	142 187 352.00
2011MIGFDC25205246	Buffalo Flats Sanitation Project (AFA) MIS 215970	Construction	141 559 111.00
2012MIGFDC25211225	Emadlangeni Sanitation project	Construction	49 434 865.00
2014MIGFDC25224588	Amajuba Disaster Management Centre Phase 1	Registered	13 664 236.68
	Total		381 646 117.68

4.2.2 Newcastle LM

The Newcastle Local Municipality has been allocated R 331 907 942.2 from the Municipal Infrastructure Grant (MIG) over the MTEF period. The municipality is 100% committed with the following projects implemented in the Newcastle area. The Table below reflects all the projects being implemented by the District. The District has spent 100% of its allocation as at end of July 2015.

TABLE: 12 MIG FUNDED PROJECTS

Provincial Reference Number	Project Title (<i>as per MIG 1 form</i>)	Project Status	Approved MIG Funding [=NOR + AFAs]
KZ252 PMU	PMU		0.00
2005MIGFK2520017	Osizweni E & F Waterborne Sewage (AFA) MIS 206908 (AFA) MIS 224706	Construction	36 819 277.00
2007MIGFK252149556	Viljoenpark Bulk Services	Construction	81 340 000.00
2008MIGFK252153184	Staffordhill Waterborne Sewage Phase 3	Construction	52 210 570.00
2008MIGFK252164990	Mndozo Urban Roads and Stormwater	Construction	57 868 065.00
2009MIGFK252166246	Madadeni-Johnstown Link Road (AFA) MIS 205719	Construction	27 363 307.30
2010MIGFK252191034	Madadeni Roads and Stormwater Rehabilitation Phase 2	Construction	68 671 326.00
2010MIGFK252194628	Closure of Newcastle Landfill	Registered	57 872 583.00
2011MIGFK252197662	Provision of Basic San Serv to Johnstown, Blaauwbosch and Craven	Construction	86 056 272.00
2011MIGFK252199363	Water Conservation and Demand Management Programme	Construction	24 618 550.00
2011MIGFK252192327	Upgrade of Madadeni Wastewater Treatment Works	Construction	64 513 842.00
2011MIGFK252204193	Osizweni Urban Access Roads Phase 3	Construction	62 056 000.00
2011MIGFK252204251	Provision of Basic Sanitation services to Normandien, Ingogo and Charlestown	Design & Tender	29 874 293.00
2012MIGFK252212863	KwaMathukuza Road and Stormwater plus Sidewalks	Construction	26 825 587.90
2013MIGFK252215614	Construction of Sidewalks in Madadeni and Osizweni	Registered	41 422 800.00
2014MIGFK252222718	Emergency Upgrade of Ngagane Water Purification Plant and Associated Infrastructure	Construction	63 286 000.00
2014MIGFK252212918	Widening and Rehabilitation of Asiphephe Drive	Construction	63 152 689.00
2014MIGFK252222067	Rehabilitation and Widening of Nelson Mandela Road (Madadeni)	Design & Tender	38 874 000.00
2014MIGFK252226030	Blaauwbosch Bulk Water Project	Registered	69 448 946.00
2014MIGFK252223384	Siyahlala IA Bulk Sewer	Construction	38 599 721.74
2014MIGFK252215455	H39 Housing Project Bulk Infrastructure	Design & Tender	21 673 031.02
2015MIGFK252222715	Osizweni Urban Access Road Phase 4	Registered	130 000 000.00
2015MIGFK252224671	Madadeni Urban Access Roads and Stormwater Phase 3	Registered	130 000 000.00

2015MIGFK252231709	Construction of Charlestown Community Hall	Registered	9 690 000.00
2015MIGFK252229048	Pipe Replacement and Upgrade Project	Registered	33 432 096.00
	Total		R 1 315 668 956.96

4.2.3 Dannhauser LM

The Dannhauser Local Municipality has been allocated R 247 263 000.00 from the Municipal Infrastructure Grant (MIG) over the MTEF period. The municipality is 100% committed with the following projects implemented in the Dannhauser area. The Table below reflects all the projects being implemented by the District. The District has spent 100% of its allocation as at end of July 2015.

TABLE: 13 MIG FUNDED PROJECTS

Provincial Reference Number	Project Title (<i>as per MIG 1 form</i>)	Project Status	Approved MIG Funding [=NOR + AFAs]
KZ254 PMU	PMU		0.00
2009MIGFK254183766	Rural Roads Phase 3	Construction	25 000 000.00
2008MIGFK254165213	Dannhauser Bus Ranking System	Construction	2 360 291.72
2010MIGFK254192104	Ward 9 Community Hall	Construction	3 300 000.00
2010MIGFK254195122	Community Sports Centre (AFA) MIS 223758	Construction	15 699 703.96
2012MIGFK254208162	Community Hall Ward 6	Registered	5 000 000.00
2012MIGFK254208146	Rural Roads Phase 4	Registered	40 000 000.00
2013MIGFK254214301	Rehabilitation of Dannhauser Internal Roads	Registered	20 800 000.00
2013MIGFK254216145	Construction of Dannhauser Testing Ground	Registered	12 603 896.00
2014MIGFK254222396	Construction of Dannhauser Taxi Rank	Registered	14 611 704.31
	Total		R 139 375 595.99

4.2.3 Emadlangeni LM

The Dannhauser Local Municipality has been allocated R 247 263 000.00 from the Municipal Infrastructure Grant (MIG) over the MTEF period. The municipality is 100% committed with the following projects implemented in the Emadlangeni area. The Table below reflects all the projects being implemented by the District. The District has spent 100% of its allocation as at end of July 2015.

TABLE: 13 MIG FUNDED PROJECTS

Provincial Reference Number	Project Title (<i>as per MIG 1 form</i>)	Project Status	Approved MIG Funding [=NOR + AFAs]
KZ253 PMU	PMU		0.00
2009MIGFK253180463	BLUE MOUNTAIN CRECHE	Registered	550 100.00
2009MIGFK253180536	VAALBANK CRECHE	Registered	725 000.00
2009MIGFK253180560	NDLAMLENZE CRECHE - WARD 1	Registered	550 100.00
2009MIGFK253180585	KWA-MABASO CRECHE - WARD 1	Registered	550 100.00
2009MIGFK253180597	KWA-NZIMA CRECHE - WARD 1	Registered	550 100.00
2009MIGFK253180766	PENSION POINT MARKET STALLS - UTRECHT	Construction	1 070 000.00
2009MIGFK253180773	BALGRAY 1 & 2: ACCESS ROAD REHABILITATION (GRAVEL)	Registered	1 500 000.00
2009MIGFK253180796	WIT MFOLOSI : ROADS REHABILITATION (GRAVEL)	Registered	4 275 000.00
2009MIGFK253180797	BERROUW : ROADS REHABILITATION (GRAVEL)	Registered	11 850 000.00
2009MIGFK253181693	EHLANZENI VALLEY ACCESS GRAVEL ROAD REHABILITATION- WARD 1	Registered	4 500 000.00
2009MIGFK253181753	LENZ LINK GRAVEL ROAD - REHABILITATION	Registered	3 375 000.00
2009MIGFK253181784	KHAYALETSU / NORTH HILL GRAVEL ROAD -	Construction	6 225 000.00
2009MIGFK253181918	VAALBANK 1 & 2 GRAVEL ROADS - REHABILITATION	Registered	18 975 000.00
Provincial Reference Number	Project Title (<i>as per MIG 1 form</i>)	Project Status	Approved MIG Funding [=NOR + AFAs]
2009MIGFK253181945	GROENVLEI GRAVEL ROADS - REHABILITATION	Registered	4 125 000.00
2009MIGFK253181995	RONDAVEL ACCESS GRAVEL ROAD- REHABILITATION	Construction	2 250 000.00
2009MIGFK253182047	FENCING UTRECHT(Emadlangeni)MUNICIPAL SERVICES	Construction	4 421 250.00
2009MIGFK253185474	MLWANE GRAVEL ROAD - REHABILITATION	Construction	3 375 000.00
2009MIGFK253185541	MNUGUNDENI LINK ACCESS ROAD- REHABILITATION	Construction	3 375 000.00
2009MIGFK253185567	SITHOLE LINK GRAVEL ROAD - REHABILITATION	Registered	4 800 000.00
2009MIGFK253185571	KWA-THUTHUKA GRAVEL ROAD - REHABILITATION	Registered	3 375 000.00
2009MIGFK253185658	ISIHLEHLA ROAD EXTENSION - REHABILITATION	Registered	450 000.00
2009MIGFK253185666	ESITELENGA GRAVEL ROAD - REHABILITATION	Registered	4 800 000.00
2009MIGFK253185670	Kwa-Malambana (Nhlazadolo) Gravel Road Rehabilitation	Construction	3 375 000.00
2010MIGFK253185674	HOOGENOEG GRAVEL ROAD (WARD 3)- REHABILITATION	Construction	4 026 000.00
2010MIGFK253185634	SLAGVELD GRAVEL ROAD - REHABILITATION	Registered	825 000.00
2010MIGFK253185641	ENZIMANE GRAVEL ROAD (WARD 1) - REHABILITATION	Registered	900 000.00
2010MIGFK253185642	KWA-MAKHOMBA GRAVEL ROAD (WARD 1)- REHABILITATION	Construction	1 875 000.00
2010MIGFK253185665	EZINGODWENI GRAVEL ROAD - REHABILITATION	Registered	3 900 000.00
2010MIGFK253185661	KWA-NTABA & EKHASHINI GRAVEL ACCESS ROAD (WARD 1)- REHABILITATION	Registered	4 984 400.00
2010MIGFK253193595	EZIHLELABATHINI (KWA-NZIMA) GRAVEL ROAD -	Construction	3 336 997.50

	REHABILITATION (WARD 1)		
2010MIGFK253195910	Enchuba - Pedestrian Bridge Ward 2 (Bloem / Klopper) (AFA) MIS 219866	Construction	1 994 974.03
2011MIGFK253200213	Inkululeko Yomphakathi Rural Area Roads	Construction	3 769 940.00
	Total	R 114 653 961.53	

5. ACCESS TO ELECTRICITY

Community queries have been referred back to the municipality's technical director office, where it was agreed that the issues raised would be included in the Integrated Development Plan (IDP) and individuals would be informed accordingly by their respective councilors.

First priority has been given to those areas which have sufficient bulk capacity in their proximity. Where the bulk capacity is inadequate at present, the provision of additional bulk capacity has been prioritized, before the individual household connections will be address.

5.1 IDENTIFIED ELECTRIFICATION PROJECTS

5.1.1. Eskom Electrification projects

TABLE 14: ESKOM ELECTRIFICATION PROJECTS FOR AMAJUBA AND IT'S LOCAL MUNICIPALITY 2015/2016

Project Name	Fundi ng	Municipality Code & Name	District Council	Project Type	DoE TOTAL Planned CAPEX	DoE TOTAL Planned CAPEX as per National Treasury Allocation (Including VAT)	TOTAL Planned Connections	Cost per Connection
NWC Bulk Infills	DoE	KZN254_Dannhauser	DC25 Amajuba	Infills	R 28 705 931	R 32 724 760,79	8 207	R3 987,42

5.1.2 DOE Electrification Projects

TABLE 15: SCHEDULE 6 ELECTRIFICATION PROJECTS 2015

District	Code	Municipal name	Project name	Project type	Allocation	Recommended cost/ connection	Number of connections
AMAJUBA	KZN 252	Newcastle	Siyahlala la - settlement	HH	R8, 000, 000. 00		
			Ingogo -Nokwelo	HH			
			Madadeni H39	HH			
	KZ 253	Emadlangeni	Utrecht central	HH	R13, 000, 000. 00		

District	Code	Municipal name	Project name	Project type	Allocation	Recommended cost/ connection	Number of connections
			Blue mountain	HH			
			Slageveld	HH			
			Ophokweni	HH			
			Ndlazadolo	HH			
			Kwa-Lembe	HH			
	KZ 254	Dannhauser	Willies electrification	HH	R5, 000, 000.00		
			Skobaren	HH			
			Gardens	HH			
			Hattingspruit	HH			
			Emafusini	HH			
			Kwa Ngasana	HH			
			Perth	HH			
			Milford	HH			
			Dorset	HH			
			Nyanyadu	HH			
			Ladybank	HH			

5.1.3. Newcastle Electrification projects

6. MASSIFICATION GRANT

There are only two municipalities that are currently recipient of Massification grant, namely Dannhauser LM and Newcastle Local municipality. In both municipalities only one project is funded by the massification Grant.

The projects are Electrification In-fill (R 8 000 000.00) 2014/2015 and Water conservation & Demand Management (R 2 000 000.00) 2012/2013 in Dannhauser LM & Newcastle LM respectively.

Provincial Reference Number	Project Name	Implementing Agent	Registration Year	Project Status	Project Category	MASSIFICATION Funds	Total Expenditure	MASSIFICATION value BALANCE left to spend on project	Expenditure as a PERCENTAGE (%) of Total Allocation
2012MA SKZ252002	Newcastle : Water conservation and demand management	Newcastle Municipality	2012	In-Progress	Water	R 2 000 000,00	R 1 655 100	R 344 890	82.75%

Provinci al Referen ce Number	Project Name	Implem enting Agent	Regist ration Year	Project Status	Project Category	MASSIFIC A-TION Funds	Total Expendi -ture	MASSIFI CATION value BALANC E left to spend on project	Expendi ture as a PERCEN TAGE (%) of Total Allocati on
	ment								
2014MA SKZ2540 01	Infills	Dannha user Municip ality	2014	Registe red	Electricit y	R 8 000 000,00	R 1 045 928,50	R 6 954 071,50	13,07%

The In-fill electrification project in Dannhauser LM will benefit 203 houses holds in wards NO: 3, 4, 5, 7,8 and 10. The massification grant dedicated to the water Conservation & Demand management in Newcastle LM shall be used to purchase Flow meters in order to held them monitor and bill their respective clients accurately.

























DISASTER MANAGEMENT

The Amajuba District Disaster Management Centre was established and is headed by Mr. Otty Tshabalala together with 5 permanent staff members and 4 Control Room Operators seconded to technical services whilst the Centre is under construction. The stand-alone district disaster management centre is currently under construction. The anticipated completion date was January 2016, now the anticipated extension period is August 2017 and currently the centre is 90% complete. The district disaster management advisory forum (DDMAF) has been established, meets quarterly and is well supported by all stakeholders. The DDMAF is supported by the Technical Task Teams which address specific issues such as Fire and Climate Change.

All Local Municipalities (Newcastle, Emadlangeni and Dannhauser) have established disaster management units. Newcastle and Emadlangeni have also established advisory forums. All the Local Municipalities have developed draft disaster management plans and are due for adoption by Council. Newcastle has registered an item with the Council to adopt the District disaster Management Framework and plan, whilst Emadlangeni and Dannhauser have disaster management frameworks.

Municipal fire services are lacking (or limited) in Dannhauser and Emadlangeni while Newcastle has a functional fire services.

SUMMARISED STATUS OF DISASTER MANAGEMENT AT AMAJUBA DISTRICT MUNICIPALITY

Municipality	Disaster Management Unit Established	Fully Functional	Forums Established	Disaster Management Plans	Disaster Management Framework	Status of Municipal Fire Services	Number of Staff
Amajuba							D-11 F- 0
Newcastle							D-0 F- 55
Emadlangeni							D-1 F- 6
Dannhauser							D-2 F- 6

- Section 52 / 53 of the DMC Act – Have you conducted comprehensive disaster risk assessment in your area of jurisdiction? have you prepared a disaster management plan for your municipality? Do you have disaster risk reduction measures in place, in line with the identified risks? Is the plan incorporated into the IDP and budgeted for? Yes

MUNICIPAL PLANNING

IDP CO-ORDINATION

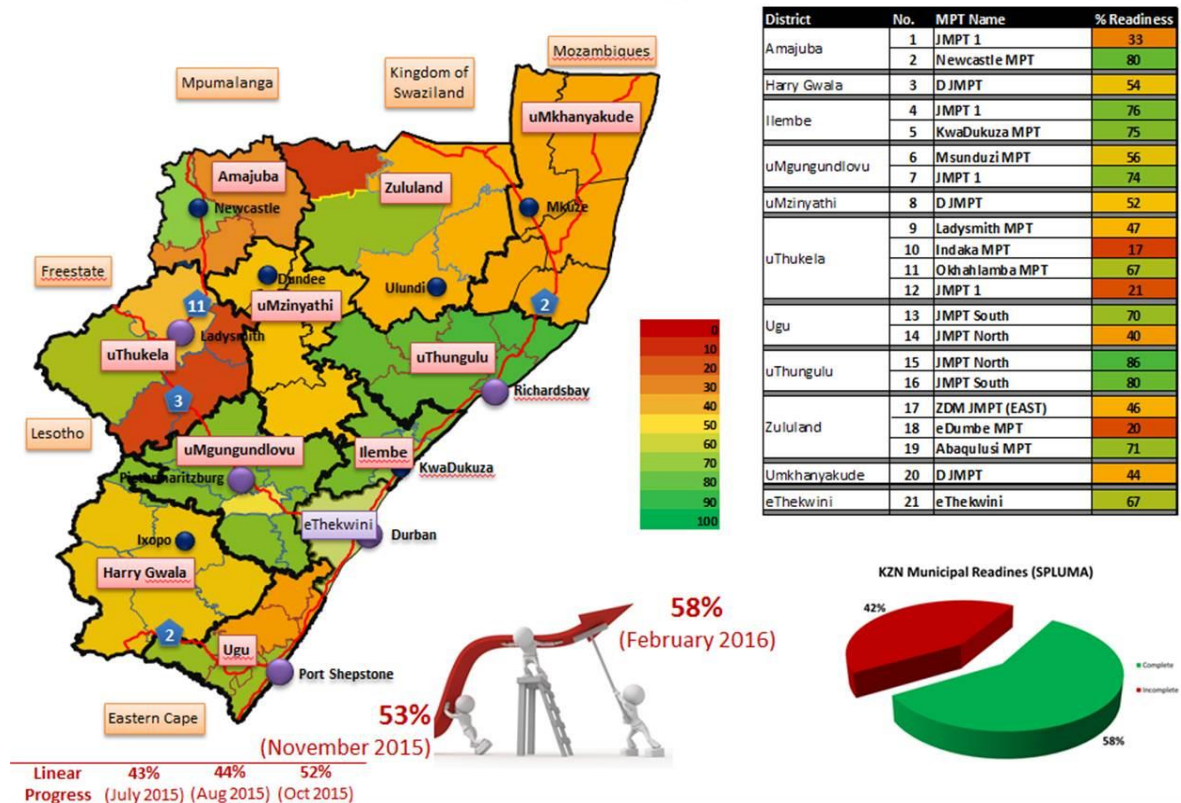
- 2016/17 IDP credibility score: 64.73 %
- Credibility to be updated when the MEC report is finalized in September 2017.
- Status of District Growth & Development Plan:
 - Amajuba DGDP has been developed and adopted.
 - DGDP review in progress in line with the revised PGDP Goals and Objectives.
 - The implementation processes and structures are set in place.
- IDP Co-ordination and / municipal strategic planning challenges:

- Slow progress with alignment process of IDP and review of DGDP.
- OTP in partnership with stakeholders to improve the alignment of the DGDP with the IDP.
- There are IGR challenges between MP and KZN to drive the Trans-boundary Alignment of IDP/SDF with GertSibande District.

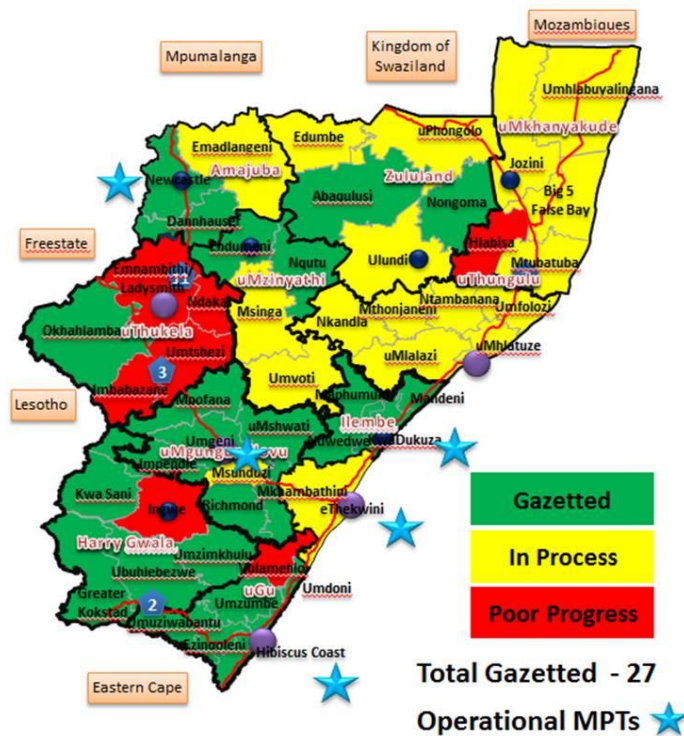
SPATIAL PLANNING

SPLUMA IMPLEMENTATION

KZN Progress



By-Laws



DMS	LMs
Amajuba	Dannhauser
	Newcastle
Harry Gwala	Greater Kokstad
	KwaSani
	Ubuhlebezwe
	uMzimkhulu
iLembe	KwaDukuza
	Mandeni
	Maphumulo
	Ndwedwe
Ugu	Ezingoleni
	Hibiscus Coast
	Umdoni
	Umwabantu
	Umkhumbini
uMgungundlovu	Mpofana
	Richmond
	uMngeni
	uMshwati
uMzinyathi	Endumeni
	Nquthu
uThukela	Okhahlamba
	AbaQulusi
Zululand	Nongoma

SPATIAL PLANNING

- Spatial Planning Capacity (availability and access to registered Town & Regional Planners)

The District Municipality, Dannhauser and eMadlangeni Municipalities are part of a Shared Services program which is based at the Amajuba District Municipality. The District Provides planning and GIS support to Dannhauser and GIS support to eMadlangeni on a request/ application basis.

As can be seen from the table below the District has one registered planner who is involved in the Shared Services Centre and provides planning support to Dannhauser where there is limited planning capacity.

District	Municipality	Name	Type	Employment	SACPLAN Category
Amajuba	District	Simphiwe Nzuza	Planner	Permanent	Technical
Amajuba	District	Celani Myeza	Planner	Permanent	None
Amajuba	District	Mthokozisi Ndaba	Planner	Permanent	None
Amajuba	District	Udiv Badul	GIS	Permanent	PLATO

- Status of Spatial Development Frameworks

The Amajuba district municipality reviewed its Spatial Development Framework (SDF) during the 2017/18 financial year with internal capacity and technical support from COGTA: Spatial Planning. COGTA: Spatial Planning has recently provided technical support to the municipality to address three areas, namely: better cross- border alignment with neighbouring municipalities, better alignment of PGDS/ P and DGDP capital projects with the municipal capital investment framework, and improved strategies for public participation.

The following elements requiring attention (as part of the review of the SDF) have been identified and form part of the MEC comments to the Municipality.

NAME	SUBMISSION REMARK	AREAS FOR IMPROVEMENT
Amajuba	A full SDF document was submitted as a separate document and a chapter on the SDF included as part of the IDP. The SDF seeks to address a number of the issues raised in the previous MEC comments.	<p>The municipality reviewed its SDF during the 2016/17 financial year with internal capacity.</p> <p>The municipality complied with Section 26(e) of the Municipal Systems Act (32 of 2000) that requires it to ensure that the SDF is included in the IDP. The SDF is also required to be in compliance with Section 2(4) of the Local Government Planning and Performance Act (Regulation 796 of 2001) and Section 21 of the Spatial Planning and Land Use Management Act (16 of 2013).</p> <p>The Municipality is commended for making progress in reviewing its SDF. It is noted that the SDF discusses the alignment of the SDF with supporting legislation and spatial planning policies at a national and provincial level including the NDP and PGDS. It is, however, recommended that a thorough analysis of alignment be undertaken and strategies, programmes and projects identified in the SDF clearly indicate this alignment.</p> <p>In terms of the municipality's economic analysis, the municipality is commended for outlining various economic sectors and strategies surrounding them but is encouraged to outline a sound and up to date economic analysis in the SDF, inclusive of estimates of economic activities and employment trends and locations in the municipal area for the next five years. The municipality is also encouraged to clearly indicate the objectives, strategies, programs and projects to address the implications of the economic analysis as well as discuss the extent to which objectives strategies, programs are in the SDF strategic mapping. Although the municipality has provided a strategic assessment of environmental sensitive areas, it is, however, advised to provide strategic assessment of its proposals or interventions impact on the environment.</p> <p>Finally the municipality is advised to ensure that the SDF spatially depict the coordination, alignment and integration of sectorial policies of all municipal departments. The SDF is to include an implementation plan comprising of sectorial requirements, including budgets and resources for implementation; necessary amendments to schemes; specification of institutional arrangements necessary for implementation; specification of implementation targets, including dates and monitoring indicators; and specification, where necessary, of any arrangements for partnerships in the implementation process.</p> <p>In light of the above, your municipality is urged to review your SDF this financial year and incorporate any new directives from your newly elected Council.</p>

- **Status of schemes within Local Municipalities**

NEWCASTLE MUNICIPALITY: The municipality has prepared a wall- to- wall Scheme in terms of SPLUMA which was adopted by Council on 11 October 2016. The municipality has indicated that the Scheme needs greater public consultation before it can be implemented and this is envisaged to take place in the 2017/18 financial year.

COGTA: Spatial Planning actively participated in the project steering committee and provided written comments on draft documentation.

COGTA has also facilitated a cross- border alignment engagement with the municipalities in Mpumalanga to the north of Newcastle on 27 October 2016.

DANNHAUSER MUNICIPALITY: The municipality has prepared a Wall-to-Wall Scheme with financial assistance from the Department of Rural Development and Land Reform (DRD&LR). The Scheme consists of an urban scheme and a rural scheme policy. Council adopted the scheme in April 2015. The scheme requires revision to ensure that the scheme boundaries incorporate the new municipal boundaries.

EMADLANGENI MUNICIPALITY: The municipality has yet to initiate the preparation of a Wall-to-Wall Scheme. Attempts were made to appoint consultants with their own funding but this process has halted due to a lack of funding. COGTA: Spatial Planning is actively involved in the Groenvlei Agri- village project being driven by the Department of Agriculture and Rural Development which will result in a scheme being prepared as part of this development.

- **Spatial planning challenges**

Limited Spatial Planning funding by municipalities to undertake projects. A high turn-over of planning staff in all Municipalities.

DEVELOPMENT INFORMATION SERVICES

- **GIS capacity**

Mr. Udiv Badul, the GIS Manager at Amajuba DM, is still providing GIS support services to Amajuba District municipality and two of the local municipalities namely; Emadlangeni and Dannhauser. Emadlangeni municipality and Dannhauser municipality are currently participating in the Amajuba District Development Planning Shared Service program and thus are currently supported by Mr. Badul on GIS related issues. The support ranges from IDP/SDF mapping, Disaster Management mapping support, verification of municipal assets including Jojo tank locations, SPLUMA, general mapping, etc. Mr. Badul attends Provincial GIS forum meetings which are convened by Cogta DIS.

- **Status of GIS**

The GIS unit at Amajuba District municipal is functional as it provides GIS services required by Amajuba District family. The Unit has the necessary hardware, software, spatial data and operational policies in place to provide the required GIS services and information products.

- **GIS challenges**

Cogta DIS s unaware of any GIS operational challenges at Amajuba District municipality.

LAND USE MANAGEMENT

- **Implementation of legislation (Tools and structures)**

The Department of Rural Development and Land Reform (DRDLR), which is an implementing department has drafted generic planning by-laws for municipalities. Municipalities may customize these by-laws to suite their requirements. DRDLR and Department of Cooperative Governance and Traditional Affairs (COGTA), South African Local Government Association (SALGA) agreed to introduce interim arrangements to ensure that planning applications are processed while municipalities are busy with the adoption and gazetting of by-laws. Hence, this Province is utilizing the KZN Planning and Development Act, 2008 (KZNPDA) application process (Schedule 1) together with Spatial Planning and Land Use Management Act (SPLUMA), Act No. 16 of 2013 institutional structures (Municipal Planning Tribunal, appointment of an Authorized Officer and the use of either EXCO or an external body as its Appeal Authority).

In their contact sessions with municipalities DRDLR, COGTA and SALGA have ensured that each municipality understands transitional arrangements and SPLUMA requirements to form new decision making bodies and the need to categorize land development applications, and delegate certain applications to appropriately planning qualified staff to approve in terms of delegated authorities.

Whilst engaging officials, the roles and responsibilities of the role players have been clearly defined in terms of delegations and this has been in accordance with the nature and type of applications as per municipal generic by-laws since some applications will be dealt with by the municipal councils whilst some by the Authorized Officers (AO) and Municipal Planning Tribunals (MPTs) delegations.

Amajuba District Municipality has three local municipality which are Newcastle, Emadlangeni and Dannhauser all local municipality are all going for single Municipal Planning Tribunal.

- **Land development applications (compliance with legislated time norms)**

The District has processed 32 Applications in terms of the by-laws during the 2nd quarter (01 July 2017 to 30 September 2017).

- **Land development challenges– (compliance with legislated time norms)**

- Capacity in the planning section and admin support
- Understanding and interpretation of the new by-laws.

LOCAL ECONOMIC DEVELOPMENT

DISTRICT MUNICIPALITY						
AMAJUBA DISTRICT MUNICIPALITY						
1. Municipal LED Unit existence	Yes s x	No	Number of personnel employed at the municipal LED Unit			
			Females		Youth (o)	Males
			6 Personnel			
2. Total municipal budget allocation		Operational Budget R 5, 500, 000		LED Capital Budget R 10, 000,000		
3. LED strategy aligned to NDP, PGDP & Poverty Eradication		Yes ✓	No	The poverty eradication is being addressed through the Sukuma Sakhe programme and the CRDP from Rural Development & Land Reform.		
4. Municipal EPWP phase 3 policy in place		Yes ✓	No	EPWP Phase 3 Policy in place.		
5. Informal Economy Strategy/Plan in place		Yes	No ✓	LM function however District municipality supports LM in promoting the Informal economy sector		
6. Outline a clear Strategy/Plan on engagement of LED stakeholders to ensure its functionality		Stakeholders are regularly invited to meetings of the various structures (IDP/LED tech committee, LED Tech meeting, tourism forum regularly and are informed timeously of the scheduled dates.				
7. LED forum in place and functional		Yes ✓	No	<u>LED support structure in place include the following:</u> DAPPOT structure is meetings are held on monthly bases.		
8. Challenges facing the implementation of LED in this municipality		Municipal LED challenges : a) Sourcing funding to implement programmes and projects is the main challenge (b) Establishing sound and healthy relations with the private sector still remains elusive! (c) Inter-governmental relations still remain a challenge in terms of aligning our plans and combining the resources				

PILLAR THREE: GOOD GOVERNANCE

The following Intergovernmental Relations structures have been established within the Amajuba District and its family of municipalities:

1. Mayors Forum
2. Municipal Managers Forum
3. District Area Finance Forum
4. Corporate Services Forum
5. Planning & Development Forum
6. Infrastructure Forum
7. Communications Forum

However, post the assessment conducted by Cogta, (Intergovernmental Relations Directorate) in July 2017, the following forums has been identified as functional:

1. Municipal Managers Forum
2. Corporate Services Forum
3. Planning & Development Forum
4. Infrastructure Forum
5. Communications Forum
6. Community Services Forum
7. Internal Audit & Risk Officers Forum

However the Mayors Forum and District Area Finance Forum are non-functional. The Mayors Forum held on the 05 September recommitted to ensuring that the Forum is functional and that the meetings are held regularly.

FREQUENCY OF MEETINGS

Of the functional for a, these structures convene on a quarterly basis. The assessment verified that the District Speakers Forum will have to be re-established within the District.

AGENDA SETTING

Through the assessment, it was reported that the Local Municipalities are consulted in submitting items for the Agenda of the For a. Reports from the Sub Technical For a are included as well as, Resolutions taken at MuniMec & Technical MuniMec and the implementation of the Radical Economic Transformation Programme.

However the Back to Basics Programme, Functionality of the IGR Structures, and the strategic Pronouncements from the State of the National Address, State of the Province Address and Budget Speech, the Implementation and monitoring of the EPWP Programme, Resolutions from Premiers Coordinating Forum and Implementation of the Cabinet Lekgotla Resolutions and Sakuma Sakhe Programme and the Participation of Traditional Leaders in IGR structures are yet to be incorporated onto the Agenda.

RESOLUTION REGISTER / DECISION MATRIX

The Assessment established that a Resolution Register has been developed and implemented at the For a to track the decisions/resolutions taken at the meetings. However, it was confirmed that the Resolution Register is yet to be circulated to all the for a within the District. Further matters unresolved at Municipal Managers Forum and District Mayors Forums have not yet being escalated to Technical MuniMec and MuniMec respectively.

INTEGRATED CALENDAR

Through the assessment it was established that there is an adopted IGR Calendar for the District. Local Municipalities are consulted when the IGR Calendar for the District was drafted and there is a district wide comprehensive IGR Calendar. This Calendar is utilised to schedule events for the District ensuring that it does not clash with any other meeting/event within the District.

GENERAL

Upon analysis of the Assessment, it was established that all IGR For a meetings are given 5 day notice prior to convening and the documents for the meeting is circulated well in advance to prepare adequately for the meeting.

There is a dedicated IGR official at the District Municipality located within Corporate Services, and is supported by Administrative Officers for each department who perform secretariat functions for the departmental IGR Forums. Further Sector Departments attend IGR For a in the District upon invitation.

The Mayors Forum was held on the 05 September 2017.

Functionality of Council oversight committees (Portfolio Committees and MPAC)

Governance functionality indicators	Amajuba	Challenges	Support required to address challenges
1. How many councillors make up the MPAC?	7 Councillors	Amajuba: Not meeting accordingly eMadlangeni: Sittings of the MPAC	eMadlangeni: Capacity building for all MPAC members
2. Please provide a list of members of MPAC? <i>Names and surnames, chairperson, gender and political party of each councillor in each committee.</i>	List attached as Annexure E	eMadlangeni: Understanding of MPAC main responsibilities	eMadlangeni: Training and Development
3. Are there scheduled meetings for the MPAC in the	Yes		eMadlangeni: Training and

Governance functionality indicators	Amajuba	Challenges	Support required to address challenges
municipal calendar?			Development
4. How many MPAC meetings have actually sat since July 2014?	3	eMadlangeni: Sittings of the MPAC	
5. Do meetings quorate? If not, please provide reasons.	Yes	Amajuba: Meeting get postponed due to unavailability of the Municipal Manager and HODs eMadlangeni: Sittings of the MPAC	
6. Are there any members who have missed three (3) consecutive meetings? If so, what action was taken by Council to address such?	Yes - Cllr NS Mathews	Amajuba: <ul style="list-style-type: none"> No replacement has been effected as yet The two Councillors are representative from Newcastle Local Municipality The office of the Speaker is attending to the matter 	
7. Has the municipal council adopted terms of reference of the MPAC	Yes	eMadlangeni: Still to seat	eMadlangeni: Workshop
8. What reports are tabled before the MPAC?	<ul style="list-style-type: none"> Budget Audit Report Annual Report Oversight Report Annual Financial Statements 	eMadlangeni: Training and Development	eMadlangeni: Training and Development
9. Has the MPAC conducted or recommended any investigation to be conducted? If yes, what was the investigation and what were the outcomes of the investigation?	No		
10. How often does the MPAC report to Council?	No reports have been tabled before Council emanating from MPAC except Oversight report after completion of Annual	eMadlangeni: Sittings of Audit	eMadlangeni: Training and Development and

Governance functionality indicators	Amajuba	Challenges	Support required to address challenges
	report	Committee	capacity

Municipal investigations and anti-corruption

PREVENTION

Anti-corruption program:

- (a) Before the 1st of April CoGTA: Municipal Investigations developed a standard assessment tool to check compliance with anti-corruption measures in all 54 municipalities. On 18 April 2017 a circular with the anti-corruption assessment questionnaire was disseminated to all municipalities for their response. All responses were analysed and each given a score based on their level of compliance with anti-corruption measures.
- (b) For the first quarter 14 Municipalities with low and unsatisfactory scores were invited to a meeting held on 12 June 2017 to discuss the support required by them from CoGTA in order to assist them to review their strategy and to provide those who did not have a strategy in place with the Cogta's standard municipal anti-fraud and anti-corruption strategy for adaption and adoption by their respective Councils.

Fraud risk Management:

On the 12th of June 2017 a meeting was called with 14 municipalities which did not obtain satisfactory scores on the assessed questionnaire, one of reasons for the meeting was to assist them to update their fraud risk registers and to enquire if their municipalities had an adopted anti-fraud and anti-corruption strategy or policy. The Department plans to target 14 municipalities per quarter. Amajuba Municipality was one of the lowest scoring municipalities and was invited to establish the level of support required, however the municipality did not attend the meeting. CoGTA officials then visited the municipality to provide support.

INVESTIGATION

- (a) No forensic investigations are being conducted at Amajuba.

TRADITIONAL AFFAIRS

Traditional leaders' participation in Council structures

- Madubula Mbatha
- Sipiwe Ester Shabalala
- Sipiwo James Nkosi
- Zwelile Piet Nzima
- Zwelihle Grippa Mabaso

PILLAR FOUR: SOUND FINANCIAL MANAGEMENT

1. EXECUTIVE SUMMARY

Audit Overview

Amajuba Municipality received a qualified audit opinion for the 2015/2016 financial year which is regression from the previous year's unqualified with other matters audit opinion.

Financial Health Overview

An analysis of the key financial ratios and trends indicates that the municipality's financial affairs are fairly stable.

However, the cash flow problems of the municipality are still very prevalent. The grants appear to be cash backed but the cost coverage and the liquidity ratios fall below the acceptable norms.

Status of Posts

The post of the Municipal Manager is vacant, the Municipal Manager is in an Acting position. The Budget and Treasury Office has 21 approved posts of which 17 were filled and 4 were vacant at the time of the assessment.

The post of the Chief Financial Officer is vacant, however there is an acting incumbent in the post. The Municipal Manager is also vacant and the municipality currently has an acting incumbent.

The municipality has advised that it has a 50 percent vacancy rate at senior management level. The post for the Municipal Manager was advertised on 15 January 2017 and short listing of candidates was done on 14 February 2017. Interviews have not yet been conducted as the committee is still at the screening stage.

As regards the C F O the post was advertised on 23 October 2016 and interviews were concluded on 27 March 2017. The suitable candidates were at the competency assessment stage at the time of conducting the assessment.

Financial Compliance

The municipality has complied with all of the financial compliance matters tested during the quarterly assessment undertaken.

2. SCOPE OF ASSESSMENT

The scope of the assessment is limited to the third quarter of the 2016/2017 municipal financial year which includes the quarter ending 31 March 2017. The assessment focused on seven key areas in respect of which this report will highlight findings, challenges and recommendations as follows:

- Audit report status limited to financial matters only;
- Revenue and debtors management;
- Expenditure and creditors management;
- Liquidity issues;
- Asset management;
- Financial Compliance – These matters are only tested for the relevant three months during the quarter under review.; and
- Financial governance - These matters are only tested for the relevant three months during the quarter under review.

3. AUDIT REPORT STATUS

Table 1 below reflects the status of the 2015/2016 audit issues:

Details	2015/2016	Financial Period	Number of audit report queries resolved	% report queries resolved
Total Number of audit report issues for the current year	21	Q1	Nil	Nil
Total Number of audit report issues in previous financial year	22	Q2	Nil	Nil
Total number of recurring audit report issues	10	Q3	Nil	Nil
% recurring issues	45%	Q4		

Audit Action Plan

Pogress could not be reported at the time of the assessmemnt as the AG findings were only presented in December 2016.

By 31 December 2016, all outstanding audit issues for the 2014/2015 financial were still not resolved and the internal audit unit was still busy assisting the municipality and the status report will be presented in the audit committee once it is functional, the municipality advised the Audit committee post for new audit committee members. The latest updated audit response plan is attached to this report.

The following are the salient issues raised by the Auditor-General

Basis for a Qualified Opinion

Revenue from service charges

There were meters that are under investigation and an interim billing was done while the client is waiting for the fixing of the meters.

There is no basis of estimates for those consumers. Noting that the municipality also has no prior history of usage for these clients as they were taken over from UThukela Water (Pty) Ltd in 2013/14.

There were also households that were receiving the services but when the meters are read they do not move and thus they are not billed. There were addresses identified on the valuations rolls as paying for rates but the municipality does not have them loaded as consumers who pay for water.

Lack of evidence for investigations performed by Council for unauthorised, irregular and fruitless and wasteful expenditure.

There is no evidence that the municipality conducted any effective investigation as required by section 32(2) of the MFMA to recover from the liable persons the following unauthorized, irregular, and fruitless and wasteful expenditure that was incurred in the previous year.

Invoices were not paid within 30 days from the date of receiving

The following payments due to creditors were not settled within 30 days from receipt of an invoice as required by section 65(1) (e) of the MFMA

Municipal entity objectives and indicators not agreed to, monitored and reviewed annually

No evidence could be obtained that the municipality ensured that the annual performance objectives and indicators for the municipal entity are established by agreement with the municipal entity and included in the municipal entity's multi-year business plan as required by section 93C (a) (iv) of the MSA. The service delivery agreement with the municipal entity (uThukela water) was not updated after the reticulation take over by the municipality to be in line with the municipalities key performance indicators

Planned targets per SDBIP are not consistent with the targets reported in the annual performance report

The following reported targets reported on the annual performance report were not consistent with the targets approved as required by section 41(c) of the MSA

Target as per the annual performance report are not measurable

The following reported targets were found not measurable as required by section 41 of the MSA

No quarterly service delivery targets for some KPIs on the SDBIP

The following KPIs for Basic Service Delivery Objective were reported at year end in the annual performance report, however, there were no quarterly targets set for them on the SDBIP as required by section 53(l)(c)(ii) of the MFMA

Planned indicators are not consistent with reported indicators

It was noted that the following planned indicators as per the SDBIP were not consistent with the reported indicators as per the annual performance report as required by section 41 (1) of the MSA

Errors and misstatements identified on the financial statements presentation

Note four (4) to the financial statements: Property plant and equipment shows that work in progress is included as part of the PPE that has been recognized in the financial statements.

Services in-kind not disclosed in the financial statements as required by GRAP 23

The municipality did not disclose the assistance given to it by the National and Provincial Treasury during the year through the consultants that has been seconded to the municipality at no cost as services in kind, this is required by paragraph 99 of the Generally Recognised Accounting Practice (GRAP 23)

Incorrect rates used to bill customers

Reasonable steps were not taken to ensure that the municipality has and maintains a system of internal control in respect of debtors and revenue as required by section 64(1) and 2(f) of the MFMA. This is evident by incorrect rates that were used to bill the following consumers

Municipality does not have a disciplinary board

A disciplinary board that should consist of maximum five members appointed on a part- time basis by the council for a period not exceeding three years, in accordance with a process as determined by the municipal council

Approval date for leave is after leave has been taken

Approval date for leave is after the leave has been taken by the employee

No performance management for employees other than senior managers

A sample of the following employees selected to test whether performance management was entered through formal performance agreements, there was no evidence of any signed performance agreements

No evidence of evaluations of managers directly accountable to the municipal manager

There was no evidence that performance evaluations were performed as required by GNR.805 OF 1 August 2006: Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers.

Vacant senior management positions

The position of the CFO and the director corporates services has remained vacant for more than 12 months. There is a 33.33% vacancy rate for senior management

Incorrect water loss amount disclosed in the annual financial statements

Upon recalculation of the water losses amount of R 1 003 982 disclosed in the AFS, it was noted that the amount had been incorrectly calculated. The amount that should have been disclosed in the annual financial statements is R 7 700 536, recalculated using the approved tariff of R7.67 multiplied by the water losses in litres of 1 003 982. 536

Work in progress included in property plant and equipment

Performed reconciliation for work in progress from the work in progress register to reconciliation of work in progress in the Financial Statement and it was understated by R1 903 351.53.

Investment Property accounting policy not disclosed in AFS

The municipality did not disclose the accounting policy for investment property in the financial statements for the year ended 30 June 2016 as required by GRAP 3

Additions to property plant and equipment overstated

We performed reconciliation for additions from the fixed asset register to additions disclosed in the Financial Statement and it was overstated by R1 903 351.53

SCM - Supplier in service of state (Non-compliance)

The following suppliers who are owned by individuals, who are employed by the other state institutions, have submitted a declaration of interest, in which the connection was not declared, as required by paragraph 13(c) of the Municipality's Supply Chain Management Policy.

Reported objectives were not stated in the integrated development plan

It was noted the following objective was reported in the annual performance report but was not stated in the integrated development plan as required by section 26(c) of the MSA.

4. FINANCIAL MANAGEMENT AND PERFORMANCE

4.1 REVENUE AND DEBTORS MANAGEMENT

Details	Property Rates	Electricity	Water	Sewerage	Refuse	Other	Total
Budgeted Revenue	0	0	14 625 000	2 625 000	0	0	17 250 000
Billed Revenue	0	0	16 175 775	2 824 231	0	0	19 000 000
Actual Collection	0	0	9 146 182	3 919 792	0	0	13 065 974
Variance	0	0	-43%	+39%	0	0	-31.77 %

The municipality has budgeted a total of R17.2 million for revenue for the period ended 31 March 2017 and billed R19.0 million which has resulted a higher billed than budgeted revenue; the difference being R1.75 million. The reason for this as explained by the municipality was there are new additional billings due to the the meter verification process that the municipality is embarking on.

From the Table above it would be observed that apart from billing more than budget for sewerage, the actual collections yielded a positive variance of 39%. This is also attributable to the meter verification process that the municipality is embarking on.

Table 3 below reflects the status of Revenue and Debt Management and debtors by category:

Details	Yes/No	Financial Period	Organs of State	Commercial	Households	Other	Total
Revenue raising and collection strategy	Yes	Q1	3 661 232	1 335 286	29 650 998	13 192	34 660 707
		Q2	3 588 851	1 454 259	33 674 893	34 764	38 752 766
Debt Management strategy	Yes	Q3	4 286 173	1 553 947	37 267 737	88 651	43 196 508
		Q4					

The municipality does not have an approved revenue raising and collection strategy.. There are attempts to instal water restricters to defaulting consumers and the municipality is also with busy with a meter audit exercise. The municipality is awaiting the support from the Department for the data cleansing project.

The major portion of outstanding debtors relate to households which comprises 86.2% of total debtors outstanding at the end of the quarter, followed by Organs of State at 9.9%. Debtors outstanding for more than 120 days amounted to R35.48 million as at 31 March 2017.

The municipality advised that no councillors were in arrears as for more than 90 days.

The municipality also advised that no officials were in arrears for more than 90 days.

Reconciliations

The debtor's reconciliations for the three months ended 31 March 2017 are up to date and are being performed on a monthly basis.

4.2 EXPENDITURE AND CREDITORS MANAGEMENT

Table 4 below reflects the status of expenditure management:

Details	Yes/No	Details	OPEX	CAPEX	MIG
Cost Reduction strategy	Yes	Budget	136 238 507	71 005 708	39 577 000
Procurement Plan 2016/2017	Yes	Actual	125 364 083	43 795 082	29 642 709
		Difference	10 874 424	27 210 626	9 934 291
		% of budget spent	92.01	61.67	74.89

Cost Reduction Strategy

The municipality has an approved cost reduction strategy which has been is being implemented. The municipality advised that the municipal employees are now using cheaper accommodation when they are attending workshops and training, the limit is now R998.00. The municipality advises that the cash flows are still being monitored on a daily basis.

Procurement Plan

The municipality has an approved procurement plan for 2016/2017 which is being implemented.

OPEX

The municipality spent R125.3 million of its operating budget as at 31 March 2017 and this translates to 92.01 % of the year-to-date expenditure.

CAPEX

The municipality spent R43.7 million of its capital budget as at 31 March 2017 or comprising 61.67% of the budget for the period ended 31 March 2017.

M I G

An amount of R29.6 million was spent on the MIG budget as at the end of the third quarter. The municipality has an amount of approximately R10 million to spend in the remaining three months of the financial year.

Creditors

The municipality does not settle creditors within 30 days as required by section 65(2)(e) of the MFMA. This is a historic problem as the municipality has serious financial cash flow challenges. The creditors outstanding at as 31 March 2017 amounted to R38. 2 million. Of this amount R39.06 million was between 31- 60 days and Over 1 year. Of grave concern is the R20.6 million owed to creditors for more than 1 year.

Section 36 Financial Deviations

Table 5 below reflects the section 36 deviations for the period:

Financial Period	Section 36 deviations: Number	Section 36 deviations: Amount	Main Reasons
Q1	12	R450 569	Refer to Q1
Q2	4	R383 497	See below
Q3	4	R151 068.76	Emergency and single service provider
Total			

The municipality incurred 4 instances of section 36 deviations amounting to R151 068.76 during Quarter 3. The main reason cited for this expenditure was emergency and single service provider.

The municipality incurred 4 deviations amounting to R383 497 during the 3 months ended 31 December 2016. The main reasons for the deviations were

- Emergency- A procurement process was followed to source quotations, all received quotes were above R200 000.00 calling for a re-advertisement for a tender. Due to urgency and safety risk adjudication committee decided that these goods are purchased from the supplier through deviation.
- Exceptional case – where it was impractical or impossible to follow the official procurement processes: Out of the four existing posts of the Mayoral body guards/drivers in the approved ADM organogram only two filled. Additional two body guards/drivers, 4 firearms and backup car are procured through deviation
- Emergency- A chlorine pump for Durnacol water treatment plant was sent to Kantech for repairs and this was an emergency as there was no standby pump at the station.

4.2.1 Section 32 Appointments

Table 6 below reflects the section 32 appointments for the period:

Financial Period	Section 32 appointments: Number	Section 32 appointments: Amount	Validated by Internal Auditor (Yes/No)
Q1	0	0	
Q2	0	0	
Q3	0	0	
Total			

The municipality has not appointed any service providers using Section 32 of the SCM Regulations, internal audit has not validated the appointments to ensure compliance with the provisions of the applicable regulations. This section is generally used, not to circumvent the SCM processes, but in cases where SCM processes would unnecessarily delay the appointment of the service provider however all relevant documentation from the municipality originally appointed the service provider must be available.

4.2.3 Unauthorised, Irregular, Fruitless and Wasteful expenditure (UIFW)

Table 7 below reflects UIFW for the period:

Financial Period	Unauthorised Expenditure	Irregular Expenditure	Fruitless and Wasteful Expenditure	Total
Q1	0	0	R5 762	R5 762

Q2	0	0	R13 295	R13 295
Q3	0	0	R16 956	R16 956
Total				

The municipality incurred R16 956 relating to UIFW expenditure during the 3 months ended 31 March 2017. The fruitless and wasteful expenditure was incurred of late payments (paying after 30 days) and these accounts have attracted interest. This has arisen as a result of cash flow challenges that the municipality has.

The UIFW registers are maintained. It was however noted that the SCM Implementation report that was used as a source for this information was not signed.

OTHER EXPENDITURE MANAGEMENT ISSUES

Employee Related Costs

The employee related costs of 51.37% is above the norm range of between 25% – 40%. Firstly this means that half of the operating expenditure, of a grant reliant district municipality is being spent on salaries. It is also borne in mind that there are at some Director posts that are vacant together with the vacant CFO and Municipal Manager. If these posts are unfunded and once filled, the employee related costs could be much higher.

Free Basic Services

The municipality has spent 0% of its allocation of R42 769 356 on free basic services relating to water and refuse. It is understood that the municipality does not provide the basic 6 kilolitres free water. The municipality explained that it is still in the process of indigent registration and then developing the indigent register.

4.3 LIQUIDITY

Table 7 below reflects the liquidity position as at 31 December 2016:

Financial Period	Cost Coverage	Current Ratio	Are unspent grants cash-backed
Q1	2.02	2.98	Yes
Q2	0.42	1:56	Yes

Q3	0.58	1.24	Yes
Total			

The cost coverage ratio of 0.58 months is poor compared to the norm of 1 to 3 months which means the municipality would not be able to sustain itself if no new and additional revenue flows into the municipality. The current ratio of 1:24 is below the norm of 1.5 to 2. This ratio assesses whether the municipality will be able to meet its short term obligations. Unspent grants appear to be cash-backed as at 31 March 2017.

4.4 ASSET MANAGEMENT

Table 8 below reflects the status of asset management for the period:

Details	Yes/No	Financial Period	% R&M of PPE budgeted	% R&M spent versus the budgeted R&M	FAR Reconciliations
Operations and Maintenance Plan	YES	Q1	1.63	56.30	Yes
		Q2	1.63	81.18	Yes
Procurement Plan	YES	Q3	1.29	98.46	Yes
		Q4			

Repairs and maintenance

The repairs and maintenance budget of 1.29% is below the norm of 8% and needs to be improved in the next budget. The municipality has spent 98.46% of its repairs and maintenance budget for the period ended 31 March 2017.

The municipality has Operation and Maintenance plans in place which is being implemented.

Fixed Asset Register and Reconciliations

The fixed asset register is updated annually and depreciation is calculated monthly. The municipality has appointed a consulting company Market Demand that would assume work during Quarter 4 to assist with the issue of assets.

Provincial Treasury has reduced the number of hours that Alan English would be spending at municipality. It is understood that Alan English now spends only one week in a month at the municipality reviewing and assisting with reconciliations,

5. FINANCIAL COMPLIANCE

The following compliance matters were reviewed during this assessment:

Compliance Matters	Yes	No
1. Did the accounting officer submit the monthly report on the budget to the mayor, provincial treasury and National Treasury – within 10 working days of start month?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Did the Mayor submit quarterly (section 52) report for period ending 31 December 2016 on implementation of the budget and financial state of affairs of the municipality to council?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Did the municipality place quarterly (section 52) report on budget implementation on the municipal website?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Did the municipality report any unauthorised, irregular or fruitless and wasteful expenditure in terms of s32 of the MFMA?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Did the Accounting Officer submit the quarterly report on the Implementation of the SCM Policy to the Mayor of the Municipality in terms of MFMA SCM Regulations 6(3)? <i>(if yes, provide report as evidence)</i>	Yes	
7. Did the accounting officer of a municipality place on the website documents referred to in section 21A of the Municipal Systems Act?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

6. FINANCIAL GOVERNANCE

The following compliance matters were reviewed during this assessment:

Governance Matters	Yes	No
1. Is the Municipal Managers post filled?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Is the Chief Financial Officers post filled?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Did the audit committee meet this quarter?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4. Did the audit committee report to council this quarter? (ito Circular 65)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5. Is the Internal audit unit outsourced?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Does the municipality have a risk based internal audit plan?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Did the Municipal Public Accounts Committee meet this quarter?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Is the Municipal Public Accounts Committee investigating matters relating to UIFW and providing recommendations to Council including recommending disciplinary processes?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Audit Committee did not meet during the quarter under review as the municipality has appointed a new Audit Committee and Council only approved the appointments in April 2017. The report submitted to Council was for the first and second quarters.

7. POTENTIAL ISSUES AFFECTING THE AUDIT OPINION

The municipality should address issues contained in the Auditor-General's management letter and audit report. This should also be monitored by the Audit Committee and management of Amajuba.

8. SUPPORT

The municipality is not receiving any specific support however the Municipal Finance continues to provide ad-hoc support and support through Back to Basics quarterly assessments.

9. CONCLUSION AND RECOMMENDATIONS

9.1 CONCLUSION

Based on analysis and weighting of the relevant financial indicators the municipality has scored 8% for sound financial management using the CMET tool and has scored 56% against the sound financial management pillar in the back to basics template. Support plans needs to be developed, implemented and monitored The main areas that requires improvement is to address creditors,repairs and maintenance free basic services and cash flow challenges This must be determined after detailed analysis of current initiatives to improve these areas.

9.2 RECOMMENDATIONS

- The municipality should expedite the filling of the CFO post;
- The municipality should also expedite the filling of the Municipal Manager position.
- The municipality should pro-actively deal with Telkom and Newcastle Municipality and other service providers that submit late invoices so as to circumvent incurring interest on overdue accounts (fruitless and wasteful expenditure);
- The municipality should establish the a Revenue and Debt Steering Committee as recommended by the Department;
- The municipality should strive to keep the employee related costs within the acceptable norm of between 25% – 40%.
- The municipality should expedite the indigent registration process in order that the free basic services with respect to water and sanitation may be provided to the indigent households;
- The municipality must ensure that the audit response plan is implemented and that progress is reported to the Audit Committee at each Audit Committee meeting;
- The appointment and finalisation of the Audit Committee members should be expedited in order that the Audit Committee may discharge their responsibilities as contemplated in Section 166 of the MFMA;

- The municipality should monitor its cost coverage ratio as the municipality is at risk of meeting its obligations and it must be noted that the Auditor General has already raised the matter of a going concern in the Auditor General audit report.



cogta

PILLAR FIVE: BUILDING CAPABILITIES

Department:
Co-operative Governance and Traditional Affairs
PROVINCE OF KWAZULU-NATAL

MANAGEMENT CAPACITY

Status of Senior Manager posts (Filled and vacant posts)

1. STATUS OF SENIOR MANAGER POSTS WITHIN THE AMAJUBA DISTRICT

The status of Senior Manager posts at the Amajuba District are as follows:

SUMMARY		TOTAL POSTS: 24	TOTAL VACANCIES:8	% VACANT: 33%
MUNICIPALITY	NUMBER OF POSTS VACANT TO FILLED	FILLED POSTS	VACANT POSTS	STATUS OF VACANT POSTS AND RELATED MATTERS
AMAJUBA DC 25	4 of 6	MM Technical Services Community Services Planning and Development	Corporate Services CFO	Recruitment process was put on hold by the Council. Request forwarded to COGTA for the secondment of this position. Acting appointment of Mr. J.Z. Mkhize in Dept. process w.e.f. 4th April 2016 to 4th July 2016. Contract has been extended from 5th July to 5th October. Recruitment process was put on hold by the Council. Request forwarded to COGTA for the secondment of this position. Ms. S.S. Mhlango is currently acting with effect from 04 April 2016. Contract has been extended from 5th July to 5th October.
Newcastle Municipality	3 of 7	Development Planning and Human Settlements. Community Services. Municipal Manager.	Electrical & Mechanical Services. CFO Corporate Services (Administration) Strategic & Governance Support Services	The post of Technical Services and Electrical/ Mechanical Services will combine in the new structure. Currently Mr L Zincume is acting Director Technical Services since November 2015. Position advertised with closing date 13 January 2016. Shortlisting was conducted on 10 February 2016 and no suitable candidate found. Council resolved to re-advertise the position. The process will resume post LGE. Mr S.M. Nkosi is currently acting with effect from 1/11/2015. . Advertised with closing date 13 January 2016. Shortlisting : 11 February 2016. Post Shortlisting Meeting: 1 March 2016. No suitable candidates. Mrs Dudu Molefe is acting with effect from 3 December 2015 to date. New position
Dannhauser Municipality	5 of 5	MM CFO Technical Services Community Services Corporate Services	NIL	

Emandlageni Municipality	4 of 6	MM CFO Corporate Services Planning & Economic Development	Community Services Technical Services	Ms.Z.E. Sithebe is acting Director Community Services since 1 February 2016. The documentation have been forwarded to MEC for COGTA to assess the appointment of Director Community Services. Vacant since August 2016. The Municipality is in the process of filling the post. Currently Mr S.F Mtshali from Planning and Economic Development was acting on this position. This post is now vacant since July 2016.
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MUNICIPAL PERFORMANCE

The objective of the Back to Basics Programme, which was officially launched at the Presidential Summit on 18 September 2014, is to ensure a focused and strengthened local government by getting the basics right and together with other spheres, provide basic services efficiently and effectively and in a caring manner.

The Back to Basics Programme was officially launched in KwaZulu-Natal on 17 February, 2015. The monitoring of municipal service provision efficiency and effectiveness is a pivotal aspect of the implementation of the Back to Basics Programme, and as such, the Department has implemented a quarterly assessment and monitoring process, facilitated through the completion of a Quarterly Provincial Back to Basics Template.

An initial assessment for 26 municipalities, categorized as *Challenged* or *Requiring Intervention* was concluded during December, 2014. Following this, an assessment of all 54 municipalities had been facilitated and concluded during assessment for Quarter 1, Quarter 2, Quarter 3 And Quarter 4 of 2016/2017 financial year. The assessments for Quarter 4 were conducted from July – August 2017. These templates were analyzed and subsequent scoring of municipalities was done in line with the 5 pillars and the main functions and mandates of municipalities.

The assessment for the Amajuba District Municipality concluded the following scoring:

BACK TO BASICS PILLAR	15/16				16/17			
	Q1 SCORE	Q2 SCORE	Q3 SCORE	Q4 SCORE	Q1 SCORE	Q2 SCORE	Q3 SCORE	Q4 SCORE
Putting People First	31%	100%	100%	100%	Not scored	Not scored	N/A	N/A
Delivering Basic Services	17%	22%	22%	33%	25%	25%	25%	25%
Good Governance	100%	100%	67%	83%	67%	86%	86%	86%
Sound Financial Management	16%	44%	22%	6%	48%	48%	48%	74%
Building Capable Local Government Institutions	74%	67%	67%	42%	38%	38%	38%	88%
TOTALS	41%	60%	45%	40%	47%	53%	53%	72%

A support plan to address the key challenges, as identified for the Amajuba District Municipality, was prepared and is being implemented.

Municipality	B2B Assess. Template Score	Weighted Score (out of 60)	Support Plan Score	Weighted Score (out of 40)	Final Score	Preliminary Categorisation
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Amajuba	72%	43	0%	0	43%	Requiring Intervention
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STATUS OF MUNICIPAL ORGANISATIONAL PERFORMANCE MANAGEMENT

An assessment was conducted of the status of performance management in all 54 municipalities through a diagnostic assessment, which resulted in the development of action plans and these are monitored on a quarterly basis.

The status of performance management for the Amajuba Municipality is as follows:

PMS Aspect:	Status:
A. Progress on addressing Auditor General Queries for the 2015/2016 financial year	Query 1: Changes to indicators and targets not approved = addressed, the SDBIP and revised SDBIP with performance indicators and targets were approved by Council Query 2: Consistency of objectives, indicators and targets = addressed
B. 2016/2017 Quarter 4 Performance Assessments/Evaluation of Section 54/56 Managers	In progress – individual performance assessment to be conducted by the MM by the end of September
C. Submission of 2016/2017 Annual Performance Report to:	
1. Internal Audit (Please provide the date);	<u>Submitted during the week of 15 August 2017</u>
2. Performance Audit (Please provide the date);	25 August 2017
3. Council (Please provide the date); and	Will be submitted once audited by AG
4. Auditor General (Please provide the date)	31 August 2017
D. Has Internal Audit prepared and submitted a report on the review/audit of the 2016/2017 Annual Performance Report to the Performance Audit Committee (Please provide Internal Audit Report on the 2016/2017 Annual Performance Report, Agenda of Performance Audit Committee, Minutes of Performance Audit Committee and Attendance Register of Performance Audit Committee)	Yes
E. Adoption of 2017/2018 Organizational Scorecards and SDBIP's	Final SDBIP approved by Mayor on 27 June 2017
F. Submission of 2017/2018 Organizational Scorecard and SDBIP to Internal Audit (Please provide the date)	Not yet audited internally
G. Has Internal Audit prepared a report on the review/audit of the 2017/2018 Organizational Scorecard and SDBIP? (Please provide the Internal Audit report on the 2017/2018 Organisational Scorecard and SDBIP)	No
H. Publication of approved 2017/2018 SDBIP	Yes, on local newspaper and on website
i. 2017/2018 Performance Agreements of Section 54/56 Managers:	
1. Prepared and signed by Section 54/56 Managers	Yes
2. Made public - MFMA S 53 (3) (b)	Yes uploaded on municipal website
3. Submission to MEC within 14 days	Yes
I. OPMS Challenges	None

CAPACITY BUILDING

Capacity Building Strategy

The Business Unit developed a Provincial Capacity Building Strategy in conjunction with other relevant stakeholders, namely municipalities, sector departments, LGSETA and SALGA during the 2014/2015 financial year. The Capacity Building Strategy seeks to coordinate all capacity building programmes targeting municipalities. To this effect, a Provincial Capacity Coordinating Committee was established comprising of all stakeholders involved in developing capacity of municipalities. Each stakeholder provides information on the capacity building initiatives it will be implementing. The Business Unit has developed a comprehensive provincial capacity building database based on inputs received from all stakeholders. The database indicates the kind of support each municipality will be receiving during the financial year.

The capacity building database was shared with each district municipality to share with its locals on the support that the municipalities will be receiving from stakeholders and by when will such support be provided.

Gender Policy Framework for Local Government

Municipalities are expected to implement the Employment Equity Act, Act No. 55 of 1998. Based on the audit conducted on compliance with the Employment Equity Act, municipalities were workshopped on the Act; and specifically on the development of Employment Equity Plan as per section 20 of the Act.

Amajuba district municipality has developed and adopted an Employment Equity Plan. A total of 5 out of the 7 approved top management level posts are filled while 2 are vacant. Of the filled posts 4 are occupied by males while 1 is occupied by a female. Given the 2 vacancies, there is an opportunity to balance the gender equity during the filling of the vacant posts.

Below is the Gender representation of the Senior Management level within the District.

Municipality	Approved	Filled	Gender	
			Males	Females
Amajuba	7	5	4	1
New Castle	7	4	3	1
Emadlangeni	6	2	1	1
Dannhauser	5	5	3	2

Councillor Development

Subsequent to the Local Government elections held on 03 August 2016, SALGA conducted the Integrated Councillor Induction Programme which was attended by 107 Councillors within the district. The Induction Programme was followed by the Sector-Based Councillor Orientation Programme implemented from October 2016 to February 2017 by the department. A total of 66 out of the targeted 118 Councillors attended the Sector-Based Orientation Programme.

Councillor Skills Audit

Councillor Skills audit was conducted during the Sector-Based Orientation Programme. Below is a table outlining the Educational levels of all Councillors who participated in the Skills audit within the Amajuba District.

Municipality	Audited	Doctorate	Masters	Honours	Degree	B-tech	National Diploma	Diploma	National Certificate	Certificate	Matric	Further Education (Gr 10-12/Std 8-10)	General Education (Gr 1-9/Std 0-7)	No Schooling	Total	Blanks
Amajuba District	15	0	0	0	3	0	2	3	0	2	2	2	0	0	14	1
Newcastle	34	0	1	0	5	0	4	3	1	0	11	5	3	0	33	1
Emadlangeni	8	0	0	0	0	0	0	1	0	0	3	2	0	0	6	2
Dannhauser	2	0	0	0	0	0	0	0	0	0	2	2	0	0	4	0

Skills Development

Section 68 of the Municipal Systems Act provides that municipalities must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable manner and must comply with the Skills Development and the Skills Development Levies Acts. Municipalities should further make provision in their budget for the development and implementation of training programmes. Municipalities are required in terms of Section 3 of the Skills Development Levies Act, to pay a levy of not less than 1% of the total amount of remuneration paid or payable by an employer to its employees. During the 2016/2017 financial year, all the municipalities in the Amajuba district submitted a Workplace Skills Plans to the LGSETA. The Skills Development levy was paid to the LGSETA.

