

ALBERT LUTHULI MUNICIPALITY



ANNUAL REPORT FOR THE YEAR 2005/2006

**COMPILED BY : THE MUNICIPAL MANAGER
ALBERT LUTHULI MUNICIPALITY
PRIVATE BAG x719
CAROLINA
1185**

FROM THE DESK OF THE EXECUTIVE MAYOR

Albert Luthuli is our municipality named after Chief Albert Luthuli who was the President of the ANC in 1952. Under his leadership the ANC became much stronger. In 1960 Chief Luthuli received the Nobel Peace Prize for bringing peace in the country and the world. He saw how poor his people were and always strived for the betterment of their lives. We are proud of Him. He is a shining example of dedication to serving people.

There is a commitment that is rooted in the Freedom Charter, Reconstruction and Development Programme. This commitment necessitate that we work tirelessly towards the objective of providing basic services to our people.

As we reflect back to the progress made since 2000, I think all of us can agree with me that the previous Council tried to deliver, but the circumstances under which they were operating, contributed to the difficulty to spend on the finances allocated during the 2005/06 financial year.

We need to fulfill our mandate of providing Free Basic Services to those who cannot afford the provision of water, electricity, refuse and sanitation services. I am very much concerned about the number currently benefiting from free basic services. The number is very low if you compare it with the statistics on Census 2001. We must work towards meeting the millennium targets as informed by the State of the Nation Address, the State of the Province Address and the 2006 ANC Elections Manifesto. Clear timeframes are provided that by 2008, all households will have access to Clean Running Water; by 2010, all Households will have Sanitation; by 2012, all Households will have access to Electricity, and that Unemployment and Poverty be halved by 2014.

A provision has been made for thousands of households to benefit from the 6KL of Free Water per month; 50 KW/H of Free Electricity per month to qualify households. Furthermore we will provide subsidies or give the less 50 % discount on refuse removal and sanitation to all qualifying households as per policy for the Indigents. We still continue to provide Rebates on Taxes as it was in the previous year. Qualifying households will have to make applications for the concession.

As government we are committed to finding appropriate responses to economic challenges. I have asked the Municipal Manager to begin to record all BEE companies benefiting from the procurement of services from the municipality and each year I would like to see that list growing and new organizations emerging.

We must prioritize job creation through the Expanded Public Works Programme and poverty alleviation over self-enrichment and uncontrolled greed. We are committed to: Clean Governance, Equity and the Fight Against Corruption.

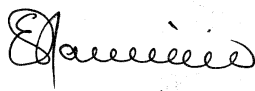
To ensure that you are well-informed of the progress we have made towards the fulfillment of our promises we make to you, legislation requires us to prepare this Annual Report wherein we outline all our successes and failures and also tell you what we are going to do to improve where we are lacking. We also give you our plan for the next financial year. We promise to report fully on the achievements of each financial year.

I want to thank the Municipal Manager, Mr. D R Mango and all our staff for the work they do to bring a better life to all people of Albert Luthuli Municipality and compiling the Annual Report on that.

And last, but not least, my comrades and colleagues, the councilors, I want to thank you all for your hard work and efforts you display during the consultation processes. We have been elected to serve our people, and by providing them with a better quality of life, I think we are fulfilling that mandate.

Your inputs on this Annual Report will be highly valued.

I Thank You



Honourable Cllr ES Dhlamini
Executive Mayor

1. INTRODUCTION

According to section 46(1) of the Local Government : Municipal Systems Act, 2000 (Act No. 32 of 2000), a municipality must prepare for each financial year an annual report consisting of the following:

- (a) *a performance report reflecting –*
 - (i) *the municipality's, and the service providers', performance during that financial year, also in comparison with targets of and with performance in the previous financial year;*
 - (ii) *the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and*
 - (iii) *measures that were or are to be taken to improve performance;*
- (b) *the financial statements for that financial year prepared in accordance with the standards of generally recognized accounting practice*
- (c) *the audit report on the financial statements and the report on the audit performed in terms of section 45(b); and*
- (d) *any other reporting requirements in terms of other applicable legislation.*

This annual report sets out to outline the performance of each of the departments of the municipality, the Project management Unit, and some of its service providers.

2. PERFORMANCE OF THE MUNICIPALITY'S DEPARTMENTS

Albert Luthuli Municipality consists of six departments, the Internal Audit and the Project Management Unit (PMU). The six departments are the following:

- Office of the Municipal manager
- Corporate Services
- Finance
- Public Safety
- Community and Health Services
- Technical Services

The PMU is currently based in the Office of the Municipal Manager department but it is envisaged that it will move to the Technical Services department for better coordination of its functions.

The Internal Audit is an independent unit headed by a Director.

The performance report of each department, the PMU and the Internal Audit follows hereunder.

a. OFFICE OF THE MUNICIPAL MANAGER

The directorate is headed by Ms NN Soldati as its Director and has a Deputy Director, Senior Admin Officer, LED Officer, and LED Intern. The performance of the directorate for the 2005/2006 financial year is outlined below.

2.1.1 SPATIAL PLANNING AND BUILDING MANAGEMENT

The directorate managed to guide the planning and development initiatives within the municipality to achieve aesthetically pleasing area that is safe, practical and economically viable. Two new township establishment projects were initiated in Elukwatini and Carolina/Silobela. Through the process of integrated development planning, modern and effective infrastructure to respond to the challenges of growth and economic development was planned for funding by the Gert Sibande District Municipality, Municipal Infrastructure Grant (MIG), Municipal Systems Improvement Grant (MSIG), Department of Minerals and Energy (DME) and own funding.

Building Control Services could not be done due to the fact that there is no qualified Building Inspector in the employ of the municipality. The function of approving building plans has been done by the Director: Community and Health Services.

2.1.2 LOCAL ECONOMIC DEVELOPMENT (LED) AND TOURISM

The directorate has worked with the Badplaas Tourism Agency to promote tourism in the municipal area. The directorate facilitated the sponsoring of attendance of several workshops and exhibitions by delegates from the business sector and municipal officials in the directorate in the province and Gauteng.

The drafting and review of the LED Strategy was started and will proceed into the next financial year.

The issue-specific protocol to guide responses to enquiries about economic development opportunities in Albert Luthuli Municipality could not be done due to a staffing shortage. Measures will be taken to fill the vacant posts in the directorate.

2.1.3 MARKETING AND CORPORATE IMAGE

This directorate initiated and drove the process that eventually lead to the approval of the municipal logo. The directorate also designed and

procured several promotional and marketing materials such as banners to market the municipality and its activities.

The Oshoek Cultural Village was also conceptualized, designed and implemented by the directorate to promote arts, crafts and culture. A total of R4.1 million was sourced by the directorate through various Business Plans which eventually netted funding from the Special Municipal Innovation Fund (SMIF) of the Department of Provincial and Local Government (DPLG), the Gert Sibande District Municipality and Albert Luthuli Municipality itself.

A marketing strategy for the municipality has been muted but could not be done during the reporting period.

2.1.4 PERFORMANCE MANAGEMENT SYSTEM

The Performance Management System of Albert Luthuli Municipality is still not in place although a Performance Management Framework was approved. The reason is the confusion caused by the introduction of the SAM System which was promoted as a Performance Management System only to be later realized as an Information Management System that assists in the recording and tracking of performance evidence. It also has a built-in warning system that alerts a manager when targets are not being met.

Due to the absence of the Performance Management System no manager, including the Acting Municipal Manager, has a performance contract.

This situation has been given high priority status by Council and urgent attention will be given to the formulation of a Performance Management System based on the approved Performance Framework.

2.1.5 INTEGRATED SPATIAL DEVELOPMENT FRAMEWORK

The directorate managed to enlist the assistance of the district municipality to formulate a Spatial Development Framework for the municipality. This framework will form the basis for all spatial development initiatives within the municipality and must be reviewed annually with the Integrated Development Plan.

It also forms a basis for the Land Use management System (LUMS), which still has be formulated.

2.1.6 THE PROJECT MANAGEMENT UNIT (PMU)

The PMU was strategically located in the Office of the Municipal Manager in order to afford the Municipal Manager control and monitoring powers over the implementation of MIG funded projects. The MIG is the biggest single grant funding by the DPLG aimed at eradicating basic service delivery backlogs in municipalities.

The PMU is headed by the Deputy Director in the Office of the Municipal Manager department, who doubles up as the PMU Manager. The performance of this unit is measured by the expenditure it achieves in a financial year. This was the first year of the MIG programme in Albert Luthuli and a lot of issues had to be sorted out before projects could be

implemented. Firstly a business plan to establish the PMU was prepared for approval by Province and the DPLG.

Two posts were requested and were approved and were only filled with effect from October 2005.

The necessary business plans for the registration of projects to be implemented during the financial year were prepared and submitted to DPLG. After the long delays in the approval of the registrations of the projects by DWAF and DPLG were sorted out the implementation of the projects began and by the end of June 2006 the progress report was as follows:

PROJECT NAME	MIG REG. NO	REMARKS ON IMPLIMENTATION PROGRESS
1. Oshoek Cultural Village	MP0280/CF/05/06	The revised completion time for this project is 17 July 2006
2. VIP Toilets in Lochiel, Hartebeeskop & Oishoek		Two separate contractors were appointed for this project, one based in Oshoek-Hartebeeskop areas and the other in Lochiel. The Oshoek-Hartebeeskop contractor was a Joint Venture and now there is a dispute between the parties and that part of the project is currently not proceeding. A process to resolve the dispute; either by expelling the contractor or getting them to resume work is in progress. The project is progressing well in the Lochiel area. As requested before, the completion time for this project is now 31 August 2006.
3. Upgrading of Lushuswane Water Supply Scheme	MIG/MP0209/W/0506	This project could not proceed until the requirements of an Environmental Impact Assessment (EIA) have been met. This issue have now been resolved and the tender has been advertised.
4. Rehabilitation of Silobela Stadium	MIG/MP0289/S P/0507	The project is 80% completed
5. Completion of water reticulation in Phola, Manyeveni & Maqhawuzela (Tjakastad)		The contractor is now on site. Fourty percent (40%) of the work has now been completed. The completion time is 31 August 2006.
6. Greater Elukwatini VIP's	Old DWAF Commitment	The contractor is on site and 50% of the work has been done. The project will be completed by the 31 st August 2006.
7. Provision of boreholes in the greater ALM	MIG/MP0215/W/05/07	The project has been completed.
8. Provision of boreholes to Mhlanganyane, Robinsdale & Waverley	MIG/MP0213/W/0506	This project has been completed.

9. Provision of boreholes (water services in all areas)	MIG/MP0214/W /05/06	This project has been completed.
10. Water reticulation in Ebutsini, Bosville & Moddergat	MIG/MP0216/W /05/06	This project has been completed.
11. Extension of water reticulation in Glenmore & Swallusnest	MIG/MP0212/W /05/06	This project has been completed.
12. Extension of water reticulation in Diepdale, Fernie C, Booster pump station in Pitoli	MIG/MP0210/W /05/07	This project, implemented using EPWP method, will be completed by end of July 2006. Additional funding of R711 500 for 2006/07 financial year will then be used for further work on the same project.
13. Provision of VIP's in Ekulindeni		The Bid Adjudication Committee finalised the appointment of a Contractor on Friday, 7 July 2006. The contractor will be on site by 14 July 2006 and the completion time for the project is the end of August 2006.
14. Co-funding for MIG projects (roads) done by GSDM	N/a	An amount of approximately R1,052,604+ was allocated as co-funding to certain roads projects implemented by GSDM. The PMU is being restructured and a revised PMU Establishment Business Plan will be submitted to the Department within a few days. It is expected that these funds will be converted for use for the Administrative functioning of the new PMU that will have a Full-time Manager .
15. PMU Administration costs		An allocation of R970,800 was approved for running costs of the PMU, e.g. salaries, stationery, training etc. The remaining balance (R358 000) of this amount will be combined with 14 above.

The total expenditure as at 30 June 2006 is **60.85%**, which equals **R11 202 335** of the total allocation of **R19 416 000**.

2.1.7 INTEGRATED DEVELOPMENT PLANNING

The Integrated Development Planning process for the 2005/06 financial year began with the approval of the IDP Review Process Plan on 30 November 2004. This came very late as according to legislation it should have been approved by end of August 2004. The Process Plan was implemented and all stakeholders were consulted as part of the IDP Representative Forum.

The Integrated Development Plan (IDP) for the municipality was eventually approved by Council on **13 June 2005**.

A very crucial error was then committed by the administration in that there were no IDP documents printed and distributed to relevant stakeholders and departments for implementation. However, the capital projects list approved as part of the IDP was implemented by the PMU and the Gert Sibande District Municipality as reported elsewhere in this document.

b. CORPORATE SERVICES

INTRODUCTION

The Department of Corporate Services is charged with the undermentioned core functions namely :

- Legal Services
- Human Resource
- Administration
- Secretariat

As the department, we value and honour the above mentioned functions and always strive to ensure that the personnel at our disposal is adequate in number, well trained and competent enough to perform these functions, thereby contributing towards goal realisation and achievement of the organisation as a whole.

It is unfortunate to state that our annual departmental report for 2005/2006 financial year (attached as annexure A) proves that we did not do well as a department in that most of our projects for the above financial year were either not implemented or completed e.g. promulgation of by-laws, etc. The main reason behind the above failure was mainly the shortage or non availability of personnel in key positions like Legal Services, ICT, Human Resources, etc.

With the latest appointments of staff at the above positions, although the Human Resource Section is still not a fully fledged section, we hope to improve our performance remarkably in the current and incoming financial years.

As Corporate Services Department, we shall always value our clients and ensure that the Batho Pele Principles, as enshrined in our Service Charter, are always adhered to and serve our clients in a most professional and respectful manner which shall not unfairly discriminate against any colour, race, creed, belief, etc.

The performance by the Corporate Services department is summarized below:

PROJECT NAME	PROJECT LOCATION	ESTIMATED COMPLETION DATE	PROGRESS
1. Upgrading of communication	Council Head Office and Unit Offices	30 June 2006(Head Office) 30 December 2006 (Units)	Project incomplete (25 %) only 75% main office done. GSDM, as founder the project, stopped the project until further notice.
2. Passing of new by - laws		30 June 2006	No by-law passed June 2005/06
3. Establishment of Elukwatini library	Elukwatini Admin Unit	30 June 2006	1. Building identified and renovated. 2. Books sourced and delivered (Function already transferred to community session before project completed).
4. Electronic Minutes Reading device	Head Office	30 June 2006	Awaiting for the construction of the Council Chamber.
5. Maintenance of Community amenities (community halls, etc)	Head Office and Units	31/01/2006	1. Personnel appointed to clean such facilities. 2. No caretakers appointed for Elukwatini and Empuluzi. 3. No Caretakers' house built yet. Only available at Glenmore.
6. Management of lease agreements	Head Office and Units	Ongoing progress	1. All photocopies lease agreements renewed.
7. Land Administration (a) Repossession of unimproved erven	All the Units including Carolina.	30 June 2006	No repossession done yet.

HUMAN RESOURCE

PROJECT NAME	PROJECT ALLOCATION	ESTIMATED COMPLETION DATE	PROGRESS
1. Development of workplace HIV/AIDS program	All workers in ALM	30 JUNE 2006	1. Programme not developed yet. Only policy, which still requires reviewal, already finalised.
2. Development of organisational structure (organogram)	Units and Head Office		Organogram already developed by departments and approved by Municipal Manager.
3. development of job description	All employees		Still awaiting for submission from other departments.
4. Development of social responsibility programme		31 March 2006	Not done yet.
5. HR policies Development And renewal		30 March 2006	Policies developed, and renewed and adopted.
6. Performance contracts	Municipal Manager and section 57 Managers	31 March 2006	Performance contracts not in place yet
7. Development of equity plan	All Employees	31 January 2006	Draft plan still under review.
8. Advertisement of ICT officer and Legal advisor posts.	Head Office		Advertisements already issued and appointments due soon
9. Training of employees	All employees	31 February 2006	WSP revised and submitted to SETA.

10. Translation of code of conduct	All employees (more-particular labourers)		Code of conduct not translated yet .Staff shortage in HR.
11. Implementation of HR system	All Municipal Employees	31 March 2006	Service Provider already appointed. System in a progress of being installed soon.
12. Parity	Affected Staff Members	28 February 2006	Costing done for submission to Council.

c. FINANCE

During 2005/2006 financial year the Finance department was headed by a Director, Mr L Burger whose services ended on 30 September 2005. Mr TKE Seletela was appointed as Acting Director for the department. The performance report for the 2005/2006 directorate is outlined below:

1. OPERATING BUDGET

The actual operating income for 2005/2006 (R84 422 415-00) exceeded the actual for 2004/2005 by R14 517 047-00 or 21%. Included in the actuals for 2005/2006 is an amount of R2 321 147 which is a grant from Gert Sibande District Municipality for the maintenance of roads.

With regard to the actual operating expenditure for 2005/2006 (R65 526 523-00) it exceeds the actual operating expenditure for 2004/2005 by R13 923 568 at 27%. It is worthwhile to note that the actual expenditure for 2005/2006 is below the budgeted expenditure by R17 522 830 or 27%. This will be addressed through a specific K.P.A. project in the 2006/7 financial year to have a more credible budget. More detail on the operating budget can be found in the pre-audited financial statements for 2005/2006.

2. CAPITAL BUDGET

The actual capital budget expenditure for the year is R57 279 073 compared to a budget amount of R77 117 631. The majority of the capital projects namely 87% (R49 732 900) were financed from grants and subsidies.

3. KEY CHALLENGES

The non-payment for services had a negative effect on the ability to be able to provide basic services. Influence above is the challenges to provide infrastructure for cost recovery and dealing with wrong accounts, illegal connections for water and electricity. It is therefore imperative to improve the billing system, develop effective debt collection mechanisms and income generating strategies. A revenue enhancement programme has to be put in place and implemented.

The M.F.M.A. Act (Act 56 of 2003) has set the reform agenda in the financial management for Local Government. As this Municipality is graded as a medium capacity Municipality, the implementation of the M.F.M.A. is a critical area of reform that applies to all Municipalities. Above together with the introduction of new accounting standards will pose a huge challenge.

The following key performance areas were identified and will continue over financial years to address the key challenges:

- Financial viability and Management to ensure sound financial management practices in terms of the M.F.M.A. priorities and timeframes.

This is a multiyear programme started with the planning phase in 2005/2006. The final implementation of the relevant projects will be only in the 2006/2007 and 2007/2008 financial year.

- Municipal Transformation and Organisational Development to ensure a performance Management System aligned to the approved I.D.P. as well as effective administration, organisational systems and financial policies.

The organigram and the essential positions have been identified by Council specifically in the Finance Directorate. Those positions have been advertised at the end of the 2005/2006 financial year and filled early in the 2006/2007 financial year. Fundamental financial policies such as the debit and credit control policy, the indigent policy and supply chain management policies were formulated and approved by Council. Other financial policies are in the process of development.

- Good governance and public participation through an effective supply chain management office as well as procedures and processes to adhere to in terms of community participation.

The set up of a Supply Chain section in the Finance Directorate were approved by Council as a result of a strategic session of Council in the 2005/2006 financial year. Funding for essential personnel and other related costs were included in the preparation of the 2006/7 budget. This section was subsequently established early in the 2006/7 financial year.

The involvement of communities on financial matters was still a grey area, of which needs to be improved in the coming financial year once the ward committee system and administrative procedures is functioning well.

- Basic service delivery through the accelerating provision of free basic services to registered indigents, increase in payment of Municipal Services and to comply with the provision of the Batho Pele objectives.

In terms of the indigent policy all registered indigents have received the 6kl water and 50kwh free basic electricity. The implication and approval processes however have clearly demonstrate challenges especially in areas where Eskom is supplying electricity. It is therefore important to review the existing policy, processes and procedures in the 2006/7 financial year.

A fundamental issue to address is the average low payment rate of less than under 50%. The main reasons for the situation were and old financial system, old I.T. software and hardware, incorrect database, insufficient paypoints, lack of critical staff and an effective revenue enhancement strategy. Specific projects such as Project Consolidation, D.B.S.A. initiative, M.S.I.G. project, etc. have been started in 2005/6 which aims to address specific issues over a four year period.

Improvement to resolve all queries and complaints timeously has been hampered by a central enquiry/help desk facility and an electronic mail/correspondence system. The relevant processes and procedures to address the grey areas have started in the 2005/6 financial year. It is envisage that the critical needs be rolled out in the next financial year.

d. PUBLIC SAFETY

The Public Safety department was headed by Mr H. Zungu who then resigned at the end of October 2005. Mr KB Makgopa became the Acting Director for the remainder of the financial year.

During 2005/6 financial year, the Department Public Safety carried out several activities in the Licence Section, Traffic Section, Fire/Emergency and Rescue Section, Disaster management and Security services.

Licence Section

Vehicles were registered and licenced in accordance with the prescribed Road Traffic Regulations. The testing and examination of drivers and vehicles were performed as follows:

A total number of 1609 applications for learners licence were received. After the applicants were tested as prescribed in the National Road Act, 93 of 1996, 909 learners licences were issued.

A total number of 1066 applications for drivers licence were received; 207 driver's licences were authorized.

A total number of 327 applications for drivers licence cards were received and processed accordingly.

876 vehicles were tested for roadworthiness; 473 vehicles passed the test and roadworthy certificates were issued accordingly.

All complaints and enquiries from the public were addressed satisfactory. The correct prescribed forms were issued to all applicants.

Eye tests were conducted as prescribed in the Road Traffic Regulations.

Traffic Section

The following functions were performed by the Traffic Section:

Notices to appear in court were issued in respect of stop sign violations, barrier line, registration and licensing violations and vehicle defects were detected and addressed as prescribed.

The road traffic signs were repaired and maintained. Location names and signage were installed at all units. Road markings were maintained. Several special duties such as marches and VIP escorts were performed.

Fire and Rescue Section

The Fire Section performed fire extinguishing activities in response to the calls received. Trapped motor vehicle accident victims were extricated, stabilized and rendered first aid assistance at accident scenes.

Disaster Management Section

The section conducted disaster awareness campaigns in collaboration with the GSDM. Incidents relating to the loss of life and property as a result of disaster were responded to.

Safety and Security

Security guards were deployed at all unit offices and the headquarters in order to ensure the safety of council's assets. Due to financial constraints, the tender for the provision of security services could not be finalized. Alarm systems were installed at the civic center and Public Safety offices.

e. COMMUNITY AND HEALTH SERVICES

The Community and Health Services department is headed by Mr GJH Lindeque. Its report for the 2005/2006 financial year is as follows:

1. ENRONMENTAL HEALTH SECTION

1.1. INSPECTIONS CONDUCTED

1.1.1. ACCOMODATION ESTABLISHMENT:

Guest House: 1

1.1.2. FOOD RELATED PREMISES

Abattoir: 2

Food preparation: 7

1.1.3. SAMPLES

Water: 20 all results complying

Milk: 45 all results complying

Maize meal for fortification: 2 all results complying

1.1.4. MEDICAL INSTIUTIONS

Clinics: 2

Private practice: 3

1.1.5. COPLAINTS RECEIVED

- ✚ Poor house keeping in shops
- ✚ Sleeping in shops including those that prepare food
- ✚ Sale of poor quality food
- ✚ Dilapidated structures

1.1.6. ACHIEVEMENTS

A meat hygiene forum, comprising of person from reporting department, State Veterinary Doctor, Environmental Health Community Servers from Carolina Hospital

Attend Regional Food Control Committee Meetings with provincial EHP's

1.1.7. CHALLENGES

- ✚ Lack of necessary by laws e.g. street trading
- ✚ No Environmental Health Officer/staff shortage
- ✚ Delay in devolution of Environmental Health Services
- ✚ Education and awareness on environmental health issues

2. WASTE MANAGEMENT

Removal of refuse service is done at Ekulindeni, Elukwatini, Empuluzi, Carolina/Silobela and Badplaas. In the three former areas the service is rendered

by private contractors and in the two latter areas, the municipality renders the service.

2.1. CHALLENGES

- ⚡Extension of the service to other households
- ⚡Permitting of the landfill site
- ⚡Suitable equipment for operating the landfill site
- ⚡Replacement of the old equipment in use

3. PARKS AND CEMETERIES

3.1. Grass cutting in parks and walkways is regularly done. Grass cutting in stadiums is only done when the need arises or upon request

3.2. There are only 6 Council controlled cemeteries, situated in the three (3) E's, Carolina/Silobela and Badplaas.

CEMETERY	WATER	FENCE	SPACE	TOILETS
Ekulindeni	No supply	Not fenced	Full	none
Elukwatini	No supply	Fenced	Almost full	None
Empuluzi	No supply	Not fenced	Full	None
Badplaas	No supply	Fenced	Enough	None
Carolina	Available	Partly fenced	Enough	Available
Silobela	No supply	Partly fenced	Full	None

3.3. Burials conducted

Adults: 235
 Children: 52
 Paupers: 14

3.4. CHALLENGES

Lack of suitable equipment like slashes and tractors for lifting such are often broken

Provision of toilets, preferable VIP's due to the lack of water supply

Fencing

Grave tariffs are no uniform

Equipment for digging of graves – other areas dig manually and hiring of excavators cost council a lot of money

4. PRIMARY HEALTH CARE

There are two clinics run by the municipality

4.1. CLINICS

4.1.1. CAROLINA CLINIC

Has two professional nurses and a cleaner. The garden is attended at intervals by one of the department laborer

4.1.2. SILOBELA CLINIC

Has one professional nurse, a cleaner and a Health Worker

4.2. CLINIC ACTIVITIES

Activities for both Carolina and Silobela

	ACTIVITY	TOTAL
A	MOTHER AND CHILD	
1	Antenatal	1 692
	PMTCT Programmes	154
2	Post Natal	77
3	Papsmear	-
4	Family Planning	4 500
5	Healthy Baby Clinic (Immunization)	8 574
B	HAST PROGRAMME	
1	Tuberculosis	108
2	Sexually Transmitted Infections	522
3	HIV: Tested Positive	359 130
C	PRIMARY HEALTH CARE	
1	Chronic Ailments	3 544
2	Minor Ailments: Under 5's Above 5	1 425 7 374
D	MENTAL HEALTH	75
	GRAND TOTAL	28 714

4.3. CHALLENGES

- ✚ Non subsidization by the Health Department
- ✚ Sourcing of professional staff

- ⚠️ Procurement of modern and user friendly equipment
- ⚠️ Conformity to the required standard that a eight hour facility should adhere to

4.4. AWARENESS AND CAMPAIGNS

TYPE OF AWARENESS	VENUE	TOTAL
World Leprosy Day	Carolina Clinic	1
STI and Condom Week	Silobela Community Hall	2
World T B Day	Carolina Clinic	2
Candle Light Memorial Day	Carolina Hospital	1
National Immunization Awareness Week	Carolina Clinic	1
Vitamin A Campaign	Carolina Clinic	1
Polio Campaign	Carolina Clinic	2
World Aids Day	Nooitgedacht Farm	1
Older Persons Abuse Week	Carolina Hospital	1
World Breast feeding Week	Carolina Clinic	1

5. SOCIAL RESPONSIBILITY

5.1. HIV AND AIDS

Little was done in this regard. In fact the focus was on the workplace. The program for the workplace was launched and committee members nominated. The members are representative for all the departments in the municipality, unions as well.

6. ADMINISTRATION

-Number of building plans scrutinized:	82
-Departmental meetings:	05
-Other meetings:	32

7. STAFF CHALLENGES

- ⚠️ Shortage of staff
- ⚠️ Lack of commitment in our staff
- ⚠️ Substance abuse is rife
- ⚠️ Two staff members passed away
- ⚠️ Vacant posts not filled
- ⚠️ Gap in management position
- ⚠️ The department is not doing fairly good as far as service delivery is concerned

f. TECHNICAL SERVICES

The Technical Services directorate was headed by Mr AB Nkosi during this period. Its report for the 2005/06 financial year is as follows:

g. INTERNAL AUDIT

The Internal Audit Unit audited the following:

- Salaries
- Income
- Expenditure
- Leave records
- Control measurements
- Available policies

3. PERFORMANCE OF THE SERVICE PROVIDERS

Albert Luthuli Municipality employed the services of various service providers for different services. In general the majority of the service providers performed well and according to agreed terms of reference.

The service providers that did not perform well are the following:

3.1 PSU INTERNATIONAL

This service provider was appointed to do the Revenue Management in the Elukwatini area. Their brief included the formulation of a database and billing of the consumers as well as the actual collection of revenue on behalf of the municipality. Although some work was done the service provider performed badly and it will be best to terminate the contract.

3.2 PROVISION OF VIP TOILETS IN LOCHIEL, HARTEBEEKOP, OSHOEK.

Two separate contractors were appointed for this project, one based in Oshoek-Hartebeeskop areas (**Thobo and Best of The Rest JV**) and the other in Lochiel (**Frederick and David JV Qhubekanyalo**). The Oshoek-Hartebeeskop contractor is plagued by a dispute between the Joint Venture parties and that part of the project is currently not proceeding. A process to resolve the dispute; either by expelling the contractor or getting them to resume work is in progress. The project is progressing well in the Lochiel area. As requested before, the completion time for this project is now 31 August 2006.

4. DEVELOPMENT AND SERVICE DELIVERY PRIORITIES AND PERFORMANCE TARGETS SET BY THE MUNICIPALITY FOR THE 2006/2007 FINANCIAL YEAR

The development and service delivery priorities and performance targets set by the municipality for the 2006/2007 financial year are outlined below. A Strategic Planning session will be held on 3-6 August 2006 to further plan and put operational plans in place for each department.

KPA1 : Infrastructure and Services

KPA: Infrastructure and Services						
Goal:						
Priority Issue [Programme]	Objective	Measures		Target	Date	Programme Budget
		Output	Outcome			
Water and Sanitation	<ul style="list-style-type: none"> To develop and maintain an efficient, cost-effective and modern water and sanitation infrastructure. To protect the municipality's investment in infrastructure by preparing and implementing infrastructure investment plan that ensure adequate development, maintenance and replacement of infrastructure. To development and implement operating and maintenance management plan, that provide for cost-effective operation, timely preventative maintenance and life cycle replacement 	<ul style="list-style-type: none"> % of households provided with quality affordable water % of households with appropriate sewer systems for both rural and urban communities 	<ul style="list-style-type: none"> % of households having access to quality water % of households having access to basic sanitation 	<ul style="list-style-type: none"> % of the total households in the municipal area % of the total households in the municipal area 	<ul style="list-style-type: none"> 30 June 2007 30 June 2007 	R 000
Electrification	<ul style="list-style-type: none"> To provide electricity to all households To maintain and upgrade the existing networks To improve street lighting in built up areas. 	<ul style="list-style-type: none"> % of electrified homes for households earning incomes between R800 and R1100 	<ul style="list-style-type: none"> % of households with affordable and reliable electricity 	<ul style="list-style-type: none"> % of total households with electricity in the municipal area 	<ul style="list-style-type: none"> 30 June 2007 	R 000
Roads and Storm	<ul style="list-style-type: none"> To provide appropriate road and storm-water infrastructure. To Manage and maintain road infrastructure and assets To provide for an effective and uniform road planning services. To support the economic and social development through effective 	<ul style="list-style-type: none"> Number of kilometres with safe road and storm water networks 	<ul style="list-style-type: none"> Improved accessibility and safe roads between areas 	<ul style="list-style-type: none"> kms of road and storm water network 	<ul style="list-style-type: none"> 30 June 2007 	R 000

KPA: Infrastructure and Services						
Goal:						
Priority Issue [Programme]	Objective	Measures		Target	Date	Programme Budget
		Output	Outcome			
	development framework for roads and transport and stormwater					
Waste Management and Refuse Removal	<ul style="list-style-type: none"> To ensure that the refuse removal and street cleaning services are properly operated and managed at the affordable rates. To ensure that each households or property in the dustbins to be able to render an effective service. To ensure that dumping does not happen and clean up illegal dumping sites To investigate the provision of refuse removal to peri-urban and rural areas to ensure a clean and safe environment. 	<ul style="list-style-type: none"> % of households with access to waste management and refuse disposal system 	<ul style="list-style-type: none"> % households satisfaction index 	<ul style="list-style-type: none"> % increase in the households satisfaction index 	<ul style="list-style-type: none"> 30 June 2007 	R 000

KPA: Infrastructure and Services						
Goal:						
Priority Issue [Programme]	Objective	Measures		Target	Date	Programme Budget
		Output	Outcome			
Housing	<ul style="list-style-type: none"> To provide low-cost and other housing to households without proper accommodation 	<ul style="list-style-type: none"> Number of houses constructed 	<ul style="list-style-type: none"> Number of households with basic housing 	<ul style="list-style-type: none"> 40 000 households with housing 	<ul style="list-style-type: none"> 30 June 2007 	R 000
Cemeteries and Parks	<ul style="list-style-type: none"> To support the development of parks, recreation and culture facilities and opportunity in partnership with communities organization To support the provision of social services to better the physical, mental, social and emotional lines of our people. To upgrade facilities at existing commentaries To ensure sufficient capacity of cemetery facilities To provide cemetery facilities centrally located throughout the municipal area 		<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 30 June 2007 	R 000
Spatial Planning and Building Management	<ul style="list-style-type: none"> To guide planning and development initiatives to achieve an aesthetically pleasing area that is safe, practical and economically viable. To ensure modern, effective infrastructure to respond to the challenges of growth and economic diversification To provide building control services, & implement a uniform tariff structure for approval of building plans 	<ul style="list-style-type: none"> 		<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 30 June 2007 	R 000

KPA2A: Economic Development

KPA: Economic Development						
Goal:						
Priority Issue [Programme]	Objective	Measures		Target	Date	Programme Budget
		Output	Outcome			
Local Economic Development	<ul style="list-style-type: none"> To form partnership with local hospitality, tourism industry, Chamber of Commerce, community groups and private sector to promote economic development To facilitate the development of an economic strategy for the municipality To develop an issue-specific protocol to guide responses to enquires about economic development opportunities. 	<ul style="list-style-type: none"> % of economic growth in all sectors of the economy 	<ul style="list-style-type: none"> % of economic growth or GDP contribution to the province 	<ul style="list-style-type: none"> % GDP for the area 	<ul style="list-style-type: none"> 30 June 2007 	R 000

KPA2B: Social Development

KPA: Social Development						
Goal:						
Priority Issue [Programme]	Objective	Measures		Target	Date	Programme Budget
		Output	Outcome			
Health	<ul style="list-style-type: none"> To ensure compliance with health standard requirements in a safe provision of food To reduce land pollution by addressing illegal dumping. To reduce and control air pollution. To develop an environmental management plan 	<ul style="list-style-type: none"> Number of awareness programmes and campaigns conducted 	<ul style="list-style-type: none"> Number reduction in cases of deadly diseases Change in community behaviour 	<ul style="list-style-type: none"> < 15 cases a month 	<ul style="list-style-type: none"> 30 June 2007 	R 000

KPA: Social Development						
Goal:						
Priority Issue [Programme]	Objective	Measures		Target	Date	Programme Budget
		Output	Outcome			
Social Welfare	<ul style="list-style-type: none"> To improve the living standards of poor households within the municipal area 	<ul style="list-style-type: none"> % of households with improved living standards and conditions 	<ul style="list-style-type: none"> % of households satisfaction index 	<ul style="list-style-type: none"> 30% increase in the household satisfaction index 	<ul style="list-style-type: none"> 30 June 2007 	R 000

KPA: Social Development						
Goal:						
Priority Issue [Programme]	Objective	Measures		Target	Date	Programme Budget
		Output	Outcome			
Education	<ul style="list-style-type: none"> To support the establishment of new schools and training centres in the municipal area 	Number of schools and training centres established in the area	Number of learners and scholars with accredited qualifications	1000 Learners and 2000 scholars	30 June 2007	R 000
Safety and Security	<ul style="list-style-type: none"> To provide essential safety and security services to protect our citizens and their property balancing prevention and emergency responses To prepare and implement a Disaster Management plan for the municipality To form partnerships with community and private organizations to ensure delivery of preventative and emergency services To sensitize and initiate all levels of safety and security To support the community policing initiatives 	% reduction in crime related incidents	% reduction in crime statistics	30% reduction	30 June 2007	R 000
Sports and Recreation	<ul style="list-style-type: none"> To develop various types of sporting facilities within the municipal area 	Number of sports and recreation facilities developed	Number of inhabitants having access to sports and recreation events at the municipal area facilities	100000 inhabitants attending major sporting and recreational events	30 June 2007	R 000
Arts and Culture		Preservation and maintenance of identified cultural and historical sites			30 June 2007	R 000
Emergency Services	<ul style="list-style-type: none"> To improve or reduce the response times in cases of emergencies 	Response time to emergencies in minutes	Improved response time to emergencies in minutes	At least 15 – 25 minutes for each category of emergency	30 June 2007	R 000
Environmental Management	<ul style="list-style-type: none"> To ensure compliance with environmental management 	Environmental Assessment Plan	% achievement of environmental targets in	70% target achievement	30 June 2007	R 000

KPA: Social Development						
Goal:						
Priority Issue [Programme]	Objective	Measures		Target	Date	Programme Budget
		Output	Outcome			Total Projects Allocation
	legislation and policies		the Environmental Assessment Plan			

KPA3: Institutional Development

KPA: Institutional Development						
Goal:						
Priority Issue [Programme]	Objective	Measures		Target	Date	Programme Budget
		Output	Outcome			
Training and Skills Development	<ul style="list-style-type: none"> To develop and implement the skills development plan To continue to review personnel development policies 	% of employees achieving Personal Development Plan targets	% of performing employees contributing to productivity	75% of employees	30 June 2007	R 000
Staff Component and Appointments	<ul style="list-style-type: none"> To develop and implement the employment equity plan 	Number of appointments to vacant posts	Number reduction in vacancy rate	15 employees at management level	30 June 2007	R 000
Organisational Infrastructure	<ul style="list-style-type: none"> To create a work force and environment that is favorable to finding and adapting on new effective ways of doing thing 	ICT Plan implementation	Uptime availability and function of the system	98% uptime and running of the sys.	30 June 2007	R 000
Marketing and Corporate Image	<ul style="list-style-type: none"> To stimulate and participate in opportunities to market and profile our area and community To work with community to attract sports and entertainment, cultural and trading activities To work with the Chamber of Commerce and Province to market the area as a tourist destination To develop a marketing strategy that will attract investment To develop and maintain documentation and promotional material for the community to use in its efforts to attract attention to opportunities in the municipal area. 	% of stakeholder satisfaction index	% of stakeholder satisfaction index	Establish baseline	30 June 2007	R 000

KPA4: Democracy and Governance

KPA: Democracy and Governance						
Goal:						
Priority Issue [Programme]	Objective	Measures		Target	Date	Programme Budget
		Output	Outcome			
Service Delivery Standards (Batho Pele)	<ul style="list-style-type: none"> To strive for fairness and equity in the delivery of our services To raise awareness of appropriate representatives of Provincial and National Government as to the viability of Albert Luthuli Municipality as an investment area. To develop a public participation strategy to ensure that the community and all stake holders participate in the processes of the municipality To ensure regular consultation between communities and ward councillors 	Batho Pele Plan	Compliance with customer standards	100% compliance and customer satisfaction	30 June 2007	R 000
Performance Management Systems	<ul style="list-style-type: none"> To ensure the implementation and updating of the approved PMS 	Number of quality key performance indicators	Number of KPIs used for reporting the IDP	According standards	30 June 2007	R 000

KPA5: Financial Management

KPA: Financial Management						
Goal:						
Priority Issue [Programme]	Objective	Measures		Target	Date	Programme Budget
		Output	Outcome			
Financial Management	<ul style="list-style-type: none"> • To identify and pursue opportunities in order to increase the revenue base • To develop a set of specific performance measurements to ensure that budgets are spent effectively and effectively, with budget limits • To prepare a business plan for the corporation to include a three year budget cycle, for capital and operating budgets. • To review policies and by-laws for finance • To review procurement policies policy to ensure efficient process • To ensure that tariffs for all services remain affordable • To maintain debt reduction and financial stabilisation policy 	Debtors to revenue ratio	Improved financial rating of the municipality	2% and below 8%	30 June 2007	R 000

5. MEASURES TAKEN OR TO BE TAKEN TO IMPROVE PERFORMANCE

The Strategic Planning Session scheduled for 3-6 August 2006 is one of the measures to be taken to improve the performance of the municipality. During this three-day planning operation the Management Team, Political Office-bearers, Ward Councilors and selected Ward Committee members, Organised labour, Community Development Workers (CDW), and a service provider will chart the performance requirements for the financial year, ensuring that all KPA's, KPI's and Targets are clearly understood by all the role-players and that systems and procedures are in place to achieve them.

Capacity building and training will be provided to the staff and councilors to enable them to perform according to the requirements.

6. FINANCIAL STATEMENTS FOR THE 2005/2006 FINANCIAL YEAR

The financial statements for the 2005/2006 financial year were compiled within the specified period and are attached as Annexure A.

7. AUDIT REPORTS

a. INTERNAL AUDIT

- ***INTERNAL AUDIT REPORT ON THE 2005/2006 FINANCIAL STATEMENTS***

The financial statements were not internally audited. The financial statements were not ready at the stage when the Internal Auditor required them, and because there is only one person in the department, they will be audited at a later stage.

- ***INTERNAL AUDIT REPORT ON THE REPORT ON THE AUDIT PERFORMED IN TERMS OF SECTION 45***

The internal audit report was not done because there is no Performance Management System in place.

b. AUDITOR-GENERAL

- ***AUDITOR-GENERAL'S REPORT ON THE 2005/2006 FINANCIAL STATEMENTS***

The Auditor-General's report on the Financial Statements for Albert Luthuli Municipality is not yet finalized and only a Management Report has been received. A copy of the Management Report and the Response to it are part of this report.

- ***AUDITOR-GENERAL'S REPORT ON THE REPORT ON THE AUDIT PERFORMED IN TERMS OF SECTION 45***

8. CONCLUSION

This is the first ever annual report for the Albert Luthuli Municipality and it should be appreciated that it has been done internally. As we all learn and perfect the Performance Management System the process and actual compilation of the Annual Report will be much easier. This Annual Report must be handled by the Albert Luthuli Municipal Council in terms of section 129 of the Municipal Finance Management Act (MFMA).