



Ngqushwa Local Municipality

Annual Report
For the Year Ended
30 June 2007

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Mayor's Foreword

In terms of the Constitution Ngqushwa is responsible for the delivery of basic services to its communities. There is a need to have sufficient funds to discharge the expenditure responsibilities. Municipalities in South Africa are financed from three sources, namely:-

- Own revenue
- Transfers from National and Provincial governments
- Loans

Ngqushwa Municipality, because of its ruralness in nature depends on national and provincial transfers.

The Municipality is confronted by a challenge of giving meaning to the developmental local government towards social and economic upliftment of its communities. As prescribed by the Structures Act the municipality is expected to seek to achieve integrated, sustainable and equitable social and economic development of its area as a whole.

This challenge calls upon the municipality to create harmonious relationships between the municipal council, municipal administration and communities. This will be realized when all concerned acknowledge their rights, duties and responsibilities. This approach seeks to deepen local democracy by locating people and their aspirations at the centre of local government. This is key in effecting a developmental approach as prescribed by the Local Government White Paper.

The Council is committed not to rest as long as Nowezile from Gobošana lacks access to purified water, as long as Nomisele from Zimbabwe lack guarantee for land settlement as long as Dumile from Mgababa lacks capacity to plough the fields for production, as long as Sizakele remains jobless and does not possess the necessary skills to find a job, and, finally as long as our communities remain unsafe.

Earnestly,

Cllr NP Nxawe
Mayor

Acting Municipal Manager's Foreword

During the year under review it has been a challenging year, where we saw most of our senior management's contract coming to an end some middle management leaving the municipality. On the other side it has been interesting as we have just started engaging on a vigorous drive of revenue enhancement. The general valuation project kickstarted which is going to assist the municipality in broadening its revenue base. In July 2006 the municipality also established a traffic department which had contributed positively towards the municipality. Upgrading the financial system contributed into better categorization of debts, including printing of financial reports such as age analysis.

In terms of Section 84 of the Local government: Municipal Structures Act of 1998 the district municipalities should be responsible for portable water supply and domestic wastewater and sewage disposal system, in other words it meant the ADM to be the water services authority for their area of jurisdiction and as such the function was taken to the ADM on the 1st July 2006. This impacted negatively on the going concern of the municipality because it meant less revenue and a challenge in implementing the credit control policy as we are not water and electricity providers.

The acknowledgement by Provincial Treasury that the municipality submitted a budget complying with circular 28 standards and the completion of the annual financial statements and their submission on time served to prove that a lot of change has in fact taken place during the year under review. The success of the municipality is dependant on a good understanding and practice by councillors, staff and the community members at large of the principle of continuous improvement and constant learning thus building the requisite capacity for sustainable development and a better life for all.

Indeed this annual report presents all the activities that the municipality has engaged itself upon for the period 2006/07 and seeks to account to the communities that we serve. In closing I would like thank the Mayor. The Speaker, Councillors and Officials for their support in making this yet another successful year for the Ngqushwa Municipality

Yours faithfully,

NY Zongo
Acting Municipal Manager

Overview of the Municipality

The Ngqushwa Local Municipality is one of the eight municipalities under the Amathole District Municipality. Ngqushwa is located to the west of Amathole district and comprises the districts of Peddie, Hamburg and a portion of the King Williams Town District. There are two main urban centres namely Peddie and Hamburg and 118 rural villages

Socio-Economic Profile of the Municipality

The population of Ngqushwa Local Municipality is estimated to made up of ± 84 230 people and ± 21 888 households. It is to be noted however, that the statistics have not been updated since Census 2001. 33 % of the population is children between the ages of 0 and 19 years, 57 % is ages between 20 and 64, 10 % are people over the age of 65.

The rate of unemployment in Ngqushwa is estimated at 78 % on average. High unemployment rate impact negatively on municipality as low affordability levels result in a poor payment rate for services. Household income levels in the area are generally low. The poverty rate for Ngqushwa is approximately 79.9% which makes it to be the highest in the ADM jurisdiction.

Education levels are very low with a significant lack of skills in the area. The high levels of HIV and AIDS are impacting negatively on the social and economic conditions of the Municipal area.

Infrastructure Overview of the Municipality

Approximately 153.9 km of road network in Ngqushwa is tarred, whilst 1117.48 km is gravel. There is generally poor maintenance of the road and infrastructure throughout the municipality and this a result of not having a dedicated budget for maintenance due to the fact that in terms of powers and functions the Ngqushwa Municipality is not suppose to be doing road maintenance. The funding from MIG is only for capital projects and not for maintenance. The critical challenge in addressing this is lack of skilled personnel and funding for the purchase of new machinery.-

Water and Sanitation Services

This function is performed by Amathole District Municipality and Ngqushwa Local Municipality has transferred all the employees who performed this function to them. The Council only facilitates provision of water in liaison with the Amathole District Municipality. There are still challenges with regard to the provision of the service to our communities.

Electricity

The electricity supply to the area is provided and maintained by ESKOM. Approximately 70% of the population has access to electricity. The Ngqushwa Municipality is responsible for the maintenance of street lights as well as high mast lighting. Due to lack of funding the municipality has not been able to cover the entire Ngqushwa area in terms of installation and maintenance of the infrastructure during this financial year.

Executive Summary

Vision

Ngqushwa Local Municipality, united and human centred, is committed to elimination of social and economic imbalances and poverty through integrated and socio-economic upliftment of its residents within a sustainable environment.

Mission

In pursuit of the vision, we will strive to become a benchmark institution in the country in respect of good quality and affordable services, through effective resource mobilisation and management, stimulation of economic growth and good governance practises.

Values

- (1) Accountability**
- (2) Transparency**
- (3) Cooperation**
- (4) Responsiveness**
- (5) Humanness**
- (6) Respect**
- (7) Citizen Participation**
- (8) Professional Conduct**
- (9) Pro-poor Biasness**

Partnerships

Strategic partnerships have been entered into with GTZ and other public entities to ensure that the municipality is able to deliver on its mandate on the most efficient and effective manner. The public entities referred to above include amongst others the Amathole Economic Development Agency and Development Bank of Southern Africa which are at different stages of formation. Partnerships also exist with the institutions of higher learning locally, Walter Sisulu University and Wits business school. The municipality has signed a Memorandum of Agreement with Walter Sisulu University regarding areas of cooperation.

The Audit Function

There are still challenges with regard to the audit function of the municipality in terms of capacity. We do not have an internal audit unit and as such have been relying on the shared internal audit services provided by the Amathole District Municipality. In the financial year under review the audit committee started functioning and meetings with the leadership and management of the municipality took place to set the tone for the functioning of the committee.

Chapter Two:
Background on services provided by the municipality

Ngqushwa Municipality is providing basic services to its communities eg roads and Stormwater drainage and refuse removal ,parks & cemeteries

Amatole District Municipality is providing services such as water and sanitation

Eskom is providing Electricity

Provision of basic services

Number of households that do not have access to basic infrastructure services

Type of service	2005/06	2006/07
Housing (waiting list)	We have a huge backlog on housing	We have a huge backlog on housing
Water (on site)	Only urban area have access to yard taps	Only urban area have access to yard taps
Sanitation (dependant on bucket system or non-existent)	Only urban area have access to sanitation (non existence of bucket system)	Only urban area have access to sanitation (non existence of bucket system)
Refuse removal (once a week at site)	Only urban areas have access to refuse removal	Only urban areas have access to refuse removal
Electricity (in house)	All villages have access to electricity except new extensions	All villages have access to electricity except new extensions
Street and storm water (frontage to a gravel street)	All urban areas and some villages have access to this service	All urban areas and some villages have access to this service

A summary of the municipality's backlog should be provided and include

1. Peddie housing
2. Peddie B
3. R27m
4. Financial year 08/09

Number of households that gained access to different municipality services during the past two municipal financial years:

Type of service	2005/06	2006/07
Housing	1250	300
Water	1250	115 villages have access
Sanitation (up grading from bucket)	All urban areas have access to sanitation	All urban areas have access to sanitation
Refuse removal	This service is done only in urban areas	This service is done only in urban areas
Electricity	Only new extensions have backlog	Only new extensions have backlog

After electricity has been installed in the villages, new houses will be built after the installation of electricity.

Percentage (%) of capital budget spent on each service

Financial Year	Housing	Water	Sanitation	Refuse Removal	Electricity	Street Storm water	Comm Facility
2005/06	Funder DPLG	ADM	ADM	4%	Eskom	3%	2%
2006/07	Funder DPLG	ADM	ADM	4%	Eskom	3%	2%

Percentage (%) of Capital Budget spent:

Financial year	% of Capital budget spent	Reasons for under spending
2005/06	100%	n/a
2006/07	100%	n/a

Municipal Infrastructure Grant (MIG)

Financial year	Available funding 05/06, R	Amount spent, R	% spent
2005/06	R4,3	Full amount	100%
2006/07	R4,8	Full amount	100%

Housing:

Financial year	Allocation, R'000	Amount spent R'000	% spent	No. of houses built	No. of sites serviced
2005/2006	Nil	Nil	nil	nil	Nil
2006/2007	Nil	nil	nil	nil	Nil

There was no funding allocation to Ngqushwa Municipality in the last two financial years

PROVISION OF FREE BASIC SERVICES (DISTRICT MUNICIPALITIES SHOULD PROVIDE INFORMATION FOR DMA'S)

Electricity:

Indigent Households			Non-indigent households			Households in Eskom areas		
No. of households	Units per household (kwh)	Rand value	No. of households	Unit per household (kwh)	Rand value	No. of households	Unit per household (kwh)	Rand value
900	50	R20,0	118 villages	none		118 villages	Only indigents	R20,0

Water:

Indigent Households			Non-Indigent households		
No. of households	Unit per household (kl)	Rand value	No. of households	Unit per household	Rand value
Only urban areas	6000l	R24,00	Only urban areas	6000l	R24,00
Rural areas	Unlimited litres	R24,00	Rural areas	Unlimited litres	R24,00

Sanitation:

Indigent Households			Non-Indigent households		
No. of households	Unit per household	Rand value	No. of households	Unit per household	Rand value
Only urban areas	6000l	R30,00	Only urban areas	6000l	R30,00
Rural areas	Unlimited litres	R30,00	Rural areas	Unlimited litres	R30,00

Refuse removal

Indigent Households			Non-Indigent households		
No. of households	Unit per household	Rand value	No. of households	Unit per household	Rand value
Only urban areas	Once a week	R30,00	Only urban areas	Once a week	R30,00

Waste Disposal Sites

All of our sites (Hamburg & Peddie) are permitted for operations, but these sites are lacking compliance in terms of Department of Water Affairs and Forestry
Lack of capacity, no personnel dedicated to waste management has been noted

Spending priorities

2005/2006	% of budget allocated	2006/07	% of budget allocated
Municipal roads	5%	Municipal buildings	6%

MUNICIPAL ACHIEVEMENTS AND CHALLENGES

1. LOCAL ECONOMIC DEVELOPMENT

1.1 Agricultural

Agricultural Schemes

Work is in progress but there are problems encountered which are labour related as well as lack of co-operation between Department of Agriculture, Amathole District Municipality and consultants that are implementing these projects by not involving the councillors and municipality officials in planning and implementing the projects.

i) Dube Irrigation scheme

Project in progress. A Project Manager and 8 permanent labourers will be appointed.

ii) Tyhefu Irrigation Scheme

All projects in progress.

- Glenmore
Fencing and planting of seedlings complete.
- Ndlambe
Fencing project on hold.
- Pikoli
Fencing project on hold

1.2 Wesley Beef Farming

Project in progress but members are planning to change the current breed of bulls for the ones that will be adaptive to the environment.

1.3 Ntsinekana Bee Keeping Project

Project in progress.

8 people were trained by Makana Meadery

1.4 Poultry projects

Project	Allocated budget	Source of funding
Siyaya Poultry project	R500 000	Dept. of Social Development
Mthathi Poultry Project	R33 000	NLM
Lithetha Poultry Project	R21 000	NLM
Nomzamo Poultry Project	R11 000	NLM
Masiphuhlisane poultry Project	R16 500	NLM
Vukuzenzele Poultry Project	R11 000	NLM

1.5 Community Gardens

Project	Budget allocated	Source of Funding
Luxolweni Comm. Garden	R17 000	NLM
Masichume Comm. Garden	R16 000	NLM
Sophakamile Comm. Garden	R11 000	NLM
Nomzamo Comm. Garden	R21 700	NLM
Nxwashu Comm. Garden	R33 000	NLM
Mankone Comm. Garden	R12 000	NLM
Mgwangqa Comm. Garden	R16 500	NLM
Tamara Comm. Garden	R500 000	Dept. of Social Development
Lower Gwalana Co-op	R500 000	Dept. of Social Development
Bingqala Food Security	R500 000	Dept. of Social Development
Masivuke Food Security	R500 000	Dept. of Social Development

1.6 Tourism

- During the year under review, we together with ADM are in process of developing a Marketing Brochure.
- The Makana route was launched in conjunction with ADM. 2 Visitor Information Centres were opened 1 in Hamburg and 1 in Peddie.
- Three (3) day celebrations for the heritage month was held in the village of Taphushe in conjunction with the Department of Sport, Recreation, Arts and Culture.
- Ngqushwa Municipality was represented at the Durban Tourism Indaba.

1.7 SMME's

- A 5 day workshop was conducted for the Development of SMME's which was facilitated by the Tourism Enterprise Programme and Certificates were awarded.
- Database for all SMME's compiled.
- SMME's plan in place

2. DISASTER MANAGEMENT

The total budget is R100 000:

- a) Awareness campaigns were conducted at schools throughout the municipal area.
- b) All ward based volunteers report for training every Wednesday.
- c) Basic veld and forest fire fighting course for schools was conducted and certificates were issued to Nathaniel Pamla High School.

2.1 Fire services

- a) Ngqushwa Municipality is assisting in developing Fire Stations in Nkonkobe and Nxuba Municipalities.
- b) We have a fully fledged centre which needs to be revamped
- c) We function as a shared service with ADM.

- Motor Vehicle Accident - 17
- Special Service - 4
- House Fires
 - formal Dwelling - 14
 - Informal Dwelling - 6
- Grass/Veld Fires - 154
- Total call outs - 195

- Total injuries - 40
- Total fatalities - 10

Staff Composition

6 fulltime volunteers and 5 fulltime employees.

3. TRAFFIC SECTION

- a) The traffic section is operational and is currently testing Learners Licences.
- b) We have three (3) Traffic Officers, two (2) admin staff and 1 Learners Licence Examiner.
- c) We have received an amount of R2m from the department of Transport for the construction of Drivers Licence Testing Centre (DLTC).

4. SPECIAL PROGRAMMES UNIT

The Special programmes unit facilitates the integration and mainstreaming of the marginalised and all the designated groups.

4.1 HIV and Aids

- Peer Educators including Councillors and Admin staff were trained and awarded with certificates.
- Anonymous HIV Prevalence Survey in the council was conducted with 99% participation and the results showed a prevalence of 16%

LAND AND HOUSING DELIVERY

The following report summarises the activities that took place in 2006/07 financial year as Land Use Management is the function of the Local Municipality as it balances and limit the exercise of rights to land and to ensure that public interest is served.

1.1 General Municipal Valuations

General Municipal Valuation in terms of the Municipal Property Rates Act of 2004 has been started and will be complete and implemented in July 2008
Draft Rates Policy in place

Challenge:

No cadastral information for rural areas which led to the exclusion of villages in the process.

1.2 Reviewal of Spatial Development Framework

The Spatial Development Framework has been reviewed and adopted by Council

1.3 Development of Land Reform and Settlement Plan

The Land Reform and Settlement Plan has been developed and also adopted by Council

1.4 Land and Infrastructure Management System

Geographic Information System has been installed and successfully been implemented with the assistance of Amathole District Municipality

Challenges:

Maintenance and update of the system
No GIS specialist

1.5 State Property Transfer to the Municipality

A service provider has been appointed to facilitate the land transfer from the Department of Public Works to the Municipality.

Meetings have been held and no progress has been made in terms of transferring the properties to the Municipality.

2. Unblocking of Blocked Projects

Thubelisha Homes has been appointed to unblock the two blocked housing projects:

Masakhane Phase 1-500 units
Peddie PHP -710 units

An amount of R721 828.06 has been allocated for Masakhane Phase 1(56 new units and 49 at slab level)

An amount of R11 107 590.00 has been allocated for Peddie PHP but for only 285 units out of 710

Challenge:

Court Process taking longer to resolve issues pertaining to Peddie 710 project

A need to create quality and sustainable environment but not changing their cultural way of living.

2.2 Middle Income Housing: Alf Dlamini Heights

A feasibility study has proven that there is a need for Middle Income Housing in Ngqushwa area

A developer has been appointed to develop 150 units in the Middle Income category

Challenge:

Funding Institutions are not willing to come and invest in small towns like Peddie so it is not going to be easy to secure funding for the top structure.

ORGANISATIONAL STRUCTURE OF THE MUNICIPALITY

The municipality's establishment plan was adopted by the council in August 2001. The municipal structure comprises of the political and administrative structures. The administrative structure is accountable to the political structure. The overall functions of the Municipality during the year under review were envisaged as follows:

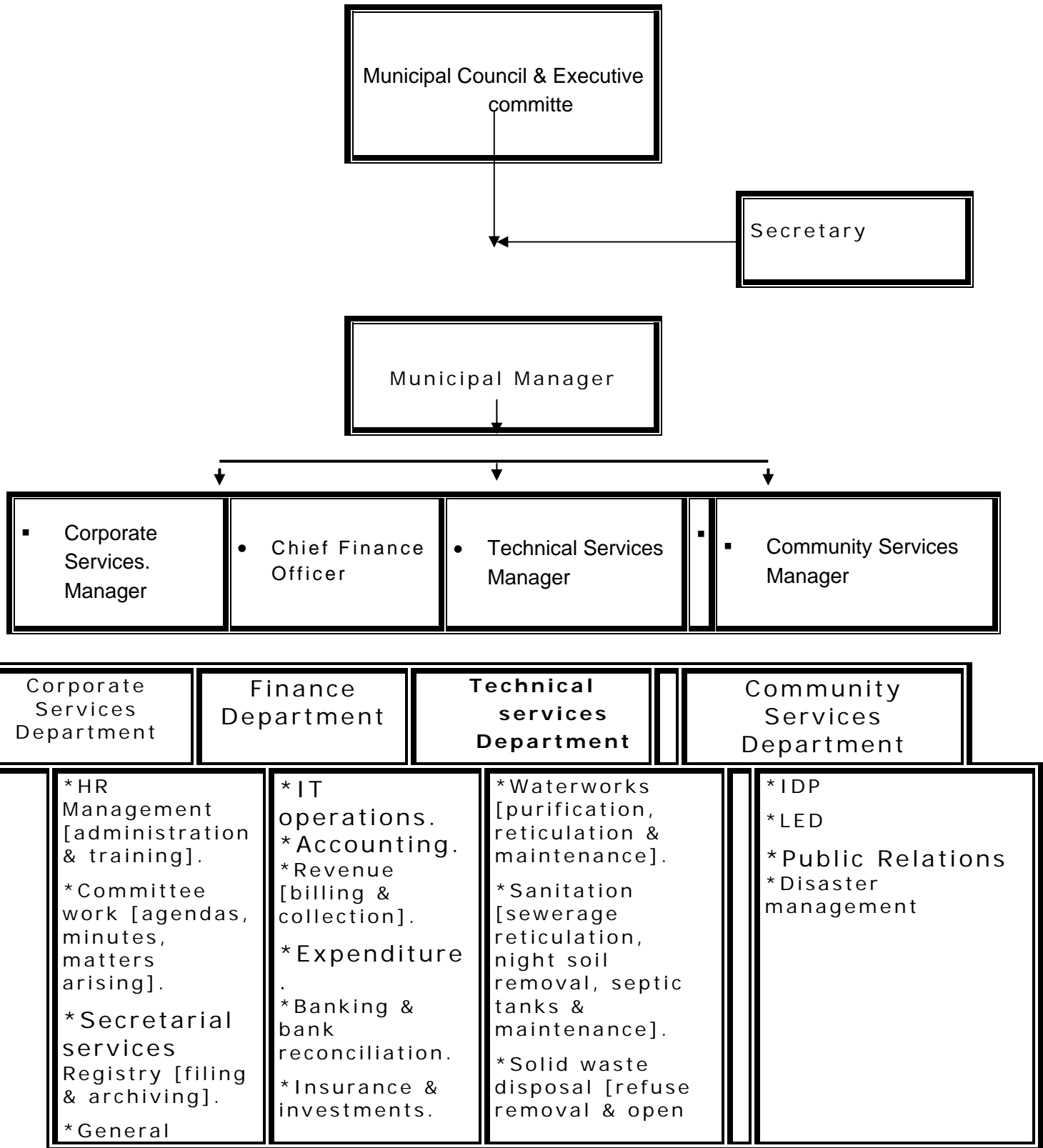
- To manage the Municipality
- To render Administration Services to the Municipality
- To render the Financial Services to the Municipality
- To render Engineering Services
- To render Disaster Management Services to the Municipality
- To render support to the Mayoral Officer
- To render support to the Speaker's office

Out of the identified functions the following departments were created to perform the above functions:

- Office of the Municipal Manager;
- Corporate Services Department;
- Community Services Department;
- Budget and Treasury Department; and
- Technical Services Department.

Below is the institutional structure:

Organizational Structure:



<p>administration. * Cemetery * Land management. * Land sales & letting * Land development * Planning administration, sub-divisions, rezoning, consolidation etc. * Housing development. * Community outreach programmes. * Ward Committee secretarial services.</p>	<p>* Financial reporting to Council. * Annual budget. * Annual financial statements.</p>	<p>space cleaning, tip site operation & maintenance * Parks, sports field & cemetery maintenance]. * Maintenance of buildings & installations. * Pound management * Commonage control * Construction and maintenance of access roads and town streets * pontoons, jetties & ferries</p>		
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Branch Components

A new organizational structure is yet to be formulated in 2008/2009 financial year. Apart from the Municipal Manager’s office, Ngqushwa Municipality has four major departments, namely, Corporate Service (Administration / Human Resources); Technical Services; Finance; and Community Services (Strategic Planning and Development)

It should be indicated that all senior posts have been filled, except the Community Services manager’s post.

Corporate Services Department: This department deals with institutional administration and human resources management services. It has established posts of 21 of which none are currently vacant.

According to Ngqushwa Municipality IDP (2007), the following administrative / human resources issues of concern need to be addressed.

The review and issue of by - laws for the municipality have not received adequate attention and no new bye law has been adopted.

Technical services: This department is responsible for water, sanitation, solid waste disposal, parks, sports fields and cemetery, maintenance of buildings and installations, commonage control, construction and maintenance of access roads, etc. This department has an establishment of 44 posts of which 37 are currently filled.

The major concern of this department includes the following:

Insufficient office accommodation for Works Manager and staff to allow for effective operations.

No workshop areas in Peddie for routine maintenance of equipment as well as storeroom facilities for the safekeeping of equipment. These are available in Hamburg but they are too small and are also unsecured.

Qualified technical personnel to assist in the provision of the required engineering services in the municipal area are lacking.

Capacity building programme needs to be boosted to upgrade the skills of the existing technical staff.

Finance: This department provides the usual financial services, including, revenue, expenditure, banking and bank reconciliation, budgets, financial statement, etc. The department has an establishment of 9 posts of which none are vacant, and the middle rank post (accountant).

The following are the main concern with this department:

This section is seriously understaffed.

The few existing staff members also need training to adequately perform any of the financial functions. This situation needs to be considered in the institutional capacity plan.

Community Services: This department is new to the municipality. It is responsible for the overall IDP, public relations and LED. Currently, the strategic manager's post is vacant. LED, IDP and public relation functions are all identified and allocated to this department, but the necessary resources to handle these functions are not in place.

Staff Component

Although the current organogram allows for posts, the present staff component of the municipality stands at 13. The staff distribution is indicated in the Table 2 below.

Table 2: Staff Component

Department	Post filled	Vacant or future post	Total
Corporate Services	21	0	21
Finance	9	0	9
Technical services	3	37	44
Community Services	12	1	13
Total	45	38	87

POPULATION OF THE ORGANOGRAM

The organogram is populated by implementing the recruitment policy adopted by the council.

ORGANISATIONAL CAPACITY BUILDING AND OCCUPATIONAL HEALTH AND SAFETY

Strategic objectives:

Training and Development Section:

To equip employees and councilors of the council with necessary skills, knowledge and attitude for effective and efficient service delivery;

To assist employees that are interested in self development by providing study loans and organizing ABET and training for them;

To develop, implement and report on the Workplace skills plan of the municipality;

To develop and review all training and development related policies

To ensure compliance with all legislations that relate to training and development

Occupational Health and Safety

Health and Safety Committee was established during the year under review to carry the following functions within the Municipality:

To implement the requirement of the Occupational Health and the compensation for injuries and diseases acts;

To develop and review all occupational and safety related policies
To co-ordinate Workplace HIV/Aids Programme

EMPLOYEE ASSISTANCE PROGRAMME (EAP)

The municipality recognises that there is a need for EAP Services.

The Areas of Assistance

The EAP shall provide assistance in a broad range of personal concerns, including but not limited to:

Marital, family and relationship problems
Substance abuse and other addictive behaviour such as gambling
HIV/AIDS counselling and treatment
Workshop Violence and Trauma Counselling and after care
Stress
Family Violence
Absenteeism

Activities / Programs

The awareness Campaign of Condom, STI's and TB
Candlelight memorial day
HIV/AIDS Prevalence survey
Workshop on Domestic Violence
World Aids Day
Peer Educators Training
Wellness Day
Workshop for Peer Educators
Workshop on Substance Dependency
Workshop on Misconduct Policy
Session on TB

Successes

The attendance was positive for both the councillors and the officials on the awareness campaign on Condoms demonstrations, STI's and AIDS.

The workshop was a success and there were also recommendations done by the staff members that they wished to have this workshop quarterly because it assisted some on ventilating.

Wellness day was very successful because 99% of our councillors and officials took part in this event. Also out of this wellness day people were encouraged to do V.C.T and counselling was immediately.

4 Councillors were trained as Peer Educators and 16 officials also trained as Peer Educators.

Some of the members refrain from using alcohol and tobacco through the positive impact that the training has.

Also with the prevalence survey 99% of our councillors and officials tested for HIV/AIDS and some members wanted to know their status.

Officials and Councillors do come for their sessions related to the EAP programmes

Challenges

No budget for the EAP therefore it becomes difficult to implement some of the activities that the employees will benefit from it.

Organisational Capacity Building

As requested by law, Ngqushwa Local Municipality does make an effort to ensure that its employees and councillors are being capacitated. The Workplace Skills Plan is developed and submitted to the Local Government Seta (LGSeta), this document guides the municipality on what and who is to be trained.

Table 3

Training Courses	No. of Councilors	No. of Employees
Management Development for	0	1

Municipal Finance		
Assessor	1	1
Skills Development Facilitator	0	1
Diploma in Labour Law	0	3
Project Management	0	5
Management Development Programme	0	2

The municipality has two interns who are doing the Financial Management Internship Program funded by the National Treasury.

PERFORMANCE MANAGEMENT SYSTEM

The council has adopted a Performance Management System in 2004. The policy is being implemented and there are some few challenges, firstly it is only implemented for the Section 57 employees and secondly it is only monitored once a year instead of quarterly monitoring.

PERFORMANCE SYSTEMS (Other levels)

The council is currently working in cascading the PMS to other levels of staff, other than mentioned above. On these staff members the council will use monthly accountable agreement for middle management staff and performance promises for junior management staff.

JOB EVALUATION

The job evaluation process has been facilitated by a committee which was established by representative from each department. The committee was trained by the Job Evaluation Unit in ADM. By end June 2006, the committee had submitted 75 % of its jobs to be graded.

FINANCIAL INFORMATION ON MEDICAL AID AND PENSION FUND

2006/2007 EXPENDITURE ON MEDICAL AID SCHEME

Table 4

Name of Scheme	No. of Members	Annual Costs
1. Bonitas	41	R696 222,86
2. Munimed	6	R83.616,56

2006/2007 EXPENDITURE ON PENSION FUND

Table 5

Name of Fund	No. of Members	Annual Costs
1. SAMWU Provident Fund	88	R965 601,17
2. Councilor Pension Fund	27	R589 519,44

Assessment of future risks or liabilities with regard to these funds in 2006/2007 financial year

Medical aid contribution will increase by an average of 15% in January 2008

Pension Fund contributions increased by 10.53% in July 2007

A provision for the meeting these liabilities has been made in the 2006/2007 budget

Total Personnel Expenditure Analysis over the past 3 years

Table 6

Financial Year	Total Personnel Expenditure	Total Municipal Budget	Percentage Variance
2003/04	4 275 362	8 014 361	53%
2005/06	8 192 058	13 145 969	62%
2006/07	15 577 316	15 129 488	103%

AUDIT COMMITTEE

The Committee is pleased to present its report for the financial year ended 30 June 2007

Audit committee members and attendance

The audit committee consists of the members listed hereunder and is scheduled to meet four times per annum as per its approved terms of reference. During the year five meetings were held.

Name of member	number of meetings attended
L Kemp	6
V. S. Gatywa (Chairperson)	6
R.J. Hill	6
L. Ntshinga	5
M. Ntswahlana	5

Audit committee responsibility

The Audit Committee operates in terms of section 166 of the Municipal Finance Management Act (MFMA), Act No.56 of 2003, and has endeavoured to comply with its responsibilities arising from those requirements. The Committee has performed its duties according to its terms of reference and regulated its affairs in compliance thereof.

Effectiveness of the Audit Committee

The effectiveness of the Audit Committee was compromised to a large extent by the following challenges it encountered:

- The shared internal audit service provided by the Amathole District Municipality was not effective as they were unable to undertake internal audit assignments as originally agreed upon.
- The lack of report back from the Council on the matters raised by the Audit Committee in its reports and the recommendations contained therein.
- The lack of commitment by management to address the many issues raised by the Auditor-General in his reports and management letters.

The Audit Committee found it difficult to operate under these conditions and it could thus not fully discharge of its duties in terms of section 166 of the MFMA.

Effectiveness of internal audit and internal control

The system of controls is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the MFMA and King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process as well as the identification of corrective actions and suggested enhancements to the controls and processes. Regrettably the Amathole District Municipality who had committed itself to providing a shared internal audit service to the Ngqushwa Municipality could not fulfil its obligation and a very limited internal auditing took place. In view of this the Audit Committee were not kept informed of the state of affairs concerning internal control.

From the comments raised by the Auditor-General in his audit report and management letter, it was evident that the system of internal control was largely ineffective for the year under review as compliance with prescribed policies and procedures were lacking in most, if not all instances. Steps will be taken to address the reported weaknesses.

Evaluation of financial statements

The Committee evaluated the annual financial statements prior to their submission to the Auditor-General and suggested a number of amendments to them. The Auditor-General in his report on the financial statements expressed a disclaimer audit opinion. Taking into consideration the adverse comments raised by the Auditor-General the Audit Committee concurs with the audit opinion expressed.

General concerns of the Committee

The Audit Committee has the following concerns which should be read together with the Auditor-General's audit report to the Council and the Eastern Cape Legislature on the annual financial statements of the Ngqushwa Municipality for the year ended 30 June 2007:

(a) Going concern

The Committee notes with concern the precarious state of the Council's financial position as highlighted by the Auditor-General. In addition to curbing expenditure as far as possible without compromising on service delivery, it is considered imperative that the income base be broadened, that services tariffs be adjusted to economically viable levels, that moneys incorrectly paid as reported on by the Auditor-General be recovered from the relative parties concerned and that an effective credit control policy be rigidly applied. Failure to do this will only exacerbate the situation and give rise to bankruptcy.

(b) Inadequacy of management

It is disturbing to note that many, if not all, the matters raised by the Auditor-General, especially those that led to the disclaimer audit opinion, are repetitive of those raised in previous reports and management letters. This indicates that management lacks the will or the capacity to rectify the ominous situation that exists at Ngqushwa Municipality. It is the considered opinion of the Audit Committee that the time has arrived where management be held accountable for its failure to carry out its obligations and responsibilities in addressing the many issues raised in the audit reports and management letters. Failure to do this can only lead to a further deterioration in the financial administration of the Municipality.

(c) Irregular expenditure

The Committee is perturbed at the large number instances of the irregular and wasteful and fruitless expenditure incurred. In addition, a number of personnel and councillor related costs are questioned and need to be addressed.

CHAIRPERSON OF AUDIT COMMITTEE

DATE: 31 JANUARY 2008

Chapter Five:
Functional Service Delivery Reporting

PERFORMANCE REVIEW REPORT 2006/7

Background

As required by the Municipal Systems Act and in line with the municipality's performance management policy, after the end of the 2006/7 financial year Ngqushwa Municipality embarked on a performance review process.

The Municipality appointed PDG to provide technical support during this process and this report presents the outcomes of the process.

The process

The process was designed to have three main activities. These were the:

- pre-workshop activities
- performance review workshop
- post workshop activities

Pre-workshop activities

PDG prepared reporting templates for departments based on the 2006/7 annual plans of the municipality. The Departments were requested to complete these templates in preparation for a performance review working session in which they would report on their performance.

The following colour coding was used to highlight level of performance on various planned activities:

Not achieved (red) – less than 50% of target
Significant progress (yellow) – more than 50% of target
Achieved (dark green) – met target
Exceeded target (bright green) – exceeded target in terms of either quality, time or quantity

It was advised that the Internal Audit of the municipality be requested to audit these reports. If that was not possible, it was advised that an appropriate person be delegated the responsibility.

The departmental performance reports had to be ready for presentation at the workshop. In particular the departments would have to propose what should be done with plans that could not be achieved by

the end of the 2006/7 financial year or propose follow-up activities with regard to activities that were completed as planned during the 2006/7 financial year.

Unfortunately, the departments could not complete their reports on time to allow for this process. To mitigate this shortcoming, the performance review working session/ workshop also served as a platform to verify the performance reports.

Performance review workshop

A performance review workshop was held on the 20th to 21st August 2007. The objectives of the workshop were:

- To assess the municipality's performance in the 2006/7 financial year.
- To identify corrective measures with regard to the initiatives that were not completely implemented in the 2006/7 financial year or follow-up activities with regard to activities that were completed as planned in the 2006/7 financial year.

The workshop was attended by the Mayor, members of the Executive who are also portfolio heads and the middle and senior management of the municipality. It was facilitated by PDG. At this workshop the departments presented their performance reports.

Post workshop and output

PDG was tasked with the responsibility of analysing the reports presented at the workshop and produce a performance review analysis report for 2006/7. This document is a performance review analysis report of Ngqushwa Municipality for the 2006/7 financial year. It provides an overview of the municipality's performance in the 2006/7 financial year. The 2006/7 performance reporting tables of the municipality, upon which this report is based, were sent to the municipality as a separate deliverable soon after the workshop.

This performance assessment report is meant to form part of the municipality's annual report as required by the System's Act and the municipality's performance management system.

Performance review and the municipality's PMS

The performance management system of the municipality requires that reviews be held once every four months in a year. Its municipal scorecard also specifies the perspectives that must be taken into account in reviewing performance.

The municipality could not undertake reviews during the course of the financial year. This review was therefore the first review for the year. The plans of the municipality for the financial year were structured in terms of the Municipal Scorecard Model of the municipality's performance management framework. Consequently, this review is structured in terms of the same municipal scorecard perspectives.

Overview of the municipality's performance during 2006/7 financial year

Functions performed and not performed

In July 2006 the MEC for Housing, Local Government and Traditional Affairs had issued a Provincial Gazette

adjusting the following functions and powers from Ngqushwa to Amathole DM:

1. Municipal Public Transport
2. Fire fighting
3. Local amenities
4. Licensing and control of undertakings that sell food to the public
5. Municipal Roads

The following table reflects performance¹ of the remaining powers and functions by Ngqushwa Municipality during the 2006/7 financial year.

<i>Part B of Schedule 4</i>	<i>Performed/ not performed</i>
1. Air pollution	not performed
2. Building regulations	performed
3. Child care facilities	not performed
4. Electricity reticulation	not performed
5. Local tourism	performed
6. Municipal airport	not performed
7. Municipal planning	performed
8. Pontoons, fairies, settees, piers and harbours excluding the regulations of international and national shipping	not performed
9. Storm water management system	performed
10. Trading regulations	not performed
Part B of Schedule 5	Performed/ not performed
11. Beaches and amusement facilities	not performed
12. Billboards and display advertisement in public places	performed
13. Cemeteries, funeral parlours and crematoria	cemeteries performed but funeral parlours and crematoria not performed
14. Cleansing	performed
15. Control of public nuisance	not performed
16. Control of undertakings that sell liquor to the public	not performed
17. Facilities for the accommodation care and burial of animals	not performed
18. Fencing and fences (performance limited to commonage and parks)	performed
19. Local sport facilities	performed
20. Markets	not performed
21. Municipal abattoirs	not performed
22. Municipal parks and recreation	performed
23. Noise pollution	not performed
24. Pounds	performed
25. Public places	performed
26. Refuse removals, refuse dumps and solid waste disposals	performed
27. Street trading	not performed

¹ In the context of this section performance refers to the municipality having provided for somebody to carry out responsibilities associated with the function in the organogram currently in use. It does not assess the extent to which the municipality actually delivers services in terms of the function.

28. Street lighting	performed
29. Traffic and parking	performed
30. Municipal public works only in respect of the needs of the municipalities	performed

In terms of the above table, during the 2006/7 financial year the municipality was performing 55% of its functions with only cemeteries performed in the function that includes cemeteries, funeral parlours and crematoria. This means that there was no change from what was reported in 2005/6.

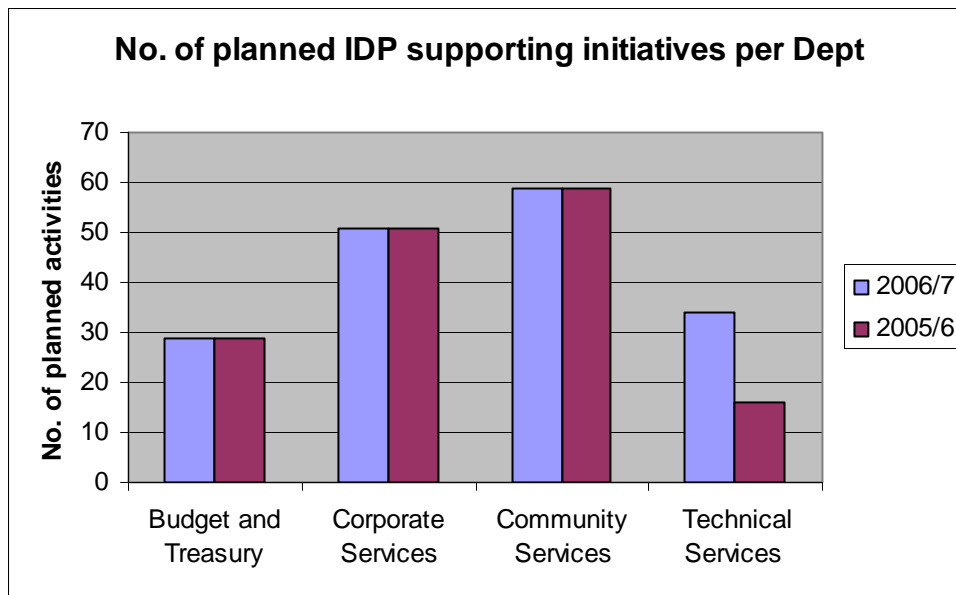
The extent to which the municipality implemented its IDP supporting plans

The review showed that the municipality had planned to undertake 173 initiatives/ activities in support its IDP strategies during the 2006/7 financial year as opposed to 144 in 2004/5 and 161 in 2005/6. This section of the report reviews the extent to which the municipality succeeded in implementing its plans.

Distribution of work among the departments and KPAs

Figure 1 below depicts the distribution of work among departments in the 2005/6 and 2006/7 financial years.

Figure 1 Distribution of work among departments



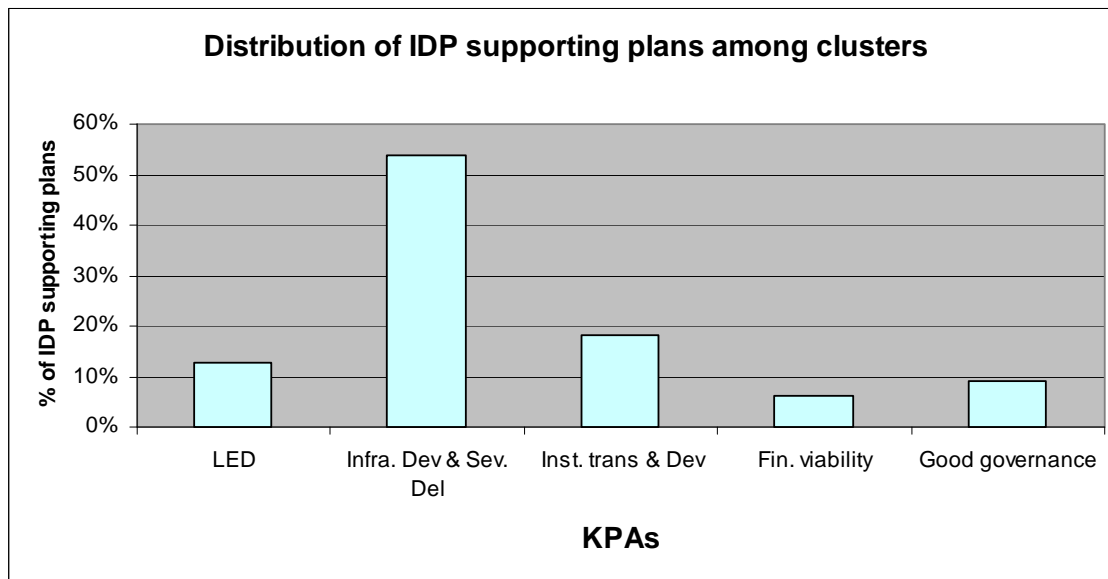
Notable in the graph is that all other Departments except the Technical Services Department planned to implement exactly the same number of initiatives in both financial years. In the case of the Technical Services Department, the number of the planned IDP supporting initiatives for 2006/7 was double the number for 2005/6. The MM's office planned activities were mostly towards leading, overseeing and supporting departments in implementing their plans and ensuring that IDP objectives for the year were achieved. The performance of the MM's with regard to this strategic role is reflected in the extent to which the municipality overall as well as the various departments successfully implemented their plans.

In 2006/7, as was the case in 2005/06 and 2004/05 the Community Services Department had planned more activities than any other department. This, coupled with the fact that 76% of the Department's activities are towards the infrastructure development and services delivery KPA, places the Department at the centre of delivering services to the community. Failure by this Department to achieve its targets has serious implications in the way the community will perceive the municipality's performance and therefore its political legitimacy. In addition the Department's percentages of the achieved and not achieved plans translate into bigger numbers than the other departments.

The following table assesses the extent to which departmental plans supported the five key performance areas (KPA) of the strategic scorecard;

- Local Economic Development
- Infrastructure Development and Service Delivery
- Municipal Transformation and Institutional Development
- Financial Viability
- Good Governance

Figure 2 Distribution of work among the 5 KPAs of the strategic scorecard in 2006/7



Evidently the focus of the municipality’s plans was towards the Infrastructure and Service Delivery KPA. This is consistent with the previous financial year (2005/06) where the municipality was predominantly focused on service delivery, with 61% aimed at achieving strategies that supported objectives in the infrastructure, LED and social needs clusters.

In the 2005/6 financial year as was the case in 2004/5 it was noted that the strategies for the LED cluster were least supported by departmental activities. This seems to continue to be a challenge facing the municipality.

The level of performance of the municipality when it shifted its focus towards delivery of services to the community as opposed to developing its capacity raises a very important strategic question; has the municipality fully established itself to a level where its focus should be on delivering services as opposed to attending to the establishment related KPAs (Municipal Transformation and Institutional Development; Financial Viability and Good Governance)? The fact that the municipality currently delivers 55% of its functions; has never received a clean audit report and its financial viability is in doubt suggests that it has not. This is after the 2004/05 review noted that the municipality was fairly inward focused with most planned activities directed towards supporting strategies that were concerned with developing the municipality as an institution. This may mean that had the municipality successfully implemented its 2004/5 plans it would have been in a better position to focus on service delivery and facilitating local economic development. Unfortunately it did not. Therefore it may be advisable for the municipality to strategically refocus on the 3 inward looking KPAs once again.

Level of performance in terms of planned activities during the financial year

This performance review categorised levels of performance into four. In addition, a system of colour coding was utilised to highlight the level of performance. Both the colour coding and the levels of performance are indicated below:

Not achieved (red) – less than 50% of target
Significant progress (yellow) – more than 50% of target
Achieved (dark green) – met target
Exceeded target (bright green) – exceeded target in terms of either quality, time or quantity

The tables that provide details about the levels of performance per planned activity were submitted as separate deliverable of this review process.

Overall performance of the municipality in terms of the 5 KPAs of the strategic scorecard

The following figure shows the percentages of targets set in the strategic scorecard for the 2006/7 financial year that were not achieved, significant progress made, achieved and target exceeded.

Figure 3 Levels of performance by the municipality as whole and by its clusters for 2005/06

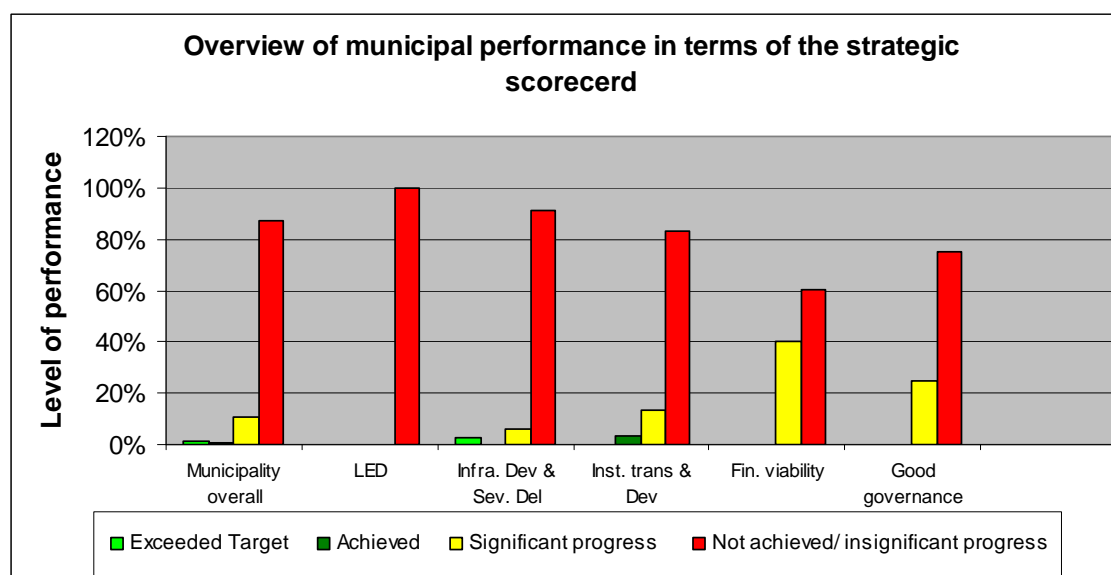


Figure 3 shows a rather dismal situation where most of the strategic scorecard targets were not achieved or there was insignificant progress. In KPAs such as LED none of the targets were achieved. This must be of serious concern in a municipality that desperately needs to respond decisively to the challenges of underdevelopment and poverty. Of note is that the targets of the strategic scorecard for the year were mainly about understanding the status quo on the major development challenges facing the municipality. If the municipality could not even get to understand the extent of the challenges, it is almost inconceivable that it will be able to respond to these challenges.

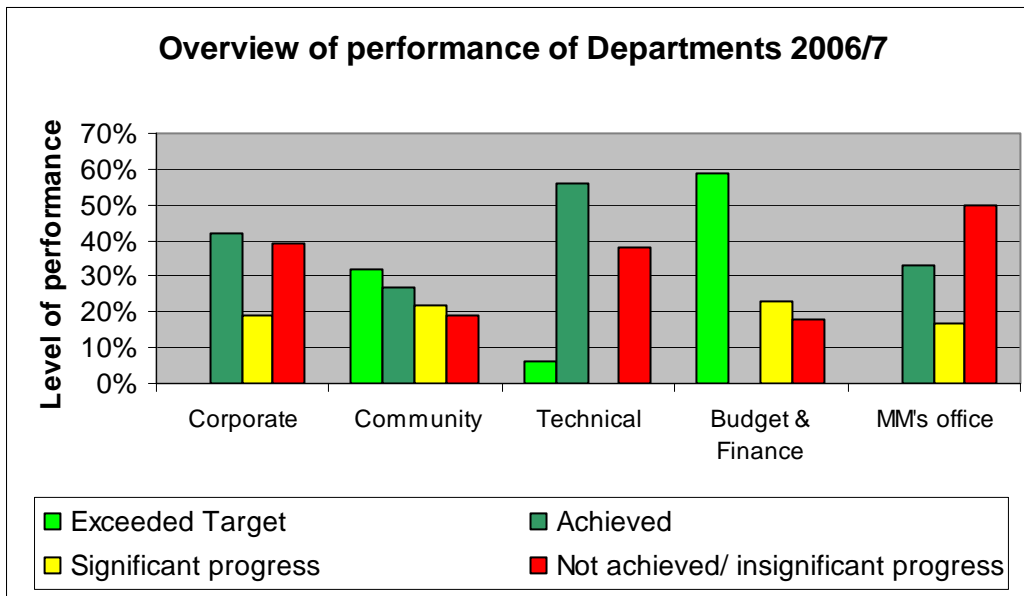
Most worrying is the fact that the main reason provided for this alarming level of poor performance was failure of management to follow up and ensure implementation of planned activities. In other words, once approved by Council as plans for the municipality, management simply ignored the plans it had developed and convinced Council to approve as appropriate and desirable for the municipality.

Overall performance of the municipality in terms its departments

The following diagram shows the levels of performance by the municipality’s departments. The MM’s office analysis is not included in the graph as most of its activities were towards leading, overseeing and supporting departments in implementing their plans and ensuring that IDP objectives for the year were achieved. As mentioned above, the level of performance of the municipality as a whole (as discussed above and also assessed in terms of the departments) reflects the extent to which the MM’s office has performed.

The following diagram shows the levels of performance by departments.

Figure 4 Levels of performance by the municipality as whole and by its clusters 2006/7



The **Corporate Services Department** had planned 51 initiatives. It achieved only 8% of its targets, made significant progress in 24% and did not achieve 69%. This represents a decline in the performance of the Department.

The majority of the plans, 43%, were towards the Municipal Transformation and Institutional Development KPA which is a departure from the previous financial year in which the focus was towards supporting the Infrastructure Development and Service Delivery KPA. In addition, 37% of the initiatives were towards supporting the Infrastructure Development and Service Delivery KPA, 12% towards good governance, 6% towards LED and 2% towards financial viability.

The failure of this department to implement its plans may have contributed to the failure of the municipality overall to implement its plans because this department provides the backbone of organisational support in the municipality.

The **Community Services Department** had 59 planned initiatives. It targeted 76% of these plans towards the Infrastructure Development and Service Delivery KPA and the rest towards LED. It is notable that the Department did not see itself paying a role towards the three inward looking KPAs (Municipal Transformation and Institutional Development, Financial Viability and Good Governance).

The Department exceeded its target in only 3% of its planned activities. It achieved only 17% of its targets, made significant progress in 7% of its targets and did not achieve 73% of its targets. This represents a serious decline in the performance of the Department in the past three years. Given that most of the functions of the municipality are currently supposed to be championed by this Department, the municipality's municipal transformation and institutional development strategies must seek to find a solution to the continuing decline in the performance of this department.

The **Technical Services Department** had set 34 targets for itself. Given the orientation of the Department, 71% of its activities were towards the Infrastructure Development and Service Delivery KPA. This is similar to the previous two financial years where most of the department's plans were towards this KPA.

The Department exceeded its targets in 6% of its planned activities, achieved 9% of its planned activities, made significant progress on 24% and did not achieve 62% of its targets. This represents a serious decline in the performance of the Department in the past three years.

The **Budget and Treasury Office** had set 29 targets for itself, the majority (52%) of which were towards the good governance KPA followed by the Financial Viability KPA (34%).

The Department exceeded its targets in 34% of its planned initiatives, achieved its target in 31%, made significant progress in 10% and did not achieve 24%. This level of performance is comparable to the previous year. It is notable that while the Department did not improve on its achievements compared to the previous financial year, it is the only Department whose performance did not decline.

Considering the fact that the overall performance of the municipality and most of its Departments had seriously declined over the past three years, a conclusion can be drawn that the performance of the **Municipal Manager's Office** in terms of leading, overseeing and supporting departments in implementing their plans and ensuring that IDP objectives for the year were achieved, has seriously declined over the past three years.

Local Economic Development						KPA Weight %	15%	Total 100%				
Functional area	Objective	Strategy	Indicator	Weight %	Baseline	Target			Indicator custodian	Actual for period	Reason for level of performance	Proposed follow-on/ corrective action
						DEC	MAR	JUNE				
Economic growth rate	To achieve an annual growth rate of 6% by 2010/11	To develop and implement an LED strategy that will seek to diversify the economy away from being largely driven by the public sector	Annual economic growth rate		Unknown	Research underway	Established Baseline	Targets approved as part of IDP	Community Services	not done	management failure	retain strategy
Balance of the local economy in terms of sectors (Tourism, Agriculture, Quarry & Mining, Retail Sector, Property and Land, Fisheries)	To increase the relative contribution of the agricultural sector to at least 15% by 2010/11	To work with the Department of Agriculture to develop and implement a plan that will increase the contribution of the agricultural sector in the economy	% contribution of the sector		Unknown	Research underway	Established Baseline	Targets approved as part of IDP	Community Services	not done	management failure	retain strategy
	To increase the relative contribution of the tourism sector to at least 15% by 2010/11	To develop and implement a tourism development plan	% contribution of the sector		Unknown	Research underway	Established Baseline	Targets approved as part of IDP	Community Services	not done	management failure	retain strategy
	To increase the relative contribution of the quarry and mining sector to at least 5% by 2010/11	To improve the regulation of the quarrying, sand mining and shell grid harvesting in order to improve their economic value	% contribution of the sector		Unknown	Research underway	Established Baseline	Targets approved as part of IDP	Community Services	not done	management failure	retain strategy
	To increase the relative contribution of the retail sector to at least 15% by 2010/11	To develop a retail sector strategy	% contribution of the sector		Unknown	Research underway	Established Baseline	Targets approved as part of IDP	Community Services	not done	management failure	retain strategy

	To increase the relative contribution of the property and land sector to at least 5% by 2010/11	To resolve land tenure issues in the coastal belt and Peddie Town to promote tradability of land and properties	% contribution of the sector		Unknown	Research underway	Established Baseline	Targets approved as part of IDP	Community Services	not done	management failure	retain strategy
	To explore the potential of the fisheries industry including abalone and sea weed	To work with DEAET to investigate the potential of licensing opportunities	% contribution of the sector		Unknown	Research underway	Established Baseline	Targets approved as part of IDP	Community Services	not done	management failure	retain strategy
Employment levels	To reduce unemployment to 45% by 2010/11	To promote labour intensive approaches	Level of unemployment		Unknown	Research underway	Established Baseline	Targets approved as part of IDP	Community Services	indicator not measured	management failure	retain strategy
			The number of jobs created through municipality's local economic development initiatives including capital projects		Unknown	Research underway	Established Baseline	Targets approved as part of IDP	Community Services	indicator not measured	management failure	retain strategy
Participation of the youth in the economy	To increase youth participation in the economy	To review, adopt and implement youth development strategy	% of youth earning above R1600 per month		Unknown	Research underway	Established Baseline	Targets approved as part of IDP	Community Services	not done	management failure	retain strategy
Participation of women in the economy	To increase women participation in the economy	To develop a strategy to increase the participation of women in the economy	% of women earning above R1600 per month		Unknown	Research underway	Established Baseline	Targets approved as part of IDP	Community Services	not done	management failure	retain strategy
Participation of the people with disabilities in the economy	To increase the participation of people with disabilities in the economy	To develop a strategy to increase the participation of people with disabilities in the economy	% of people with disabilities earning above R1600 per month		Unknown	Research underway	Established Baseline	Targets approved as part of IDP	Community Services	not done	management failure	retain strategy

Income poverty (income levels)	To ensure that no household earns less than R850 per month by 2010/11	To ensure that all deserving persons in the Municipality access grants	% of household earning less than R850 per month		Unknown	Research underway	Established Baseline	Targets approved as part of IDP	Community Services	indicator not measured	management failure	review strategy
SMME's and Co-operatives	To increase the support provided to local SMMEs	To develop a database of SMME's and a support strategy	Amount of expenditure by the Municipality in SMME support initiatives		Unknown	R25 000	R50 000	R100 000	Community Services	indicator not measured	management failure	retain strategy
	To improve the sustainability of co-operatives	To develop a support strategy for co-operatives	% of co-operatives that have reached break even		Unknown	Research underway	Established Baseline	Targets approved as part of IDP	Community Services	indicator not measured	management failure	retain strategy
Underdeveloped urban areas	To have well planned and viable urban areas	To develop and implement town planning scheme and invest in related infrastructure	Progress towards implementing new zoning schemes in urban areas		Outdated zoning schemes	Service Provider appointed	Draft Zoning Schemes complete	Complete Peddie and Hamburg zoning schemes	Corporate Services	funding just obtained	management failure	review target

Infrastructure Development and Service Delivery					KPA Weight %		15%					
Functional area	Objective	Strategy	Indicator	Weight %	Baseline	Target	Indicator custodian		Actual for period	Reason for level of performance		Proposed follow-on/ corrective action
							DEC	JUNE				
Social development												
Services poverty (access to basic services)	To ensure that all households have access to a package (water, sanitation and electricity) of basic services by 2010/11	To review the WSP in partnership with ADM and integrate it with the WSDP and monitor its implementation	% of households with access to a package of basic services		Unknown	Research underway	Targets approved as part of IDP	Technical Services		not done	management failure	retain strategy

		To develop an electricity infrastructure investment plan and enter into an SLA with Eskom to implement it	IIP and SLA		No IIP and SLA	Inprinciple commitment to IIP and SLA	Complete IIP and SLA			not done	management failure	retain strategy
Access to free basic services by poor households	To ensure that all poor households have access to free basic level of water, sanitation and electricity services by 2010/11	To review the indigent policy in line with the national indigent policy framework and monitor its implementation	% of households with access to free basic services		Unknown	Research underway	Targets approved as part of IDP	Technical Services		not done	management failure	retain strategy
Skills	To understand and improve skills levels	To monitor skills development in the Municipal area in consultation with Dept of Labour	Functional system of monitoring skills development		No system	Principle commitment with DoL	Systems established	Corporate Services		not done	management failure	retain strategy
Education levels	To increase % of population who have completed secondary education to 50% by 2010/11	To organise career guidance initiatives in consultation with Dept of Education	% of population with secondary education		Unknown	Research underway	Targets approved as part of IDP	Community Services		not done	management failure	retain strategy
Literacy	To eradicate illiteracy by 2010/11	To encourage communities to participate in ABET initiatives	% illiteracy		Unknown	Research underway	Targets approved as part of IDP	Community Services		not done	management failure	retain strategy
Crime	To reduce crime levels by half by 2010/11	To monitor crime statistics and work closely with SAPS	% annual reduction in crime levels		Unknown	Research underway	Targets approved as part of IDP	Community Services		not done	management failure	retain strategy
Sports and recreation	To improve levels of involvement in sporting activities	To forge closer working relations with sporting bodies and support sport activities	Levels of participation in sport activities		Unknown	Research underway	Targets approved as part of IDP	Community Services		indicated or not measured	management failure	retain strategy
Moral values	To improve moral values especially amongst the youth	To forge closer working relations with church bodies and NGO's and other relevant institutions and organise moral regeneration events	Participation of youth in moral regeneration activities / programmes		Unknown	Research underway	Targets approved as part of IDP	Community Services		not done	management failure	retain strategy

Vulnerability to disaster	To reduce the levels of vulnerability to disaster	To conduct on-going awareness campaigns and ensure that development activities take into account disaster vulnerability issues	% schools in which awareness programmes have been conducted		Unknown	Research underway	Targets approved as part of IDP	Community Services	75% of wards reached	dedicated capacity	retain strategy
Land tenure and settlements development	To improve land tenure systems and have better planned settlement development by 2010/11	To accelerate implementation of planning survey of rural settlements	Number of settlements planned & surveyed		18	Appoint Service Provider	22	Corporate Services	18	support from DPLG	retain strategy
Heritage and cultural development	To support communities in maintaining their heritage and practising their culture	To organise cultural activities in conjunction with Dept of Sport, Recreation, Arts and Culture	Level of support provided by the Municipality		Unknown	Research underway	Targets approved as part of IDP	Community Services	not done	management failure	retain strategy
Citizen health											
Life expectancy	To improve life expectancy trends	To better monitor trends in life expectancy & encourage healthy living behaviours	Life expectancy		Unknown	Research underway	Targets approved as part of IDP	Community Services	not done	management failure	retain strategy
Child mortality	To improve child mortality trends	To better monitor child mortality and encourage behaviours that improve child mortality	Child mortality rate		Unknown	Research underway	Targets approved as part of IDP	Community Services	not done	management failure	retain strategy
HIV/AIDS prevalence	To reduce HIV/Aids infection rate	To intensify the spread of ABC message through the implementation of the HIV/Aids strategy	HIV infection rate		Unknown	Research underway	Targets approved as part of IDP	Community Services	indical or not measured	management failure	retain strategy
		To mainstream the HIV/Aids into service delivery plans and programmes	% of programmes designed to integrate HIV/Aids		Unknown	Research underway	Targets approved as part of IDP	Community Services	not done	management failure	retain strategy
TB recovery rate	To improve the recovery rate	To support Dot programmes through Ward committees and CDW's	TB recovery rate		Unknown	Research underway	Targets approved as part of IDP	Community Services	indical or not measured	management failure	retain strategy

Communicable diseases	To monitor and reduce the spread of communicable diseases	To work closely with Dept of Health and ADM to monitor and reduce the spread of communicable diseases	Rate of spread of communicable diseases		Unknown	Research underway	Targets approved as part of IDP	Community Services		not done	management failure	retain strategy
Control of animal diseases	To monitor and reduce the spread of animal diseases	To work closely with Dept of Agriculture to monitor and reduce the spread of communicable diseases	Rate of spread of animal diseases		Unknown	Research underway	Targets approved as part of IDP	Community Services		not done	management failure	retain strategy
State of the environment												
Coastal Zone Management Issues (including beaches)	To manage the Coastal Zone in terms of the coastal zone management programme	To work closely with ADM in implementing the coastal zone management programme	Progress in implementation of coastal zone management programme		Unknown	Research underway	Targets approved as part of IDP	Community Services		not done	management failure	retain strategy
Bio-Diversity protection	To promote the protection of bio-diversity	To identify and proclaim conservation areas	% of area recommended by SEA that is actually being declared as protected areas		Unknown	Research underway	Targets approved as part of IDP	Community services		not done	management failure	retain strategy
		To ensure that developments in the municipal area are in conformity with environmental management legislation	% of developments that comply		Unknown	Research underway	Targets approved as part of IDP	Corporate Services		there are adhoc enforcements but no systematic approach	management failure	retain strategy and develop precise developmental activities

Pollution	To reduce the level of pollution especially littering in urban areas	To develop and enforce anti-littering by-laws	Consumer perception of cleanliness in urban areas measured through a consumer survey		Unknown	Survey TOR developed	Targets approved as part of IDP	Corporate Services		not done	management failure	retain strategy
Soil erosion	To reduce the rate of soil erosion	To work with Dept of Agriculture to implement land care programmes	Number of projects aimed at reducing soil erosion		None	Commitment obtained from DoA	1 major project complete	Community services		not done	management failure	retain strategy
Integration in service delivery	To ensure inter-governmental integration of service delivery	To integrate municipal service delivery plans with district, provincial, national plans	Number of incidents in which inter-governmental service delivery initiatives undermine each other or are in conflict		Unknown	Revive IGR Structure	Targets approved as part of IDP	Office of MM		not done	management failure	retain strategy
	To ensure integration of service delivery within the Municipality	To monitor project implementation and service delivery through the IDP structures.	Number of incidents in which municipal service delivery initiatives undermine each other or are in conflict		Unknown	Research underway	Targets approved as part of IDP	Office of MM		not done	management failure	retain strategy
		To establish an inter-departmental project management team	PMT meeting regularly			None	met once	3rd meeting held	Office of MM		not done	management failure

Water supply	To provide adequate portable water to all by 2008/09	To monitor and report the implementation of the water sector plan	% of households that have access to portable water.		Unknown	Research underway	Targets approved as part of IDP	Technical		not done	management failure	retain strategy
		To lobby ADM to review the service level policy and design standard to accommodate mixed service level standards	Policy reviewed by ADM		Unreviewed policy	Commitment obtained from ADM	reviewed policy adopted	Technical Services		not done	management failure	retain strategy
Sanitation services	To provide adequate sanitation to all by 2010	To monitor and report the implementation of the water sector plan	% of households that have access to adequate sanitation		Unknown	Research underway	Targets approved as part of IDP	Technical		not done	management failure	retain strategy
Electricity services	To provide electricity to all by 2010/11	To set targets in the SLA concluded with Eskom	% of households that have access to electricity		Unknown	Research underway	Targets approved as part of IDP	Technical		not done	management failure	retain strategy
Fire services	To provide effective fire services	To review service delivery mechanism to ensure sustainability	Response time		Unknown	Research underway	Targets approved as part of IDP	Community Services		not done	management failure	retain strategy
Solid waste removal services	To provide a weekly refuse removal service to all urban and coastal belt households and twice a week for designated business institutions by 2010/11	To review service delivery mechanism to ensure sustainability	Commissions a detailed review of the current service delivery mechanism		None	ToR complete	Review complete	Technical Services		there is weekly refuse collection in the urban areas but the issue of sustainability is still questi	management failure	retain strategy

										onable		
Roads	To construct and / maintain all access roads linking communities to development nodes by 2010/11	To develop & implement road construction & maintenance plan	progress towards approval of plan		Incomplete maintenance plan	Situational analysis complete	Plan approved	Technical		not done	management failure	retain strategy
Environmental health	To ensure provision of adequate environmental health services by 2010/11	To monitor and report to ADM on performance of municipal health services in the Municipal area	Ratio of EHP's to population		Unknown	Research underway	Targets approved as part of IDP	Community Services		not done	management failure	retain strategy
Disaster Response and Mitigation Services	To ensure that repairs and rehabilitation starts on average within three months after damage occurred by 2010/11	To improve response in consultation with ADM	% of incidents in which repairs and rehabilitation starts in three months		Unknown	Research underway	Targets approved as part of IDP	Community Services		not done	management failure	retain strategy
Emergency services (ambulance)	To ensure that ambulances arrive at the scene timeously after a call has been made	To work with Dept of Health to monitor and develop interventions to improve the ambulance response time	Average response time		Unknown	Research underway	Targets approved as part of IDP	Community Services		not done	management failure	retain strategy
Education	To improve the Municipality's understanding of the education sector in the Municipal area	To raise the non-cooperation of the local education officials through the IGF and facilitate the establishment of the education forum	Quality of analysis of education sector needs and performance in the IDP		Weak analysis	Research underway	Improved analysis	Community Services		not done	management failure	retain strategy

		To monitor quality of service and to have active representation in the hospital board	% of meetings in which the Municipality was represented		Unknown	Research underway	Targets approved as part of IDP	Community Services				
Health	To ensure that patients get treatment within three hours after registration in public health facilities		Waiting time at health facilities		Unknown	Research underway	Establish baseline and set targets	Community Services		have representation in the Hospital Board	management failure	retain strategy
	To have clinics with adequate medication and after hours emergency services and regular visits by mobile clinics	To monitor quality of service and to ensure that ward committees are actively represented in clinic committee activities	Availability of medicine as reported by health facilities		Unknown	Research underway	Establish baseline and set targets	Community Services		not done	management failure	retain strategy
% of health facilities that provides after hours emergency services				Unknown	Research underway	Establish baseline and set targets	Community Services		not done	management failure	retain strategy	
% of identified areas that are visited by mobile clinics at least once a month				Unknown	Research underway	Establish baseline and set targets	Community Services		not done	management failure	retain strategy	
Policing	To ensure that police arrive at the incident scene at least within 30 minutes after a report has been lodged.	To work with SAPS to monitor and develop interventions to improve the policing services	% of incidents in which police arrive in the scene within 1 hour.		Unknown	Research underway	Establish baseline and set targets	Community Services		not done	management failure	retain strategy
	To improve police service quality	To work with SAPS to monitor and develop interventions to improve service quality	Rating through a consumer survey		Unknown	Survey TOR developed	Targets approved as part of IDP	Community Services		not done	management failure	retain strategy

Housing	To have structured and co-ordinated housing developments in the municipal area	To develop a housing sector plan and use it as a basis to access rural housing subsidy	Progress in implementation of Housing Sector Plan		Situational Analysis complete	Drating in progress	Funding secured for developing housing sector plan	Corporate Services	fundin g secured and sector plan being developed	support from DPLG	retain strategy
Pollution management	To enforce anti-pollution by-laws prioritising littering	To develop capacity to enforce by-laws	Number of sucessfully prosecuted cases		0		25	Corporate Services	not done	managem ent failure	retain strategy
Noise pollution	To enforce anti-noise pollution by-laws	To develop capacity to enforce by-law	Number of successfully prosecuted cases		0		20	Corporate Services	not done	managem ent failure	retain strategy
Public transport	To improve efficiency of public transport in the municipal area	To develop and implement public transport plan	Average travel time		Unknown	Research underway	Establis h baselin e and set targets	Technical Services	not done	managem ent failure	retain strategy
Building control	To ensure that all building developments comply with the national building regulations by 2010/11	To educate communities about national building regulations	% of developments that comply with all Building Regulations		Unknown	Research underway	Establis h baselin e and set targets	Technical Services	not done	managem ent failure	retain strategy
		To enforce national building regulations	Number of notics of intraventions issued		Unknown	Research underway	Establis h baselin e and set targets		not done	managem ent failure	retain strategy
Parks and recreation	To have functional parks in the urban areas	To maintain Ngqushwa gardens and Hamburg parks	Rating through a consumer survey		Unknown	Survey TOR developed	Targets approve d as part of IDP	Community Services			
	to have a functional public swimming pool in Peddie	Relocate the swimming pool to a suitable area	progress towards the establishment		None	identify land	source funding	Community services	not done	managem ent failure	retain strategy

Sporting facilities	to have a functional Multi purpose centre	complete construction	progress towards completion		roofing and finishings outstanding	Roof complete	centre in use	Technical Services		not done	multi-purpose incomplete	retain strategy
Cemeteries, funeral parlours, crematoria	To ensure that all settlements have access to proper burial areas by 2010/11	To link identification of burial areas with planning and surveys	Number of villages with proper burial areas		Unknown	Research underway	Establish baseline and set targets	Corporate Services		not done	management failure	retain strategy
	To ensure that cemeteries in the urban areas are fenced, maintained, grave sites paid for and records kept	To review tariffs and establish administrative systems for record keeping and make communities aware of burial practices in the urban areas	Cemeteries fenced, maintained, gravesites paid and records kept		Graveyards fenced but no records kept	Decide on package of service and related pricing	Database of grave site records developed	Technical Services		not done	management failure	retain strategy
Beaches	To maintain clean and safe beaches with adequate ablution facilities and obtain a blue flag status for all the beaches by 2010/11	To assign responsibility for maintenance of beaches within the administration	Number of beaches that have obtained blue flag status		None		1	Community Services		not done	management failure	retain strategy
Local tourism	To ensure functionality of the LTO	To ensure that the LTO has a programme and the required infrastructure and monitor its performance	Key milestones towards a fully functional LTO		Adhoc functioning LTO	buy-in from LTO on need for sustainability review	Sustainable LTO with a programme	Community Services		not done	management failure	retain strategy
Pontoons, ferries, jetties and harbours	To formalise provision and regulate pontoons, ferries, jetties	To plan and assign administrative capacity to provide service	% of pontoons, ferries, jetties that have proper licences and permits		0%	buy -in from DEAT to development of a plan for public use of coastal zone	Plan finalised	Community Services		not done	management failure	retain strategy
Stormwater management	To provide adequate stormwater management	To include stormwater management in the roads maintenance plan	Number of incidents of flooded roads related to poor stormwater management		No plan	Situational analysis complete	Plan approved	Technical		not done	management failure	retain strategy

Trading regulation	To regulate and monitor trading	To formulate and enforce trading by-laws	Number of successfully prosecuted cases		Draft by-laws approved by council	Follow-up with Legislature	Implement by-laws	Corporate Services		not done	management failure	retain strategy
Bill boards and display advertisements	To regulate the erection of bill boards and display adverts	To enforce bill boards and display by-law and review tariffs	Number of successfully prosecuted cases		Draft by-laws approved by council	Submit for gazetting	Implement by-laws	Corporate Services		not done	management failure	retain strategy
Cleansing	To clean streets in the coastal belt weekly and urban areas daily	To allocate adequate resources	Rating through a consumer survey		Unknown	Survey TOR developed	Targets approved as part of IDP	Technical services		streets cleaned daily in the urban areas	resources constraints	review target
Control of public nuisance	To minimise public nuisance activities	To enforce by-law	Number of successfully prosecuted cases		Draft by-laws approved by council	Follow-up with Legislature	Implement by-laws	Technical services		not done	management failure	retain strategy
Child care facilities	To ensure that the Dept of Education provides qualified staff and that the municipality provides the required equipment	Ensure that all Child Care facilities are registered with DoE	% child care facilities registered		Unknown	Research underway	Establish baseline and set targets	Community services		not done	management failure	retain strategy
Control of undertakings that sell liquor to the public	To regulate and monitor the undertakings that sell liquor to the public	To formulate by-laws and develop capacity to enforce them	Progress towards effective regulation of undertakings that sell liquor to the public.		Draft by-laws approved by council	Follow-up with Legislature	Implement by-laws	Community Services		not done	management failure	retain strategy
Facilities for accommodation, care and burial of animals	To provide appropriate accommodation, care and burial of animals	To develop a plan to ensure provision of services	Availability of service for accommodation, care and burial of animal		Pound in existence and SPCA provides the service	Maintain service as is	Maintain service as is	Community Services		not done	management failure	retain strategy
Fencing and fences	To ensure that N2, R72, Tar road from Fish river to N2 and R345 are fenced	To liaise with the Province, SANRA and District	Progress in fencing of identified roads		R72 and R345 complete, Lewis (N2) to Fish river (R72) and N2 underway	50%	fencing of identified roads complete	Technical Services		R345 and R72 completed N2 underway	support from SANRAL and DoRT	retain strategy

	To establish community based mechanisms of securing fences	To delegate responsibilities to ward committees	Rate of fence theft and vandalism		Unknown	Research underway	Establish baseline and set targets	Technical Services		not done	management failure	retain strategy
	To undertake awareness campaigns in affected areas to reduce incidents of vandalism	To assign responsibilities within the administration	Reduced rate of vandalism incidents		Unknown	Research underway	Establish baseline and set targets	Technical Services		not done	management failure	retain strategy
Markets	To establish and maintain a market place	Undertake a feasibility study and develop a market	Established market place		None	Develop proposal for funding of feasibility study	feasibility study underway	Community services		not done	management failure	retain strategy
Municipal abattoirs	To investigate a need for an abattoir and establish as well as maintain if necessary	Undertake a feasibility study and develop an abattoir if necessary	Progress towards completion of investigations		None	Develop proposal for funding of feasibility study	feasibility study underway	Community Services		not done	management failure	retain strategy
Pounds	Impound animals that are kept in contravention of by-laws	To assign responsibility within the administration	Progress towards implementation of by-laws		Draft by-laws approved by council	Follow-up with Legislature	Implement by-laws	Corporate Services		not done	management failure	retain strategy
	To refurbish the municipal pound and provide the required infrastructure e.g. truck	To relocate the pound	Progress towards completion of relocation of pound and provision of infrastructure		None	New pound site identified	Funding secured	Technical Services		not done	management failure	retain strategy
Public places	To maintain public places including adequate ablution facilities	Continue to care for the facilities and make arrangements for care during public holidays and weekends	Rating through a consumer survey		Unknown	Survey TOR developed	Targets approved as part of IDP	Technical Services/Budget and Treasury		not done	management failure	retain strategy
Street trading	To regulate street trading	To clarify licensing with ADM.	Number of successfully prosecuted cases		Draft by-laws approved by council	Follow-up with Legislature	Implement by-laws	Community Services		not done	management failure	retain strategy

		Designate appropriate areas for hawkers	Progress towards designating proper trading areas for hawkers		None	Site identified	Secure funding	Corporate Services		not done	management failure	retain strategy
		To enforce by-laws			Draft by-laws approved by council	Follow-up with Legislature	Implement by-laws			not done	management failure	retain strategy
Street lighting	To provide adequate street lighting in the urban areas	To identify areas with inadequate street lighting in the urban areas and provide and maintain infrastructure	% of streets that have proper lighting		Unknown	Research underway	Establish baseline and set targets	Technical Services		not done	management failure	retain strategy
		To ensure that the costs of street lighting are adequately covered in the rates income	% of costs to income		No rates policy	Discussion document towards rates policy	Policy adopted	BTO		not done	management failure	retain strategy
Traffic and parking	To provide more parking spaces and raise income from public parking spaces	To devise mechanism for ensuring payments for parking and assign responsibilities for managing parking	Progress towards functional public parking payment system		None	Investigating proper mechanisms	Implementing preferred mechanism	Community Services		not done	management failure	retain strategy
Municipal planning	To improve the standard of IDP and ensure alignment with other spheres of government	Allocate adequate resources, Strengthen IGR and feedback from ADM	Feed back from the DPLG &TA and ADM on alignment & quality of IDP		Incredible IDP	Comprehensive situational analysis complete	IDP considered to be of good quality and aligned with plans of other spheres of government	Community Services		not done	management failure	retain strategy

Municipal Transformation and Institutional Development											
Functional area	Objective	Strategy	Indicator	Weight	Baseline	Target	Actual for	Reason for	Proposed		

				%		period		level of performance	follow-on/ corrective action			
						DEC	JUNE					
Organisational design	To have an organogram that responds to all powers and functions of the municipality	To redesign the organogram	Reviewed/ updated organisational structure approved i.t.o council policy		Outdated organogram	Comprehensive situational analysis	Approved organogram and set subsequent targets	Corporate Services		not done	management failure	retain strategy
	To have a coherent institutional approach that is informed by the available resources	To develop a macro institutional strategy as part of the IDP Review processes	Macro institutional strategy adopted		None	Comprehensive situational analysis	Approved as part of IDP	Corporate Services		not done	management failure	retain strategy
Representativity	To improve participation of target groups in the activities of the Municipality	To review the Employment Equity Plan	% of positions in the first three highest levels of management that are occupied by people from target group i to employment equity plan		Employment Equity Plan	Establish SD&EEC	Approved EEP	Corporate Services		not done	management failure	retain strategy

Information management	To improve information flow between Councillors, council structures and Administration	Develop and implement protocol policies that will govern flow of information within the Municipality	Perceptions based on an internal organisational survey		Unknown	Survey TOR developed	Targets approved as part of IDP	Corporate Services		not done	management failure	retain strategy
Information management	To develop the communication strategy	To allocate adequate resources	Progress towards adoption of Reviewed strategy		Strategy need to be reviewed	Job offer made to Communication Officer	Reviewed strategy adopted and targets for implementation set	Community Services		not done	management failure	retain strategy
	To deepen the municipality's understanding of its operational context and challenges	Undertake detailed analysis as part of IDP	% of unknown measurements in the strategic scorecard		60%	Comprehensive situational analysis	90% of baselines known	Community Services		not done	management failure	retain strategy
Skills development	To improve management and spread of skills development	To design and implement a plan of developing skills of Councillors	Proportion of municipal councillors that have attended training		Unknown	Draft Training Plan complete	Implementation started	Corporate Services		not done	management failure	retain strategy
		To design and implement a plan of developing skills of non-management staff	Proportion of non-management staff that have attended training		Unknown	Draft Training Plan complete	Implementation started	Corporate Services		plans complete	management failure	retain strategy
		To monitor the impact of skills development on staff performance	Regular reporting by HOD's		Unknown	Establish SD&EEC	Annual reports submitted	Corporate Services		plans complete	management failure	retain strategy

		Have interns constituting 2% of the total staff	%of interns to total staff		2%	2%	2%	Corporate Services		2%	management failure	review target
		To use projects as training opportunities	No. of people trained in municipal projects		Unknown	Research underway	Establish baseline and set targets	Technical Services		not done	management failure	retain strategy
Procurement	To ensure that the SCM is responsive to national and local aspirations	To review the SCM policy in line with CIDB and have adequate capacity to monitor its implementation	Progress towards adoption of reviewed SCM policy		SCM Policy in place	Issues identification process started	Reviewed policy adopted and performance target set	BTO		not done	management failure	retain strategy
Working environment	To improve Municipal working environment, discipline and teamwork	To develop a team building programme	Morale as measured in an internal survey		Morale is low	ToR complete	Morale improving	Corporate Services		not done	management failure	retain strategy
		To effectively implement disciplinary procedures in line with the bargaining council agreement	% of Disciplinary procedures completed within 90 days		0%	0%	50%	Corporate Services		not done	management failure	retain strategy
EAP and HIV/Aids in the municipality	To improve staff and councillors wellness	Implement wellness programmes	Decrease in absenteeism		High	Produce quarterly trends analysis	Produce quarterly trends analysis	Corporate Services		not done	management failure	review strategy
IT systems and support	To have adequate IT support	To create an integrated IT system	Level of satisfaction based on internal survey		Unknown understood to be low	Survey TOR developed	High	Corporate Services		IT system has improved but there are still concerns	Support from ADM	retain strategy

		Review IT support	Progress towards deciding on appropriate support		External service provider support	Assessment of current support	Decided on appropriate IT support mechanisms			service provider appointed but there are still concerns with level of performance	management failure	review strategy
Document Management	To improve document management	To monitor functionality of document management system	Level of satisfaction based on internal survey		Unknown understood to be low	Survey TOR developed	Good	Corporate Services		not done	management failure	retain strategy
		To improve capacity in the registry office	Level of satisfaction based on internal survey		Unknown understood to be low	Survey TOR developed	Good	Corporate Services		not done	management failure	review strategy
Assignment or delegation of roads function to Ngqushwa	Ngqushwa to take responsibility of local roads	To sign interim service level agreement with ADM	Key milestones towards roads function legally and effectively performed by the municipality		Function performed by the municipality without assignment	Agree with ADM that roads function assigned to ADM be delegated to Ngqushwa	Function officially delegated to the municipality	Technical Services		not done	management failure	retain strategy
Transfer of land and properties to Council	To transfer all Dept of Public Works properties and land that was "donated" to the Municipality	To approach the Premiers Office to assist in the transfer of properties	Land transferred		None in relation to land transfer	Meeting held with Premiers office	All properties transferred if so agreed	Corporate Services		not done	management failure	retain strategy
Asset Management	To have effective asset management	To develop and implement asset management policy	Key milestones towards effective asset management		None	Policy framework developed	Policy adopted by the council	BTO		not done	management failure	retain strategy

Risk Management	To have effective risk management	To develop and implement risk management policy	Key milestones towards effective risk management plan		None	Policy framework developed	Policy adopted by the council	BTO		not done	management failure	retain strategy	
Inter-national and other national relationships	To establish relations with strategic partners internationally and nationally to the benefit of the Municipality	Develop and implement strategy/policy to manage strategic partnership and relations	Progress towards establishment of partnership		None	Policy framework developed	Policy/S strategy adopted by council	Municipal Manager's Office		not done	management failure	retain strategy	
Financial viability													
Functional area	Objective	Strategy	Indicator	Weight %	Baseline	Target	Actual for period		Reason for level of performance	Proposed follow-on/ corrective action			
							DEC	JUNE					
Local income	To increase local income to at least 50% of the total operating income by 2010/11	To conduct general municipal valuation in terms of the property rates act	Local income as a % of the total operating income		4%	10%	30%	BTO			4%	indigent consumers	review targets
		Review credit control policy	Progress towards completion of review		Outdated Credid Control policy	Issues identification process started	New Credit Control Policy approved	BTO					retain strategy
		To identify opportunities to diversify the revenue base	Progress towards identification		None	Research underway	Policy on new revenue raising options approved	BTO					retain strategy
Personnel expenditure	To maintain personnel expenditure within 35% of the operating expenditure	To monitor trends in personnel expenditure	Personnel expenditure as a % of the total operating expenditure		68%	55%	55%	BTO		not done	management failure	retain strategy	

General expenditure	To maintain general expenditure within 20% of the operating expenditure	To monitor trends in general expenditure	General expenditure as a % of the total operating expenditure		27%	42%	42%	BTO		not done	management failure	retain strategy
Repairs and maintenance expenditure	To maintain repairs and maintenance expenditure at about 15% of the operating expenditure	To monitor trends in repairs and maintenance expenditure	Repairs and maintenance as a % of the total operating expenditure		2%	3%	3%	BTO		not done	management failure	retain strategy
Budget integrity	To ensure that income and expenditure are as per the budget	To assess the impact of automating expenditure approvals	% O&M expenditure variance		10%	10%	5%	BTO		not met targets in terms of variance	impact of the strategy	review strategy
		To monitor and keep records of unprocedural expenditure	% of unprocedural expenditure		22%	10%	5%	BTO		not met targets in terms of variance	impact of the strategy	review strategy
			% of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan		Unknown	100%	100%	BTO		expenditure at 76%	delays in project implementation	develop strategy
Debt coverage	To ensure an acceptable debt coverage ratio		Debt coverage ratio[1]	-	Unknown	Research underway	Establish baseline	BTO		not done	management failure	retain strategy

							e and set targets					
Service debtors to revenue ratio	To ensure an acceptable outstanding service debtors to revenue ratio		Outstanding service debtors to revenue ratio [2]	-	Unknown	Research underway	Establish baseline and set targets	BTO		not done	management failure	retain strategy
Cost coverage	To ensure an acceptable cost coverage ratio		Cost coverage ratio [3]	-	Unknown	Research underway	Establish baseline and set targets	BTO		not done	management failure	retain strategy

Good Governance												
Functional area	Objective	Strategy	Indicator	Weight %	Baseline	Target	Actual for period		Reason for level of performance	Proposed follow-on/ corrective action		
							DEC	JUNE				
By-laws	To ensure proper administration of by-laws	To translate by-laws into Xhosa	No. of successful prosecutions		None	Obtain quotations	Translation commences	Corporate Services		done (draft by-laws were translated into Xhosa)	support from ADM	review strategy
		To build capacity to enforce by-laws	Progress towards enforcement of by-laws		By-laws submitted for gazetting	Seek legal opinion on enforcement before gazetting	Implementation started	Corporate Services		not done but peace officers trained	management failure	retain strategy
Policies	To improve knowledge of operational policies	To conduct training sessions	% of staff trained in all operational policies		All staff trained in 2 policies	Training programme complete	100% staff trained on all operational policies	Corporate Services		not done	management failure	retain strategy

Inter-governmental relations	To have an effective inter-governmental relations	To have adequate administrative capacity to drive IGR process and link it to the IDP processes	% of IGR meeting in which all stakeholders are represented by appropriate delegates		None	obtain supporting letter from Premier's office	50%	Office of the Municipal Manager		not done	management failure	retain strategy
Councillor-administration Interface	To improve the understanding of practicalities of implementing the collective executive system of local government	To establish and implement protocols in line with the collective executive system of local government	Key milestones towards implementing a collective executive system		Municipality promulgated as EXCO type municipality		All councillors and staff workshop on practices of EXCO type municipality	Corporate Services		not done	management failure	retain strategy
Auditor General's Report	To obtain a positive unqualified auditor general's report	To comply with auditor general checklist	AG's Audit report		Disclaimer	Responsibilities allocated to departments	Fully compliant with checklist	BTO		significant level of compliance	BTO made contribution	all departments must contribute
		To develop a response action plan based on Audit and AG's Management letter	Progress towards effective response to AG's comments		Awaiting final AG's comments	Development of response Action Plan started	Action Plan implementation started	BTO				