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# CHAPTER 1

## MAYOR'S FOREWORD



**Cllr. Makhaya Mana**

“The ingredients for faster progress on all spheres of our work are in place. Of primary importance is our collective recognition that no-one can do for us what we should do for ourselves. What guides our approach is that each one of us should lend a hand in doing the simple things that will make a difference to the lives of everyone, especially the poor. (Adapted from President Thabo Mbeki’s State of the Nation Address, 8<sup>th</sup> February 2002).

South Africa is in the hands of Local Government and it will be what it does that will determine the way forward.

The White Paper on Local Government, 1998, states that Local Government is the best place to implement development. Local Government must play a central role in representing its communities, protecting its human rights and meeting its basic needs. It must focus its efforts and resources on the quality of life of all its communities, especially those members and groups that are most often marginalized or excluded.

The ‘White Paper on Local Government’ outlines three inter-related approaches to assist Municipalities to become more developmental:-

1. Integrated Development Planning and Budgeting
2. Performance Management
3. Working with local citizens and partners

The Constitution further requires Municipalities to structure and manage their administration, budgeting and planning processes to prioritise the basic needs of the communities. As stated in the WSSD, it is important to emphasise the four interconnected principles that are the mandate of a sustainable Municipality, namely:-

1. To maximise social development and economic growth
2. To implement effective democratic decentralisation
3. Good governance
4. Co-operation and solidarity

The law also requires all Municipalities to review its Integrated Development Plan (IDP) on an annual basis, so as to reflect on the extent to which the Municipality has been able to fulfill its development mandate. In terms of this requirement, an assessment and evaluation has been conducted on all four IDP Clusters, i.e. Infrastructure, Social Needs, Local Economic and Environmental Development and Institutional and Finance.

It is a great pleasure for me to announce that our achievements with regard to the aforementioned are as a result of a good working relationship between everyone in the Council and the Community.

HONORABLE MAYOR  
COUNCILLOR MANA

# OVERVIEW: NXUBA MUNICIPALITY

## INTRODUCTION

Nxuba Municipality includes the areas and functions of the former Adelaide and Bedford Transitional Local Councils, as well as certain rural area of the former Transitional Representative Councils. Both the administrative and legislative seats of Nxuba Municipality are situated in Adelaide.

## MUNICIPAL COUNCIL

Cllr. M. Mhana	-	Mayor / Speaker
Cllr. C. Auld	-	Chairperson: Finance and Estates
Cllr. S. Maseti	-	Deputy Chairperson: Finance and Estates
Cllr. N. Mahleza	-	Chairperson: Community Affairs and Health
Cllr. G. De Lange	-	Deputy Chairperson: Community Affairs and Health
Cllr. F. Ngqwebo	-	Chairperson: Public Works and Trading Services
Cllr. E. Gqezengele	-	Deputy Chairperson: Public Works and Trading Services
Cllr. X. Makhenyane	-	Councillor

## ROLES AND RESPONSIBILITIES CARRIED OUT BY STANDING COMMITTEES

### COMMUNITY AFFAIRS AND HEALTH COMMITTEE

Chairperson	:	Councillor N. Mahleza
Deputy Chairperson	:	Councillor G. De Lange
Members	:	Councillor C. Auld Councillor E. Gqezengele Councillor X. Makhenyane Councillor S. Maseti Mayor M. Mhana Councillor F. Ngqwebo
	:	

### PUBLIC WORKS AND TRADING SERVICES COMMITTEE

Chairperson	:	Councillor F. Ngqwebo
Deputy Chairperson	:	Councillor E. Gqezengele
Members	:	Councillor N. Mahleza Councillor G. De Lange Councillor C. Auld Councillor X. Makhenyane Councillor S. Maseti Mayor M. Mhana

## FINANCE AND ESTATES COMMITTEE

Chairperson : Councillor C. Auld  
Deputy Chairperson : Councillor S. Maseti

Members  
Councillor N. Mahleza  
Councillor G. De Lange  
Councillor E. Gqezengele  
Councillor X. Makhenyane  
Mayor M. Mhana  
Councillor F. Ngqwebo

## STANDING COMMITTEES

The Standing Committees are responsible to:

- Appoint a Chairman and a Deputy Chairman for a Committee,
- Delegate either absolutely or conditionally to a Committee any of its powers, duties or functions under this or any other Ordinance, other than those which are required to be exercised or performed by Special Resolution:
- Amend or withdraw any such delegation, provided that any amendment or withdrawal of any such delegation shall not invalidate anything done in pursuance of a decision lawfully taken by such Committee,
- Discharge any or all of the members of a Committee, or
- Discontinue any Committee

## WARD COMMITTEES

Four Ward Committees have been established in the Nxuba area – Three Urban Ward Committees and One Rural Ward Committee.

The Ward Committees are represented and chaired by the following Ward Councillors

### 1. WARD 1: RURAL AREA – Cllr S. Maseti

This Rural Ward comprises two commercial farm areas and two informal settlements. Each farm is represented as follows:

1. Kroomie - Mr. E. Nomkala
2. Tambo - Mr. A. Slatsha

These are the Ward Committee Members from Ward 1 under Councillor Maseti.

Zandisile Joseph Sono  
Lonwabo Makaka  
Nomatemba Colia Noganta  
Mzwandile Phillip Mayaya  
Izak Stefanus Klieynb  
Andile Gqalisisa  
Jean Lombard  
Eanerst Lombard  
Ntombise Mirriam Magubi

Informal settlements:

1. Adelaide Town - Mrs. J. Lombard
2. New Lingelethu - Mrs. N. C. Noganda

2. WARD 2: URBAN AREA - Cllr G. De Lange

This Ward covers the following areas:

- Bezuidenhouville - Mr. B. Moyo  
Old Lingelethu - Mr. B. Moyo

These are the Ward Committee Members from Ward 2 under Councillor G. De Lange

Linda Patrick Mangali  
Mncendisi Mahomba  
Lesley Somi Solo  
Jongisizwe Tshingana  
Bantu Odwa Moyo  
Thembisile Toni  
Bongelwa Botha  
Zukisani August  
Phumeza Matutu

3. WARD 3: URBAN AREA – Cllr N. Mahleza

Goodwin Park, New Bright, Bedford Town, Lower Pholar Park and Bongweni

These are the Ward Committee Members from Ward 3 under Councillor N. Mahleza

Zola Maxwell Maha  
Monday Mbuzeli Katywa  
Nomalizo Gertrude Qengwa  
Nomathamsanqa Ntabeni  
Phumla Irene Tshangana  
Sizwe Ndzube  
Eric Moyakhe Labi  
Pasika Jack

4. WARD 4: URBAN AREA AND RURAL – Cllr S. Gqezengele

Ndlovini, Khayelitsha, Nonzawakzi, Upper Pholar Park and Bedford District

1. Mankazana - Ms B Mboyiya
2. Post Retief - Mr B Tyingwa
3. Tele Tele - Ms N Ngcungcwana
4. Winterberg - Mr T Tukani
5. Cowie Bush - Ms. T. Mgoqi
6. Elden - Mr. Adonis
7. Fair Hold - Mr. L. Mtwebana
8. Malanskraal - Ms. Nontshinga

These are the Ward Committee Members from Ward 4 under Councillor S. Gqezengele

Nomvula Slinger  
Nompumelelo Ngetu  
Thozamile Qhalo  
Vuyokazi Slatsha  
Zukiswa Mncono  
Nodyebo Gqebe  
Nomvuyiseko Bonga  
Lindikhaya Bhetya

## **FREQUENCY OF STANDING COMMITTEE MEETINGS AND ORDINARY COUNCIL MEETINGS**

Standing Committee and Ordinary Council Meetings are held once a month respectively.

## **ATTENDANCE OF MEETINGS**

All Councillors devote much of their time to matters related to their respective portfolios and representation on public bodies.

It is very unfortunate to observe that Ward Committee Meetings were not held regularly, since few reports were received from the relevant Ward Committees. Ward Committees were established to improve communication between the Council and the various structures.

## **ADMINISTRATIVE SUPPORT FOR COUNCIL ACTIVITIES**

Councillors are being supported by the Municipal Managers and supporting staff in all Council activities by arranging meetings on behalf of them.

- Attending meetings to explain policies of the Council and any technical information
- Assisting in interpreting Municipal legislation
- Organising cultural activities for Youth Day, Women's Day, Freedom Day, etc

## **SPATIAL AND LAND USE**

- The Nxuba Municipality is situated at approximately 220 km east of the Nelson Mandela Metropole
- The area is divided into 4 wards (1 rural and 3 urban)
- Mountain terrain and hill with moderate gradients characterises the area
- The study area is mostly underlain by sedimentary rock of the Balfour formation, shallow mudstone and sandstone of the Beaufort group
- Poorly developed soil on rock with limestone is found in the lower lying areas
- Adelaide and Bedford are the main urban centres
- Highest population concentration is found in urban areas
- The rural areas (beyond urban areas) comprise formalised privately owned farms

## **SOCIO – ECONOMIC**

- There are 24 801 people residing in the Nxuba Municipality
- 5 427 households with the average household size of 4,7 people per household
- 82% of the households live in the urban areas
- Economically active group constitutes 47,0%
- More than half the population is female (53%)
- 62% of the households are headed by males
- A population growth rate of 0, 94 has been experienced over the past 5 years; however, a negative population growth of – 1, 98 is predicted for the next 25 years.
- There has been an increase in the unemployment rate over the past 10 years from:
  - 36% to 53% - Adelaide District
  - 28% to 39% - Bedford District
- Agriculture, Government and Community services sector employ the majority of the workforce (77%)
- 58% of the households earn less than R 18 000 per annum
- The dependency ratio is 2 people for each employed person
- 71% of the households are living below the minimum living level
- Agriculture, Government and Trade is an important contributor to the GGP of the region

## **ACCESS TO SERVICES**

- The majority of the households have access to portable water:- on-site 67% and public taps, 25%
- There is insufficient bulk water supply for Adelaide
- 53% of the households, most living in Lingelethu and Nyarha, are using bucket systems
- Most households have access to telephones and postal services
- The solid waste site in Adelaide is not permitted in terms of the minimum requirements for a landfill site
- Roads are on average in poor condition
- Erosion is the main problem on the gravel roads (Lingelethu and Nyarha)
- Due to ownership issues, the status of services is unknown in these rural areas (Privately owned farms). The Municipality does not supply any services to these communities.

## **SOCIAL INFRASTRUCTURE**

- 2 Hospitals (in Adelaide and Bedford) and clinics are spread throughout the region
- Educational facilities are spread throughout the area, however the teacher pupil ratio is high:- 1:50 on average
- Sports facilities are within easy reach, but they need upgrading and maintenance
- Recreation facilities in the form of community halls also need upgrading and maintenance
- Magistrate Courts are located in both Adelaide and Bedford
- Crime is relatively low



## **HOUSING**

- The majority of the population (78%) live in formal structures
- According to PIMSS IDEA 2001, 1 139 households live in informal and traditional houses
- The number of people on the housing waiting list is 1 797
- The expressed housing need in terms of the Provincial Housing Development Plan is 3 000 units
- Land is required for low income housing units

# **EXECUTIVE SUMMARY**

## **VISION**

Nxuba is a transformed and integrated Municipality, subscribing to the principles of developmental local governance, which provides a sustainable quality of life by eliminating poverty, providing basic services of an acceptable standard to all communities.

## **MISSION**

To ensure that the various departments are run effectively, efficiently and economically and to translate the activities of the Municipality into accountable financial terms, by ensuring that all revenue is collected, financial reports produced on time, and that the assets of the Municipality are managed and maintained productively.

## **OBJECTIVES**

### **IN ORDER TO ACHIEVE ITS VISION, NXUBA MUNICIPALITY WILL:**

- Plan proactively and respond functionally and productively to the challenges and constraints of its vision and mission.
- Promote viable local economic activities and employment generation as one of the cornerstones of local government and poverty reduction.
- Identify, harness and utilise resources to stimulate the economy and create job opportunities.
- Capacitate Councillors and staff members to perform their duties effectively.
- Ensure the provision of services to communities in a sustainable manner.
- Promote social and economic development.
- Promote a safe and healthy environment.

## **NXUBA MUNICIPALITY IS COMMITTED TO:**

- Transformation
- Integration
- Sustainability
- Quality of life
- Co-operative Governance
- Community participation

Chapter 2 relates to all services provided by the Municipality.

Chapter 3 includes all personnel-related activities at the Municipality and this Chapter serves to interpret the data produced in the financial report.

Chapter 4 deals with the Auditor-General's report, financial statements and responses raised.

Chapter 5 deals with functional service delivery reporting.

Chapter 6 deals with the Auditor General's report on the Audit of the Performance Measurement System.

Chapter 7 deals with the Employment Equity Report.

# CHAPTER 2

## BACKGROUND: SERVICES PROVIDED BY NXUBA MUNICIPALITY

The following key trading services are provided and rendered by the Municipality.

### ELECTRICITY

#### OVERVIEW

This function is rendered by the Municipality in terms of an agreement signed between Nxuba Municipality and the National Electricity Regulator (NER). Under license number NER/D/DEC 128 for the Adelaide and Bedford urban areas. The commercial rural areas are being serviced by Eskom.

The Council's electricity undertaking maintains a steady increase as shown by the following statistics:

	<b>07 / 08</b>	<b>08 / 09</b>	<b>09 / 10</b>
Cost per year	R5 456 300.00	R5 810 960.00	R6 188 672.00
Cost per unit	0.47	0.5311	0.5736

#### SERVICE DELIVERY RECORDS

97% of households in the Nxuba area have access to electricity services. A free basic service policy is in place and is being implemented. In terms of our progressive Indigent Policy, the following categories have been determined by the Council:

100%	R	0,00 – R1 100.00 per month
50%	R	– R
20%	R	– R

**(Nobody get 50% or 20% everybody gets 100%)**

This policy allows for the provision of free access to electricity.

- 17,2% of households with income below R1 100,00 per month had access to free basic electricity since January 2001.
- 770 pre-paid electricity connections were made in order to provide electricity to residents during the 2007 / 08 financial year. A further 230 connections will be made before the end of 2008.
- No new applications were made to the NER for 2008 / 09, due to the lack of houses.

## **KEY PROBLEMS AND CHALLENGES**

The existing electricity infrastructure for Adelaide and Bedford towns (excluding the township) is more than 50 years old and needs urgent upgrading, since it contributes to electricity distribution losses of 10%.

Provision has been made in the Integrated Development Plan (IDP) for the upgrading of the abovementioned project, but no funds could be sourced during the 2007 / 08 financial year.

## **WATER**

### **OVERVIEW**

Water is being handed over to Amathole District Municipality during July 2006. Nxuba Municipality is playing an observer role.

Water problems were experienced during September, October, November and December 2007.

### **PROVISION OF REFUSE REMOVAL SERVICES**

6 600 refuse removal connection points are serviced by the Municipality on a weekly basis.

All business refuse removal is done twice weekly.

## **KEY PROBLEMS AND CHALLENGES**

The existing refuse removal tractor and trailer need to be replaced with a new compactor refuse removal truck. The existing refuse removal truck is also old and need to be replaced.

### **FREE BASIC SERVICES**

Electricity – 50 units  
Refuse removal

1 290 indigent households have access to free basic services.

The cost of free basic services provided by the Municipality is as follows:

Electricity	R0.47 per 25 kilowatt	x 1 290 indigents = R15 157.50 / month
Refuse removal	R34.20 per household	x 1 290 indigents = R44 118.00 / month

## **KEY PROBLEMS AND CHALLENGES**

Nxuba's provision of free basic services for the disadvantaged, the poor and unemployed. In 2001, when free basic services were implemented, the Equitable Share Grant was unconditional, but now it is conditional. The indigent population in Nxuba Municipality has grown, but the IGG did not grow with the indigent policy.

## **ROADS AND STORM WATER**

### **OVERVIEW**

The construction and maintenance of roads and storm water within Nxuba jurisdiction is the responsibility of the Local Council.

### **SERVICE DELIVERY RECORDS**

- Maintenance was done on 2 km of dirt / gravel roads in Adelaide and Bedford
- Normal maintenance could not be done on roads in areas where bucket eradication projects are still in progress.
- Normal periodical maintenance was done on storm water drains, when and where required.

### **KEY PROBLEMS AND CHALLENGES**

- We have the capacity to perform the abovementioned maintenance, but we experience problems in terms of road construction machinery to deliver the service.
- Provision has been made in the Integrated Development Plan (IDP) document to purchase the equipment.
- The Municipal Infrastructure Grant (MIG) funding of R1.7 million for the upgrading of roads is still with Amathole District Municipality (ADM).

### **ENVIRONMENTAL ISSUES**

Environmental Health and Safety issues are being dealt with by Amathole District Municipality (ADM).

### **BUILDING CONTROL**

- Building control is a Department on its own and is managed by the Infrastructure Manager. A building inspector has been appointed in August 2007.
- When building plans are received it is scrutinized for compliance with the building and other relevant regulations and then submitted to Council for approval.
- Warning letters and legal actions are taken handled by the legal building practitioner.
- Low costs housing projects of Council are inspected and monitor by quality. Progress inspections for payment of labour and material claims must also be done on a regular basis.

## **DISASTER MANAGEMENT**

### **OVERVIEW**

- To enhance the capacity of the Municipality to prevent and to deal with disasters, and to avoid developments which are subject to high risks of disaster.
- The Disaster Management consists of a Disaster Management Clerk and four fire fighting volunteers. This is a sheared service with Amathole District Municipality.

### **EQUIPMENT**

The disaster fleet consists of a Toyota bakkie, fitted with a fire skid for all fire fighting operations. There is also a Nissan bakkie provided to Nxuba by Amathole District Municipality for Disaster Management activities.

### **EDUCATION AND AWARENESS PROGRAMMES**

- Awareness campaigns are conducted at Schools.
- National Veldt & Fire Act workshops are also conducted to Ward Councillors and the CDW's by Amathole District Municipality (ADM) & DWAF.

### **CHALLENGES**

There is currently no budget for the disaster centre. Due to the fact that no volunteers work over weekends makes the response time to disasters longer. Keeping of animals in the communal grounds. Overflowing of pump station (sewerage) into rivers. Storm water systems needs to be upgraded.

### **HOUSING**

- Most of the residents within Nxuba region live in formal housing structures. The number of people on the housing waiting list is 3 146.
- Additional land is needed for the construction of low income houses.
- 1 139 household live in informal or traditional houses.

### **PROJECTS**

200 Goodwin Park	150 completed	50 outstanding	
624 Bez'ville	412 completed	212 outstanding	
172 Zinc Houses	89 completed	83 outstanding	
481 Sites	455 completed	11 outstanding	15 in construction phase
428 Mud Houses	389 completed	30 outstanding	



## **KEY PROBLEM AND CHALLENGES**

- There is currently no land for medium to high income class houses
- There is a shortage of houses to rent in Adelaide and Bedford
- Funding for Government housing projects take a long time to be approved
- Contractors is no reliable to deliver projects on time
- Government approve contractor who does not always delivers

## **PRIMARY HEALTH CARE**

### **OVERVIEW**

The objective of this health service is to achieve the highest state of health, social well being and development for the people of Nxuba by rendering a user-friendly service and to involve communities and all stakeholders in health issues affecting them.

### **STAFF**

The staff performs well, mostly because of in-service training and motivation. There is however a noticeable tendency of exhaustion and burnout amongst the staff. This can be linked directly to the shortage of staff.

### **COMMUNICABLE DISEASES**

The main diseases are TB, STD's and HIV/AIDS

Statistics are as follows:

### **TUBERCULOSIS**

In Nxuba there is an increase in TB, which is an unhealthy situation. The opportunistic HIV/AIDS viruses break the immunity of resistance down and add to the increase to TB. This tendency is proof that the HIV/AIDS virus causes more damage that the man on the street realizes.

#### **Statistics**

- 2003 / 04            480
- 2004 / 05            520
- 2005 / 06            144

### **HIV/AIDS and STD's**

The notification of HIV/AIDS is still not compulsory, therefore no accurate figures are available.

During 2005 / 06, 29 mothers received Neverapine.

A total of 504 clients were tested for HIV/AIDS

A total of 115 clients were tested positive

The total deaths due to the virus are unknown. What is known is that the disease is in a slumbering stage with only the peak of the iceberg visible.

## OTHER ASPECTS

Mother to child health  
Community involvement  
Chronic care visits  
HIV/AIDS meetings  
District Office and Amathole District Municipality meetings

Recognized health days were held to make people conscious of the following:

Community based health care  
Child and Welfare celebrations  
Diabetic Week  
Condom Week  
TB day celebrations  
World HIV/AIDS Day

## TRAINING

Staff is trained on a continual basis. Some of the training included:

Community-based Health Care  
Tuberculosis  
Prevention of mother to child transmission  
Voluntary counselling and testing (HIV/AIDS)  
HIV/AIDS issues and related matters  
STD's Training / Integrated Management of childhood infections

## BAROMETER

An indicator on how busy the personnel at the clinics have been is the total headcount.

	<b>2005 / 06</b>
Bezuidenhoutville Clinic	5 620
Bedford Town Clinic	7 491
Nomakwezi Clinic	6 265
Mzamonthle Clinic	<u>9 968</u>
Total Headcount	<b><u>29 344</u></b>

## KEY PROBLEMS AND CHALLENGES IN HEALTH SERVICES

The main problems are:

- The increased workload and responsibilities in the Environment and Primary Health Sections.
- A shortage in medication because of the non-investigation of the needs at floor level by provincial level.
- The non-availability of transport for clinic personnel.

# CHAPTER 3

# HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

## **Institutional Structure**

The institutional structure of the Nxuba Municipality is divided into two (2) sections, namely political and administrative structure is accountable to the political structure.

## **Political Structure**

The centre of the Nxuba Municipality's political structure is Council, which operates through a number of committees. Listed are the committees that assist Council in carrying out its political responsibilities and mandates:

- ❖ Rules Committees
- ❖ Audit Committees
- ❖ Standing Committees
  - Infrastructure
  - Corporate Services
  - Community Services
  - Development and Planning

The above committees are established in terms of section 79 and 80 of the Local Government Municipal Structure Act 117 of 1998 (as amended)

## **Administrative Structure**

The centre of the Nxuba Municipality's administrative structure is Municipal Manager. Who administers with departments and various units reporting directly to him.

The organizational and establishment plan for the Nxuba Municipality and various departments is as follows:

The Nxuba Municipality top structure is summarised as follow:

**Name:** Nxuba Municipality

**Purpose:** To develop and implement an Integrated Development Plan for the Nxuba Municipality.

**Functions:**

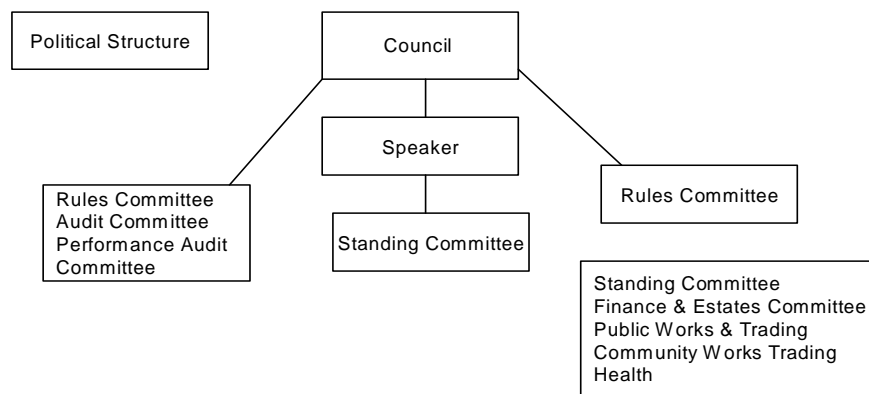
- Management of the municipality;
- Rendering administrative services to the municipality;
- Rendering financial services to the municipality;
- Rendering human resources to the municipality
- Rendering health and protection services;
- Rendering engineering services;

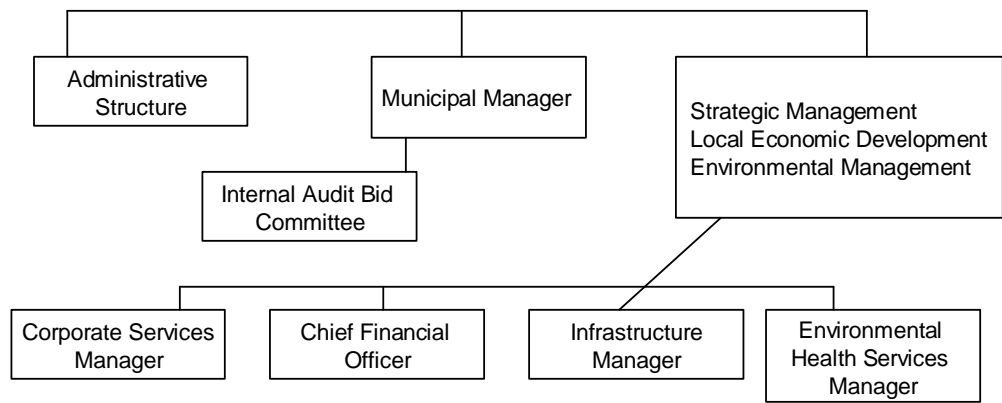
There four (4) departments to perform the function, namely:

- ❖ Municipal Manager’s office
- ❖ Corporate Services
- ❖ Budget and Treasury office
- ❖ Environmental and Health Services
- ❖ Infrastructure

The Nxuba Municipality institutional structure is illustrated as follows:

**INSTITUTIONAL STRUCTURES**





## BREAKDOWN OF POSTS PER DEPARTMENT

Department	No of Post per Department	Total	Filled
Office of Mayor	Mayor Support Services	9	4
	<b>Total</b>	<b>9</b>	<b>4</b>
Municipal Manager's Office	Municipal Manager	1	1
	Secretary	1	1
	<b>Total</b>	<b>2</b>	<b>2</b>
Corporate Services	Corporate Services Manager	1	1
	Secretary	1	-
	Human Resources Officer	1	1
	Payroll Clerk	1	1
	LED Officer	1	1
	Tourism Officer	1	-
	Land Use Management Officer	1	-
	Asset Management Officer	1	-
	Librarians	2	2
	Librarian Assistant	2	2
	Senior Admin Officer Committee	1	1
	Admin Assistant	1	-
	Telephonist / Receptionist	1	1
	Admin Clerk Registry & Archive	1	1
	Typist / Telephonist	2	2
	Messenger / Cleaner	5	1
	<b>Total</b>	<b>24</b>	<b>15</b>
Financial Administration	Chief Finance Officer	1	1
	Senior Accountant Budget	1	1
	Accountant Expenditure	1	1
	IT – Admin	1	-
	Accountant Revenue	1	-
	Secretary	1	-
	Creditors Clerk	1	1
	Debtors Clerk	1	1
	Debtors / Natis Clerk	1	1
	Meter Readers	4	3
	Cashiers	2	2
	Help Desk Officer	2	-
	Municipal Accountant Interns	2	2
	<b>Total</b>	<b>19</b>	<b>13</b>
Infrastructure	Infrastructure Manager	1	-
	Electrician	2	2
	Artisans Assistant	4	2
	Disaster Management Officer	1	1
	Superintendent (Roads & Storm Water)	2	2
	Foreman (Parks)	1	1
	Backhoe Driver	1	-
	Tractor Driver	6	3
	Truck Driver	2	2
	General Workers	67	44
	Grounds man sport field	4	2
	Cemetery Caretaker	4	1
	Secretary	1	-
<b>Total</b>	<b>96</b>	<b>60</b>	

<b>Department</b>	<b>No of Post per Department</b>	<b>Total</b>	<b>Filled</b>	
Environmental Health Services	Environmental Health Services Manager	1	-	
	Secretary	1	-	
	Environmental Health Service Officer	1	-	
	Factotum Refuse Removal	2	2	
	Building Inspector	1	1	
	Housing Officer	2	1	
	Truck Drivers	2	2	
	Tractor Drivers	2	-	
	Street Sweepers	4	2	
	General Workers	2	-	
	Refuse Workers	4	4	
		<b>Total</b>	<b>22</b>	<b>12</b>
	Clinic	Senior Professional Nurse	1	-
Professional Nurse		8	5	
Nursing Assistant		4	2	
Community Health Worker		4	4	
Messenger / Cleaner		4	4	
		<b>Total</b>	<b>21</b>	<b>15</b>
	<b>Grant Total</b>	<b>193</b>	<b>120</b>	

## **INITIATIVES IN RELATION TO EMPLOYMENT ISSUES AND SUCCESSES**

In 2002 the Municipality concluded a staff placement agreement with the Local Trade Unions. A Local Labour and a Placement Committee were established, in order to facilitate and finalise the Placement Process.

## **PERFORMANCE MANAGEMENT SYSTEM**

A Performance Management System based on the Municipal Scorecard approach was developed and approved by the Council in order to monitor the implementation of the Integrated Development Plan.

Performance Agreements were entered into between the officials concerned and the Mayor, on behalf of the Council.

## **WORKPLACE SKILLS PLAN**

The Workplace Skills Plan is being developed and will be submitted by the 30 June 2008.

## **EMPLOYMENT EQUITY PLANS**

In order to comply with legislation, the Employment Equity Report was compiled and approved by the Council and was submitted on 30 September 2006 (Every second year as the Municipality has less than 150 employees). The Equity Employment Report will be submitted to Department of Labour by 30 September 2008.



## **KEY INITIATIVES**

The following Human Resources Policies have been prepared and adopted by the Council:

1. Recruitment and Selection Policy
2. Disciplinary Procedure Grievance Policy
3. Training Policy
4. Overtime Policy and Control
5. Travelling Policy
6. Cell phone Policy
7. Performance Award Policy

## **KEY SUCCESSES**

In terms of the Employment Equity Plan, the three highest levels of employment must be filled by Blacks. Appointments were made in order to comply with the Employment Equity Act.

Representation in the workplace has improved by an average of 90% in the first three highest levels of employment.

## **ORGANIZATIONAL CAPACITY BUILDING, OCCUPATIONAL HEALTH AND SAFETY AND EMPLOYEE ASSISTANCE**

The strategic objectives of this function are tabulated as follows:

### **TRAINING AND DEVELOPMENT**

- To equip the Nxuba Municipality, Councillors and Employees with the necessary skills, knowledge and attitude for effective and efficient service delivery.
- To organise Adult Basic Education and Training for employees who want to improve their educational status.
- To organise opportunities for student trainees to do practical work in the Council when that becomes the requirement for qualification.
- To develop, implement and report on the Nxuba Workplace Skills Plan.
- To develop and review all training and development-related policies.
- To ensure compliance with all legislation related to training and development.

### **OCCUPATIONAL HEALTH AND SAFETY**

- To implement the requirement of the Occupational Health and Safety Act and the compensation for injuries and diseases Act.
- To develop and review all occupational and safety-related policies.

### **EMPLOYEE ASSISTANCE**

To ensure the health and safety of employees by providing the following services:

- Counselling to employees who need assistance
- Coordinating the HIV and AIDS programme in the workplace
- Primary and occupational health
- Educating employees on Employee Assistance Programme (EAP)
- Organizational Capacity Building

## **COUNCIL TRAINING PROGRAMME**

The Nxuba Municipality is constantly making a concerted effort to ensure that sufficient skills exist to fulfil the responsibility with which it has been entrusted. To this end, the Council compiled a training programme informed by the identified training needs of Councillors and Officials. Such training needs had to be aligned with the business objectives of the Council (i.e. the Integrated Development Plan), and the skills plan of the local government sector (i.e. Skills Sector Plan). The training programme formed the basis of the Workplace Skills (WSP) for the Council, which was submitted to LGSETA.

Although some of the training for Councillors is facilitated through the South African Local Government Association (SALGA) Eastern Cape, the Council has a share of responsibility that compels it to make interventions where skills gaps not catered for by the former have been identified.

### **1. Learnership Programmes**

- ❖ LED Learnership programme commenced in May 2005 with class work ended August 2006. The LED officer was one of 12 learners participated in the programme facilitated by Amathole District Municipality. The graduation Ceremony was held on 23 November 2007.

#### **Water purification Learnership Programme**

- ❖ There are five learners participating in this programme.

#### **Administration and Finance Learnership Programme**

- ❖ We have one learner who participating in the programme has been appointed in the position of Cashier with effect from 1 January 2008.

#### **Craft Learnership Programme**

- ❖ Five applications with CV's were submitted to Amathole District on 17 January 2008 and the Service Provider will select two Learners from Nxuba Municipality

### **2. Abet Programme**

- ❖ The programme was started in 2004 and thirty one (31) learners were registered. Only eighteen (18) managed to write examinations in November 2005. A Graduation Ceremony was held in February 2005 and learners received certificates.
- ❖ In 2005 learners were reluctant to reregister and meetings were held trying to motivate them to register but all was in vain.
- ❖ Shop stewards were approached and requested to motivate and encourage the learners. Response has not been received yet.

## FINANCIAL INFORMATION ON MEDICAL AIDS AND PENSION FUNDS

<b>2006/07 EXPENDITURE ON MEDICAL AID SCHEMES</b>		
<b>Name of Scheme</b>	<b>No of Members at 30 June 2007</b>	<b>Annual Costs</b>
Bonitas	13	211.608
LA Health	6	163.92
MunMed	9	1531.08
SAMWUMed	7	815.64
Hosmed	32	263.16
<b>Total</b>	<b>37</b>	<b>4889.88</b>

<b>2006/07 EXPENDITURE ON PENSION FUNDS</b>		
<b>Name of Fund</b>	<b>No. of Members at 30 June 2007</b>	<b>Annual Costs</b>
Cape Joint Retirement Fund	15	376440
Cape Joint Pension Fund	9	163716
SALA Pension Fund	40	572160
SAMWU Provident Fund	27	23689
<b>GRAND TOTAL</b>	<b>91</b>	<b>1136005</b>

<b>TOTAL PERSONNEL EXPENDITURE ANALYSIS OVER THE PAST 3 YEARS</b>			
<b>Financial Year</b>	<b>Total Personnel Expenditure</b>	<b>Total Municipal Budget</b>	<b>Percentage Variance</b>
2003/04	10319932	10589884	2.6
2004/05	12224828	12344505	0.1
2005/06	12014801	12705553	5.7
2006/07	10721604	11856234	10.6

### Employee Related Cost

<b>Remuneration of the Municipal Manager (appointed 1 November 2004)</b>		
	<b>2006/07</b>	<b>2007/08</b>
Annual Remuneration	386051	410753
Performance Bonuses	16%	
Acting Allowance		
Cell Phone Allowance		
Car Allowance		
Contributions to UIF, Medical & Pension Fund		64044
<b>Total</b>		

<b>Remuneration of the Chief Finance Officer</b>		
	<b>2006/07</b>	<b>2007/08</b>
Annual Remuneration	247200	220000
Performance Bonuses	16%	
Acting Allowance		R0
Cell Phone Allowance		
Car Allowance		
Contributions to UIF, Medical & Pension Fund	15156	
<b>Total</b>		

<b>Remuneration of the Director: Corporate Services Manager</b>		
	<b>2006/07</b>	<b>2007/08</b>
Annual Remuneration	547200	230000
Performance Bonuses	16%	
Acting Allowance	R0	
Cell Phone Allowance		
Car Allowance		
Contributions to UIF, Medical & Pension Fund		
<b>Total</b>		

<b>Remuneration of the Director: Infrastructure Manager</b>		
	<b>2006/07</b>	<b>2007/08</b>
Annual Remuneration		
Performance Bonuses		
Acting Allowance	R0	R135688
Cell Phone Allowance		
Car Allowance		
Contributions to UIF, Medical & Pension Fund		
<b>Total</b>		

<b>Remuneration of the Director: Environmental Health Services</b>		
	<b>2006/07</b>	<b>2007/08</b>
Annual Remuneration		247200
Performance Bonuses		
Acting Allowance		
Cell Phone Allowance		
Car Allowance		
Contributions to UIF, Medical & Pension Fund		
<b>Total</b>		

<b>Remuneration of Councillors</b>		
	<b>2006/07</b>	<b>2007/08</b>
Speaker	320604	219052
Mayoral Committee Members	-	-
Councillors	987031	987031
Sitting Allowance	-	-
<b>Total</b>	1307635	1206083

## In-Kind Benefits

The Executive Mayor, Speaker and Mayoral Committee members are full time positions. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor has use of a Council –owned vehicle for official duties and has a full-time driver / bodyguard.

<b>TAXES</b>	<b>2006/07</b>	<b>2005/06</b>
	R10,554,168	R8,164,997

<b>PAYE AND UIF</b>	<b>2006/07</b>	<b>2005/06</b>
Opening balance	R0	R0
Current year payroll deductions & Council contributions		
Amount paid – Current year		
Amount paid – Previous year		R0
Balance unpaid (included in creditors)		R0

<b>PENSION AND MEDICAL AID DEDUCTIONS</b>	<b>2006/07</b>	<b>2005/06</b>
Opening balance	0	0
Current year payroll deductions & Council contributions		
Amount paid – Current year		
Amount paid – Previous year	R0	R0
Balance unpaid (included in creditors)	R0	R0

# CHAPTER 4

## AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION

The function of finance within the Municipality is administered as follows and includes:

- Financial Management and reporting, internally and externally for all stakeholders.
- These services extend to include accounting for all funds received from National and Provincial Government and from the District Municipality.
- The Municipality also has a mandate to collect payments for rates and services.

### FINANCIAL STATEMENTS

The financial statements for the 2005 / 06 are all completed. The services of D. J. Sondiyazi / Charteris & Barnes a service provider have been procured to prepare the aforesaid financial statements. The project is completed.

### SALARIES, ALLOWANCES AND BENEFITS OF POLITICAL OFFICE BEARERS

	<b>2004 / 2005</b>	<b>2005 / 2006</b>	<b>2006 / 2007</b>
Transport Allowance	77 628.01	65 620.41	270 388.23
Housing Allowance	68 921.24	21 443.92	0.00
Medical Aid	113 563.67	102 424.11	85 632.47
Pension Fund	2 475.42	850.74	93 244.91
Mayor's Allowance	121 803.74	84 634.56	229 469.01
Deputy Mayor's Allowance			
Councillor's Allowance	199 018.68	177 849.21	606 207.00
Telephone Allowance	8 575.76	17 754.17	13 989.97
<b>Sub vote Total</b>	<b>591 986.62</b>	<b>470 577.12</b>	<b>1 298 931.59</b>

## REMUNERATION OF MUNICIPAL AND FINANCIAL MANAGERS

	2004 / 2005	2005 / 2006	2006 / 2007
Municipal Manager	386 052.00	386 052.00	410 760.00
16% Performance Bonus	61 768.32	61 1768.32	65 721.54
<b>Total</b>	<b>447 820.32</b>	<b>447 820.32</b>	<b>476 481.54</b>
Financial Manager	220 000.00	233 200.00	366 837.00
16% Performance Bonus	35 200.00	37 312.00	58 693.92
<b>Total</b>	<b>275 200.00</b>	<b>270 512.00</b>	<b>419 530.92</b>
Corporate Services Manager	233 200.00	247 192.00	305 208.00
16% Performance Bonus	37 312.00	39 550.00	48 833.28
<b>Total</b>	<b>270 512.00</b>	<b>286 742.00</b>	<b>354 041.28</b>
Infrastructure Manager	233 200.00	247 192.00	
16% Performance Bonus	37 312.00	39 550.00	
<b>Total</b>	<b>270 512.00</b>	<b>286 742.00</b>	
Environmental Health Services Manager	233 200.00	247 192.00	
16% Performance Bonus	37 312.00	39 550.00	
<b>Total</b>	<b>270 512.00</b>	<b>286 742.00</b>	

## KEY PROBLEMS AND CHALLENGES

### FINANCIAL STATEMENTS

The Financial Statement for Nxuba Municipality is produced and submitted to the Auditor-General up to the year ending 2006.

### ASSETS POLICY

In order for Council to acquire, dispose of and manage its assets, Council developed an Assets Policy that was adopted and approved by Council in 2002.

### ASSET MANAGEMENT

A computerized Fixed Assets Management System which the service provider is preparing is also to update the Asset Register, as this is part of the project. Thereafter the Municipality will be able to exercise strict physical control of all assets, provide correct management information to facilitate accurate and timeous reporting on the status of council assets to Council.

An Asset Management Policy was adopted by Council but has not been implemented as a result of the aforementioned challenge.



## **SYSTEMS ACT**

Council has been involved throughout the review process and the project is in final stages. By the beginning of the financial year, the Policies will be ready for implementation in the forthcoming financial year.

## **INSURANCE OF ALL MUNICIPAL ASSETS**

A comprehensive insurance cover is in place for all Municipal assets and the appointment of a broker has resulted in achieving a substantial saving of approximately R60 000.00 per annum.

## **SUPPLY CHAIN MANAGEMENT**

Municipality has implemented the chain management policy and the unit has been established.

## **GAMAP / GRAP CONVERSION**

The Municipality is preparing to convert from Institute of Municipal Finance Officers (IMFO) standards to General Acceptable Municipal Accounting Practice (GAMAP) and General Recognised Accounting Practice (GRAP) for the 2008 / 2009.

## **INTERNAL AUDIT FUNCTION**

The function is shared with Amathole District Municipality (ADM) and it report straight to Audit Committee.

## **AUDIT COMMITTEE**

The Committee is function and here is the list of the audit members:

Miss. L. Smith	-	Chairperson
Miss. T. Kakaza	-	Audit Committee Member
Mr. L. Kemp	-	Audit Committee Member
Mr. M. Mnyango	-	Audit Committee Member