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SAKHISIZWE MUNICIPALITY



ANNUAL REPORT 2006/2007

VISION STATEMENT

To be a democratic transparent Municipality that provides affordable and sustainable services that meet the expectations of the community. Provide a climate to attract investment in order to enhance local economic, job creation, improvement of the quality of life and security for all Sakhisizwe Residents. To participate in provincial and national development programmes.

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1.

INTRODUCTION

AND

OVERVIEW

1.1. MAYOR'S FOREWORD

The presentation of the Annual Report for Sakhisizwe Municipality for the period 2006 – 2007 carries with it a political responsibility to examine and report on all the successes and challenges that have been faced by this Municipality over this period in time.

Whilst this period may not reflect very positively in terms of financial health and internal processes and procedures, it is these very same issues that are now being formally addressed and will ensure that Sakhisizwe becomes a Municipality that embodies all elements of compliance and of sustainable functioning.

This Annual Report will reflect the current reality for the period 2006 – 2007 and will briefly highlight both successes achieved and challenges facing Sakhisizwe Municipality.

Sakhisizwe Municipality continues to show commitment towards its IDP objectives and in so doing, to ensure that it accurately meets the needs of its community. However, due to the difficulties currently experienced in respect of finances, administration and governance, which in turn impact on the operational functioning, the meeting of these objectives remains a challenge. Notwithstanding this, and recognizing these challenges, Sakhisizwe Municipality remains committed towards:

"promoting sustainable, economic and social development, supported by the provision of quality and affordable services, together with the enhancement of the capacity of the Municipality"

Certain challenges facing this institution and region are:

- An extremely high unemployment rate. This impacts on levels of poverty within the region and retards economic growth. It has also seen increases in theft and vandalism.
- HIV/AIDS appears to mostly affect the economically active part of the population and this impacts on the economic viability of the region, as well as the income base
- Institutional capacity building is required in order to ensure that the organisation and its staff are able to meet the increased challenges and different modes of operation. Financial constraints have impeded progress within this area.
- During the latter part of 2006/07, Sakhisizwe experienced huge financial challenges to the point where the Municipality was unable to pay salaries and settle debt. After intervention from political leadership and DBSA (Development Bank of South Africa), a Financial/Municipal Mentor was deployed. This deployment has resulted in significant and positive change in a very short period of time and our Municipality is now on the road towards financial recovery and financial health.

- In order to ensure implementation of the Integrated Development Plan (IDP) objectives, it is required that SDBIP's (Service Delivery Budget Implementation Plans) are required to be developed annually. This provides an effective mechanism in which to measure performance against strategic objectives. This organisation has not developed SDBIP's and this retards performance measurement, not to mention the meeting of performance objectives.
- The Auditor-General's report has highlighted poor internal controls and systems and the absence of these prevented records being audited and contributed towards a disclaimer having been received.
- Public participation has not been conducted at this required level and has been conducted mainly through Ward Committee Meetings in conjunction with Community Development Workers.
- Senior official post is now vacant and required to be filled – i.e technical service manager. The contract of Corporate Serviced manager, IPED and Finance manager is lapsing in November and December 2007 respectively.

On a more positive note, the following issues must be acknowledged:

- Our new political leadership is totally committed to this organization's success.
- Our Council has adopted a pro-active approach to addressing and resolving challenges.
- As the Mayor and political head of this institution, I am totally committed to ensuring that the political leadership are empowered and capacitated (Through training) to work within the field of Local Government.
- There is recognition that whilst the Council, political leadership and the Municipal Manager are all new to this organisation, whilst well qualified, a concerted effort will be made to ensure that appropriate mentorship and coaching occurs, in order to ensure that all parties are able to perform effectively within their capacities.
- A Strategic Plan has been drafted in order to address the imbalances and problems identified.
- A new vision and mission has been adopted for the 2007/2008 financial year.
- Seven By-Laws have been developed; however implementation and capacity to enforce these will be examined further.

- It must be noted that the Chief Financial Officer was dismissed for financial misconduct and in this regard, lump sum of monies rands remain unaccounted for.
- Intervention strategies by DBSA have resulted in extensive contributions towards the financial turnaround.
- The Strategic Plan has been further developed to address all identified issues.
- The intention for 2007/2008 is to develop a Communication Strategy in order to strengthen the Administrative Arm and to phase-in strategies which will strengthen the organization operationally as a whole.

In this manner the arm remains to gain the trust of the communities that it serves, i.e. to promote sustainable, economic and social development, supported by the provision of quality and affordable services, together with the enhancement of the capacity of the Municipality.

It is with great pleasure that I hereby present you with Sakhisizwe Municipality's Annual Report for the 2006/2007 period. In doing so, I would like to thank all our Councillors, the Municipal Manager and staff in general, for their extreme support and commitment to the performance of their tasks, under very challenging circumstances.

Together we will take Sakhisizwe Municipality forward and will ensure that quality and affordable services are provided to all.

.....
W TIKANA – MAYOR

.....
DATE

1.2. **MUNICIPAL MANAGER'S REPORT**

In presenting my report for the 2006/2007 year, I must begin by stating that I was first appointed to the position of Municipal Manager from 01 September 2006. As a former Manager of IDP at Lukhanji Municipality, it was a forgone conclusion that I would require extensive orientation within the field of Local Government functioning. Having entered a Municipality that was itself (at this time) experiencing many challenges and difficulties, this presented a wonderful challenge and opportunity for me to gain extensive insight and understanding as to the Local Government environment.

The challenges have been many and varied and the most worthy of mention will be touched on briefly as follows :

- As an initial point of departure, the organisation appeared to be in a state of administrative and financial crisis.
- Due to poor records and administrative functioning, the Auditor-General had great difficulty in auditing the financial statements. In most areas insufficient evidence was available, resulting in a disclaimer being received.
- Institutional capacity was found to be seriously weak or lacking and was found to have been a direct result of the placement or “displacement” of staff during re-organization.
- In terms of Corporate Governance, aside from the lack of adequate systems and controls, it was also apparent that there was no formally recognized delegation framework, which would allow for accountability and responsibility together with a formal system for control.
- The relationship between officials and Councillors appeared strained and ineffective.
- There were no Service Delivery Budget and Implementation Plans as required by legislation, which would also facilitate the process of meeting the IDP objectives and measuring organisational performance towards this.
- Generally, there were many non-service delivery issues to resolve and the administrative, management and financial challenges simply exacerbates these problems.

However, from a seemingly “depressive state”, the appointment and support of a new Mayor and Council has led to interventions which have in turn resulted in tremendously positive actions.

The overriding catalyst of political leadership led to a managed intervention strategy which resulted in secured funding from DBSA and the appointment of a Financial/Municipal Mentor (Mr P McEwen), whose guidance and support has been instrumental in “turning around” Sakhisizwe Municipality into a more viable state.

This appointment has directly resulted in the capacitation and mentorship of the Municipal Manager with regard to Local Government issues. It has also impacted positively on the financial state of this organisation. Whilst it is important to highlight that it will take quite some time to resolve the issues and troubles facing this organisation, it must be acknowledged that great strides have already been made. Whilst improvement has occurred in the areas of finance, the backlogs and inherited problems (as a result of the amalgamation with the erstwhile Cala Municipality) will still take some time.

Specific areas of improvement include :

- Performance Management as a system, which is applied to s57 appointments. A Remuneration Committee has been appointed to deal with implementation and Performance Management System Auditing. Financial constraints have prevented this system from being cascaded further.
- Seven By-Laws have been developed and 5 of these have been gazetted. Training on implementation thereof has been received, but it is the capacity to enforce these laws that requires particular attention.
- The financial “turn around” has resulted in the development of certain financial policies and Councillors have received training on these.
- VAT claims from SARS have resulted in claim benefits.
- The Housing Projects that were previously blocked by DPHLG have been revived and both the Mayor and Municipal Manager have attended training through Wits University in order to capacitate them in these areas.
- Nine (9) new vehicles have been secured through the tender process in order to assist on an operational level.
- A Strategic Plan has been drafted in order to address backlogs and problems identified but this will require resources such as Time, Human and Financial, in order to resolve and correct these overall.

- Two (2) Interns (Finance profession) have been appointed/deployed through DBSA and will be utilized to assist the Municipality in the financial field.
- A Communications Officer has been recently appointed in order to improve Communications (internally and externally). Whilst this has improved Public Participation, relationships with external customers and the like, this is required to be addressed more thoroughly. In order to facilitate this process, a Communications Strategy will be drafted and implemented during the 2007/2008 Financial Year.
- Projects such as : Organogram/Restructuring, Placement of Staff and updated Job Descriptions will be undertaken with DBSA funding during 2007/2008 in order to facilitate administrative and financial improvements.
- Other issues requiring attention are as follows :
 - Data cleansing (such as the property and land valuations exercise);
 - Credit Control Systems;
 - Improved administrative functioning;
 - Development and implementation of Human Resources and Financial policies;
 - Training of staff and Councillors;
 - Completion and finalization of Job Evaluation which has affected morale
 - Unequal status from amalgamated municipalities remains a challenge
- In an effort to optimise performance and resource management internally, development and capacity-building programmes initiated have focused on improving people management; developing systems and processes; and on introducing better monitoring and evaluation processes.
- As with any form of growth and development, leadership and learning become paramount for success. In order to positively foster all elements of change, every effort has been made to formally engage in change management practices and processes; and to use innovation and creativity to further facilitate the positive effects of change and a new leadership style, by ensuring that conditions for increased motivation and capacity building are created. In so doing, partnerships and alliance building between divisions and sections are encouraged, both to improve operational functioning and to create a climate of service excellence.

- As with all aspects of growth and ensuring heightened service delivery within the municipal context, an even greater challenge is the ability to ensure sustainable development and growth within this context.

Through improved communication networks and processes (both internally and externally), efforts and plans have been made and undertaken in order to ensure that all involved and affected parties have a thorough understanding of the developmental challenges facing Sakhisizwe Municipality in respect of its service delivery mandate. In this manner strategic plans have been put in place to ensure sustainable development and growth. Interventions by DBSA – beginning with the appointment of a Financial/Municipal Mentor will ensure that all programmes identified will be phased-in over time and will contribute towards a turnaround strategy for the Municipality.

As always our focus will be to ensure that strategies are developed, together with revitalization plans, sectoral plans and key policies, in order to ensure that Sakhisizwe Municipality is in a position to maintain and uplift existing infrastructure and resources, whilst ensuring effective service delivery provision to the rural areas.

Over the 2006/2007 period, officials and politicians have worked at great lengths in order to ensure that short- and long-term objectives are met in the most efficient and cost-effective manner. This has occurred notwithstanding the ever-present resource challenges, such as financial, systems, institutional architecture, community empowerment and the ongoing general local government transformation issues.

I wish to express my sincere thanks and appreciation to all parties that have assisted me during this past year. Our challenges have been many and we have risen successfully to the challenge. More specifically, I wish to thank our Mayor, Ms W Tikana for her continued support and guidance, together with the Council Committee.

To staff – let me thank you for all your hard work and commitment – you make up this Municipality and without your efforts we would not have achieved the successes that we have, this year. May we continue to develop and grow into our future, ensuring that Sakhisizwe Municipality will be recognised as a leading Municipality.

.....
T SAMUEL
MUNICIPAL MANAGER

DATE:

1.3. **EXECUTIVE SUMMARY**

Since the inception of Sakhisizwe Municipality in December 2000, a tremendous challenge was to deliver on its constitutional mandate. Meeting the needs and expectations of the community whilst taking into account the institutional capacity, budgetary constraints, staff shortages, amongst other requirements, will always remain a challenge not to mention a focused goal.

Municipalities by their very nature are faced with huge challenges that befit this sphere of government. Politically, economically and socially, Local Government is required, or at least expected to, ensure that very strong steps and progress is made in order to alleviate poverty, deliver basic services, and to facilitate involvement of other service providers within this domain – thereby also aiming to stimulate the economy and to ensure that job opportunities are created.

The Executive Summary is intended to provide you with a statement of the overall goals and priorities, as well as the mission and vision of this Municipality and the extent to which this will impact on the community. A short statement of the Municipality's relative financial health and important administrative considerations will also be given hereunder.

VISION STATEMENT

“To be a democratic transparent municipality that provides affordable and sustainable services that meets the expectations of the community. Provide a climate to attract investment in order to enhance local economic development, job creation, improvement of the quality of life and security for all Sakhisizwe residents. To participate in provincial and national development programmes. ”

MISSION STATEMENT

**The mission of Sakhisizwe Municipality is to achieve its vision
Through: -**

- Encouraging public participation
- Developing sufficient human resources capacity
 - Developing of infrastructure
- Economic empowerment and skills development
- Identifying economic potential and developing business opportunities
- Co – operation with provincial and national Government

STRATEGIC DIRECTION FOR SAKHISIZWE

The following priority issues were identified during the community outreach programmes and consultation both with the Council and senior management during the 2006/2007 financial year.

They also take into account the needs analysis of the original IDP :

- Institutional restructuring
- Education -- facilities
- Social infrastructure – (clinics, sportsfields etc)
- Water and sanitation
- Special Programmes addressing HIV/Aids, youth, elderly, women and people with disability
- Health
- Safety and Security
- Disaster Management
- Local Economic Development
- Land and environmental management
- Stimulating the economy with special emphasis on agriculture
- Roads and stormwater drainage
- Electricity provision
- Housing provision and the acquisition of land

In an effort to achieve these areas of prioritisation, it is imperative to ensure that all parties understand, own and act appropriately to the following core values :

1. Quality of service and performance excellence
2. Commitment and teamwork
3. Integrity, honesty and respect
4. Accountability and transparency
5. Participation and empowerment
6. Learning and development

By providing good quality and affordable services and by focusing on the enhancement of capacity of Sakhisizwe Municipality at all levels, the overriding objective remains to promote sustainable economic and social development.

The following management processes are proposed in order to assist the Municipality to understand the impact that various development projects may have on land and/or land requirements.

- A Spatial Development Framework

This provides a strategic approach to land development in Sakhisizwe and provides broad land use management guidelines. This plan was developed and is in the process of being both approved and then implemented.

- An Environmental Management Framework

A district wide Environmental Management Plan is currently in the process of being developed and will be put up for approval and implementation.

FINANCIAL HEALTH

The auditing of the financial statements for the period ending 30 June 2006 has been completed and the Report of the Auditor General for Sakhisizwe Municipality for the 2006/2007 financial year has been included in Chapter 4 of the Annual Report (Finance / Budget and Treasury Report).

That being said, it must also be noted that the appointed Service Providers (through the Auditor-General's office), had extreme difficulty in auditing these financial statements, due to extreme deficiencies in the recording of required data throughout the organization, which in most cases led to little or no data to support required evidence. As a direct result of this, calculated errors were made (statements attached) and Sakhisizwe Municipality received a disclaimer for the 2006/2007 financial year.

It is further noted that Sakhisizwe Municipality received a disclaimer during the 2005/2006 audit and weaknesses were highlighted relating to internal control; inaccurate representation of service losses and the fact that material changes were made to the financial statements submitted.

Whilst it must be acknowledged that the contribution from DBSA and the appointment of the Mentor/Acting Chief Financial Officer (Mr P McEwan) has resulted in tremendously positive steps being made within the financial area of Sakhisizwe Municipality, it must also be acknowledged that it will be a very likely possibility that a qualified audit report will be obtained during the 2007/2008 financial year. Whilst every effort will be made to address the inherited problems and to correct all identified problems, these are so vast, that in all likelihood it could take longer than one year to achieve in totality.

It will remain our undertaking to extend every effort to ensure that we do obtain an unqualified audit report for the 2007/2008 financial year. Notwithstanding these efforts, we remain confident that the contribution by DBSA and the appointed Mentor/Acting Chief Financial Officer will ensure that in time this Municipality will reach the top of its game.

ADMINISTRATIVE CONSIDERATIONS

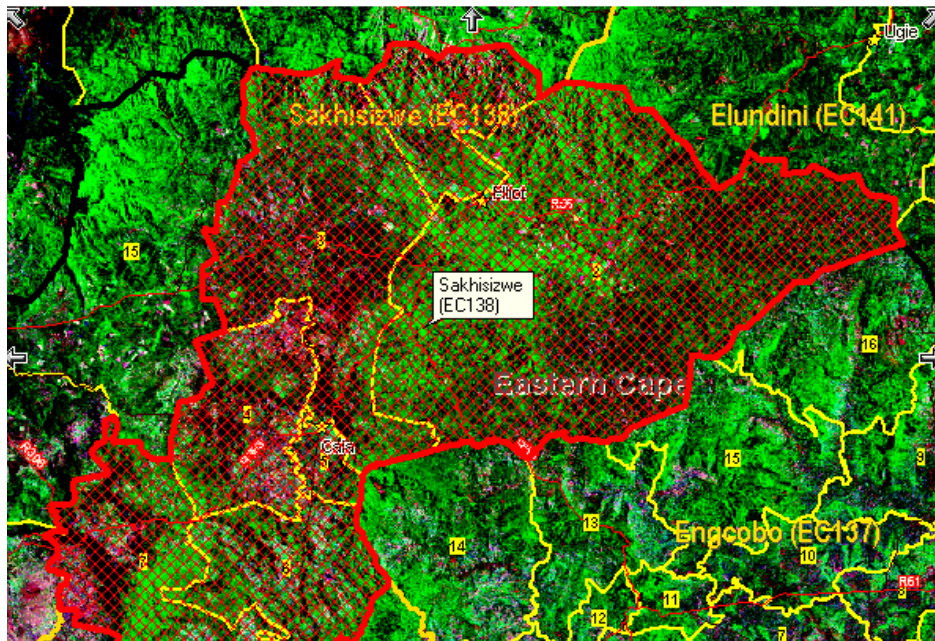
Aside from the administrative and governance deficiencies highlighted within the Audit Report, this Municipality will attempt to address operational and administrative performance, through the implementation of an Integrated Performance Management System at all levels within the organisation (as per a phased-in approach).

This, together with the development of Service Delivery and Budget Implementation Plans for all departments, will ensure that performance is managed both at institution and employee levels. Overall, legislative compliance, operational efficiency and the achievement of IDP objectives will be facilitated by these administrative considerations.

1.4 GEOGRAPHICAL CONTEXT

Sakhisizwe Municipality was established during December 2000, as a result of the amalgamation of the following Local Authorities and towns :

- φ Cala;
- φ Elliot;



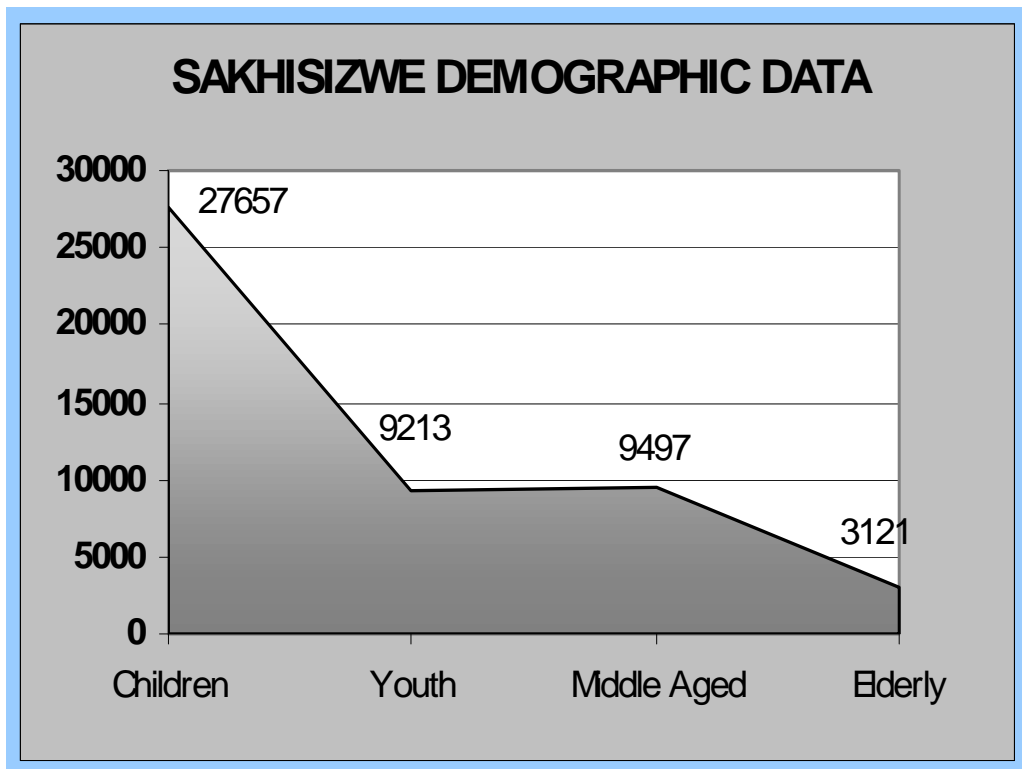
The Municipality covers an area of 2556 km². A unique feature of this Municipality has beautiful mountains and beautiful rivers and dams to lay claim to, and with many game-fishing opportunities the potential for tourism within the area is an opportunity that requires nurturing.

DEMOGRAPHICS

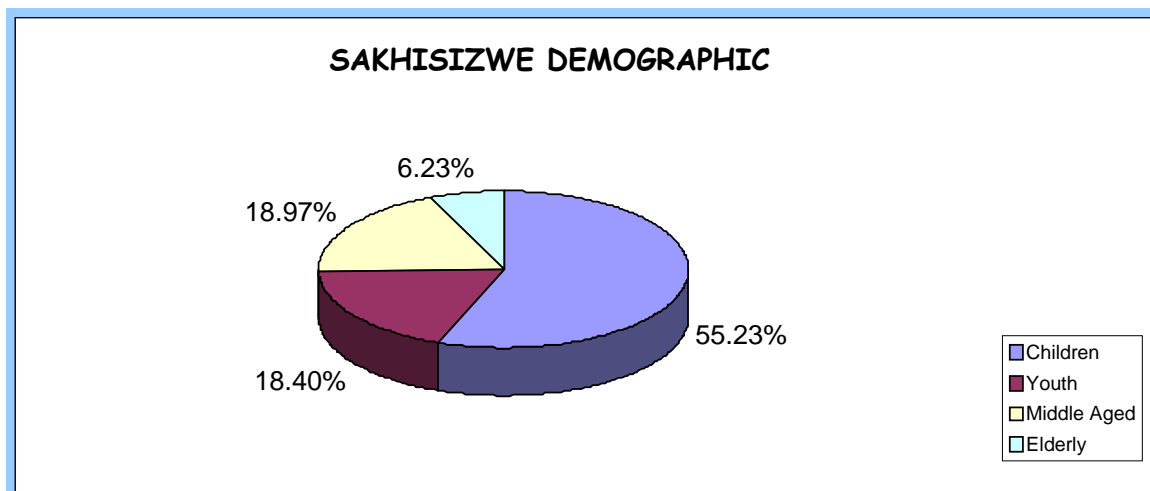
Population

The demographic data of Sakhisizwe Municipality indicates that the population is predominantly African, of which more than half (55.23%) of the population are children. This information is shown in Graph 1 and Graph 2.

Graph 1



The economic active population are small in comparison to the elderly and young children.



Graph 2: Sakhisizwe Demographic data represented in a pie chart

Racial groups, age distribution per ward

The municipal demographic data are reflected below in tabular form.

Table 1: Race and Age Groups

WARD	POP.	RACE (%)					AGE GROUPS (%)			
		AFRICAN	COLOURED	INDIAN	WHITE	OTHER	CHILDREN	YOUTH	MIDDLE AGED	ELDERLY
1	7429	92.4	0.3	0.5	6.0	0.7	52.6	20.9	20.0	4.8
2	8021	99.7	0.1	0.0	0.0	0.1	61.7	13.8	17.2	6.6
3	7548	90.5	3.2	0.3	5.6	0.2	49.4	21.5	21.4	5.2
4	8682	99.1	0.0	0.0	0.5	0.2	60.5	14.0	16.4	8.1
5	8546	99.4	0.0	0.0	0.0	0.5	56.7	16.0	18.7	7.6
6	9847	99.0	0.4	0.1	0.0	0.3	50.5	24.2	20.1	5.1
7	9500	99.6	0.3	0.0	0.0	0.1	51.2	22.0	20.6	6.2
TOTAL	50073									

** Source: Demarcation Board: Municipal Profile for Sakhisizwe Municipality. August 2001

Employment and Unemployment

It is estimated that :

- 35.5% of population formally employed.
- 64.5% are unemployed.
- 73.8% households have no steady income
- 22.4% of households earn less than R1 000 per month.

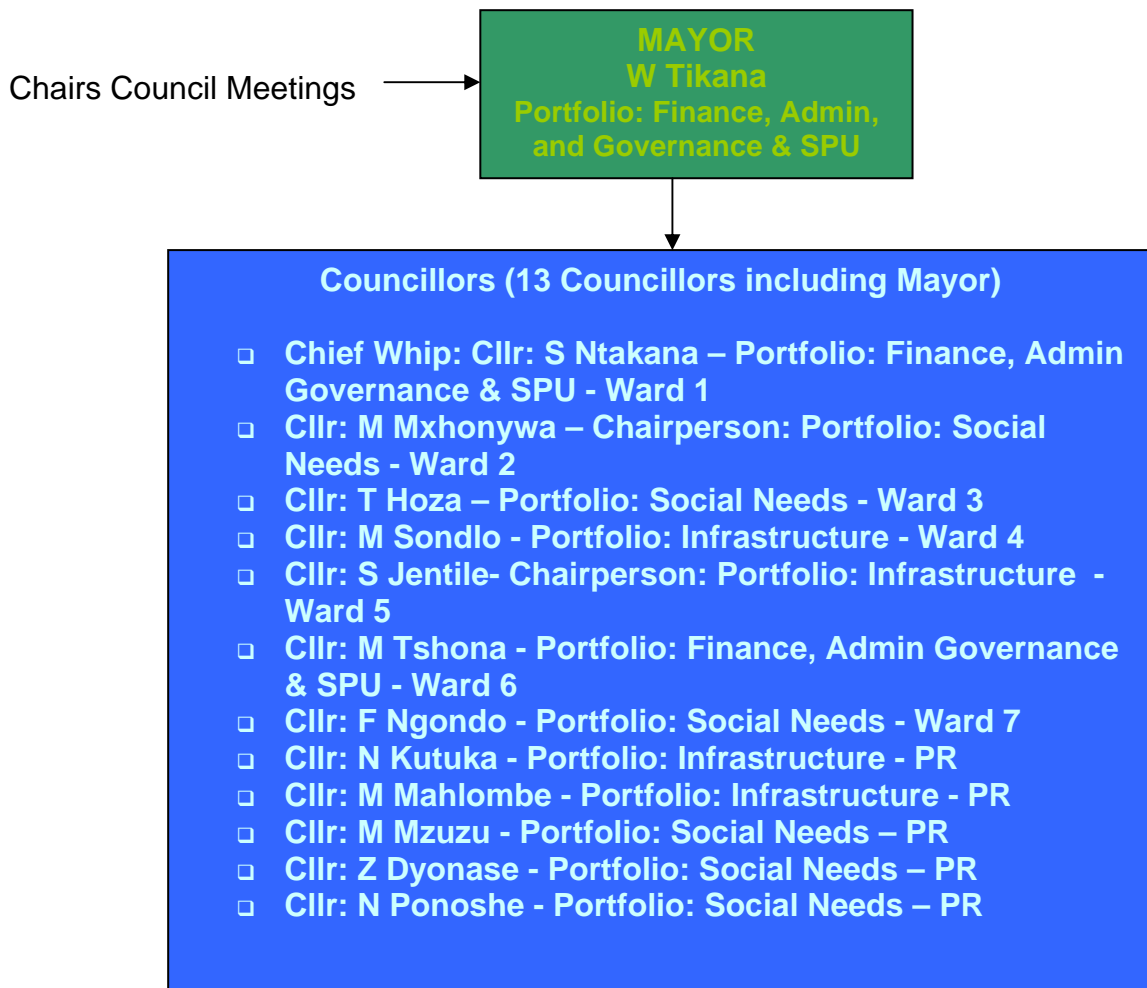
Note: This figure is below the Household Subsistence Level for the Province.

1.5. GOVERNANCE AND ADMINISTRATION STRUCTURE

1.5(a) Political Structure

As per Municipal Structures Act 1988, Sakhisizwe Municipality has a Plenary Executive System.

As a democratically elected Category B Municipality, Sakhisizwe Municipality's Council is comprised of elected Ward Councillors and Proportional Representation Councillors. Sakhisizwe Municipality was established as a Plenary Executive Type.



Ward Committees

Sakhisizwe is subdivided into seven (7) Ward Committees, which have been established, as a result of s72 – 78 of the Municipal Structures Act. Each Committee is chaired by its respective Ward Councillor.

Ward Committees are recognised as “consultative” community forums. Its purpose being to broaden participation in a democratic process of Council. Ward Committees do not have any formal powers. Submissions are made to Council via the respective Ward Councillor. In this manner, a consultative community structure is created and maintained.

Standing Committees

Standing Committees have been created in accordance with s79 and s80 of the Municipal Structures Act (Act 32 of 2000) and s160 of the Constitution.

Standing Committees have been created in order to assist the Mayor and Council in order to be better informed about issues requiring Council input and decision-making. Through the establishment of Ward Committees, Standing Committee Councillors become more involved and knowledgeable about specific issues affecting the departments that they represent within these Ward Committees. This process enables these Councillors to gain additional insight into the challenges, functions, and processes faced by these sections, and ensures that Council is able to make informed decisions within these areas.

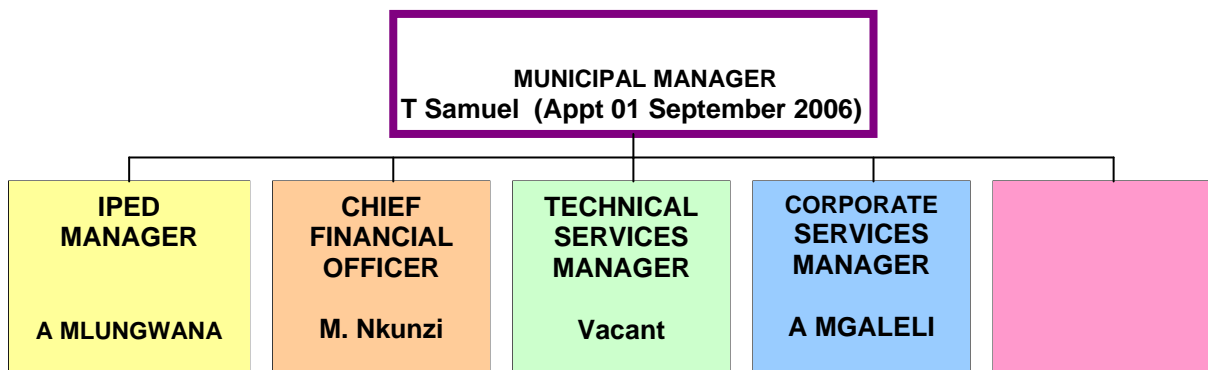
The following Standing Committees have been established during 2006/2007 Financial year:

- φ Finance & Admin Governance
- φ Infrastructure and
- φ Social Needs

Standing Committees are chaired by Standing Committee members and include members from political parties.

There are 13 Councillors in total. These are made up of 7 Ward Councillors and 6 Party Representatives.

1.5(b) ADMINISTRATIVE STRUCTURE -- CURRENT STRUCTURE



The Municipal administration has been organized into five departments, the four: s57 Managers report directly to the Municipal Manager.

Each department is required to develop annual strategic service delivery and budget implementation plans (SDBIP), which are based on annual objectives to ensure that IDP objectives are met as required. The SDBIP's have not been completed by departments and this affects performance measurement and achievement of IDP objectives.

It is the task of this administrative team and its support staff to ensure that they provide the necessary administrative support and structure in order to ensure and the implementation thereof would assist greatly in this process.

Although the organisation reflects five departments as in the Organogram above, this does not reflect the practical reality. Problems are experienced where :

- Functions are not homogenous to the department where they have been allocated.
- Health Services (remunerated by Council) does not appear on the organizational structure
- Posts remain vacant and unfilled
- Capacitation problems and administrative challenges result in little or no record keeping
- Certain Managers were not capacitated in the areas in which they were required to manage and did not apply themselves correctly to the financial management of their departments

Posts continue to remain unfilled and this occurs particularly in high-level posts. For example: during 2005 the position of Municipal Manager was vacant and was filled only during July 2006. Effectively, this left the Municipality with no strategic direction for the best part of six (6) months.

Similarly, the posts of Technical Services Manager and Community Services Manager remained vacant for over two years. It was also during this period that the Chief Financial Officer was suspended and finally dismissed due to financial misconduct (millions of rands unaccounted for).

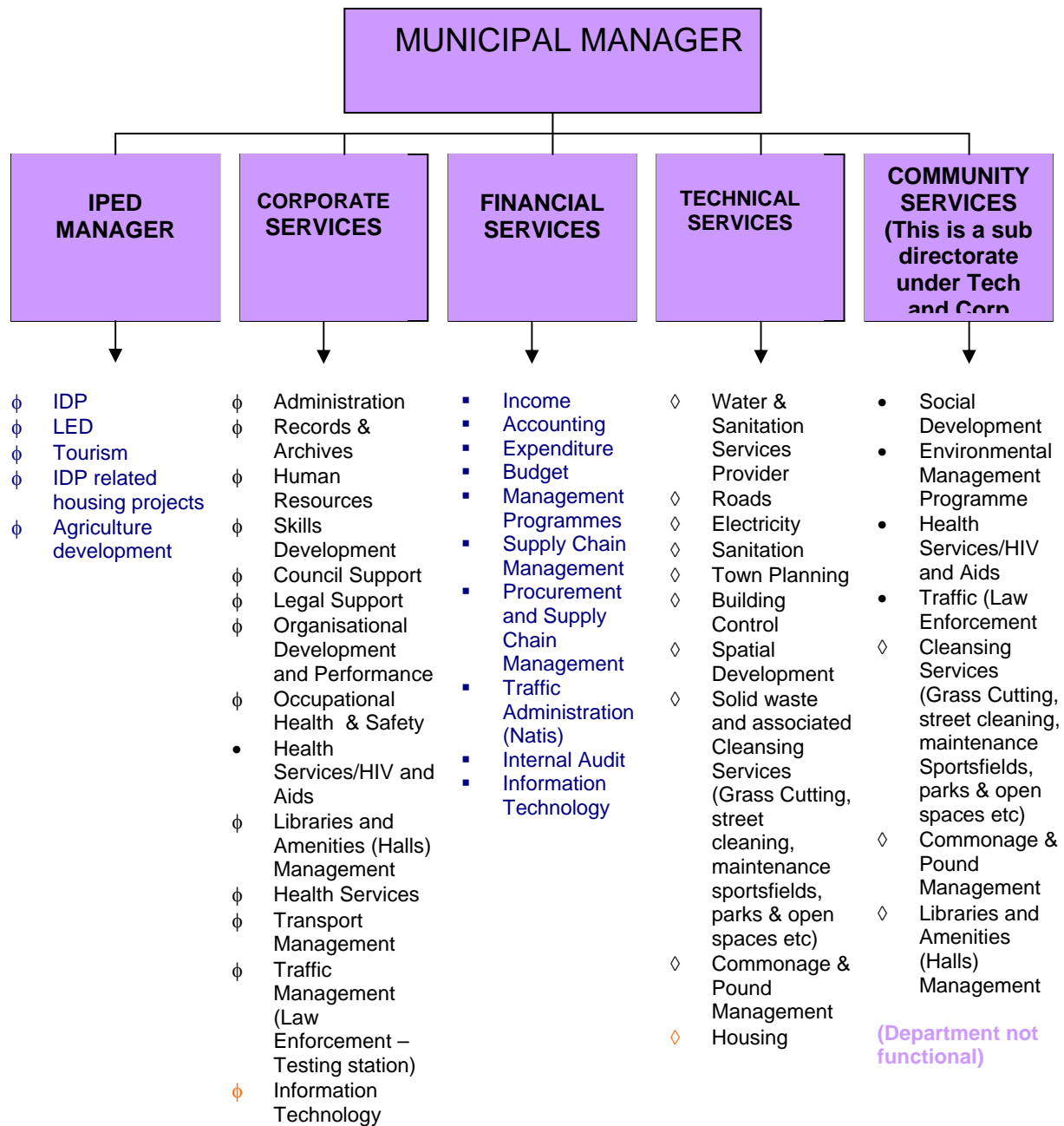
More recently the contracts of the IPED and Corporate Services Manager's have not been renewed.

The reality of this situation is that these departments have not been functional and due to the fact that functions have been placed in departments where there is not the competency to manage, these functions have not occurred as required. Service delivery has been dramatically affected as a result. It must also be noted that functions have been placed in incorrect departments as highlighted within the functional Organogram below. For example: Health Services, Libraries and Amenities have been placed under Corporate Services, whereas these should be logically grouped under Community Services. Many other examples exist and are indicated further as follows:

- The Corporate department manages many functions relating to Community Services
- Traffic Services (Law Enforcement) appears almost as a stand-alone department on existing organizational structure and is placed separately in Community Services department but managed by the Corporate Services Department.
- The administrative section of Traffic (NATIS) is found within the Finance Section

Note: There appears to be many overlaps indicating dual reporting relationships and this must be suitably addressed

FUNCTIONAL STRUCTURE



1.5(c) THE INTEGRATED DEVELOPMENT PLAN IDP

In compliance with Section 34 of the Municipal Systems Act (Act No 32 of 2000), together with Chapter 2 of the Local Government: Municipal Planning and Performance Management Regulations, No R796/2001, Sakhisizwe Municipality completed its first IDP in 2002.

Integrated Development Planning (IDP) is a crucial mechanism to achieve developmental local government and to overcome and eradicate the apartheid legacy and to make development local government an operational reality, and to foster co-operative governance practices between the three (3) spheres of government. A primary objective remains to ensure that all members of the community receive a basic level of service.

It takes a range of sectors, development activities and actors into consideration. It also adopts a holistic approach to the tools available to undertake such a process of planning and, on this basis, attempts to construct linkages between financial planning, infrastructure investment planning, service delivery and inter-governmental relations.

IDP is a way of maximising the impacts of all developmental interventions that government makes.

The IDP is an essential strategic management tool that drives and focuses the strategic and operational functioning of Sakhisizwe Municipality. It provides an integrated, long-term vision for the Municipality, which also enables the Municipality to meet its developmental goals as outlined within the Constitution. The IDP document contains the departmental goals and objectives and incorporates cross-cutting issues.

Identified projects in the IDP are assigned to a specific department of the Municipality. The Manager of that specific department takes primary responsibility for the implementation of the project assigned to his /her department. Input is required from other departments, but it still remains the responsibility of the department that has been assigned with the primary responsibility to ensure the project is implemented.

Purpose of Integrated Development Planning

- * To speed up the delivery of basic services and to ensure that such service delivery is appropriate in terms of scale and standard of service; and
- * To provide a financial, institutional and spatial framework for economic and social development within a Municipality.

The IDP is regarded as a strategic document that is required to change, in order to accommodate changes in circumstances. It is therefore legislated that the IDP is reviewed annually and that with the appointment of each new Council, that a completely new IDP is approved.

As per the provisions of the Municipal Systems Act 32 of 2000 (s34) the Municipality initiated the review of the IDP during December 2006. This was run in conjunction with the 2006/2007 budget process, as is required by the new Municipal Finance Management Act.

The IDP Steering Committee is comprised of:

Internal stakeholders

- The Municipal Manager
- The IPED Manager
- Members of the IDP steering Committee

External Stakeholders

- IDP Stakeholders
- IDP Representative Forum
- Sectors Departments
- PIMSS
- Intergovernmental Representative Forum (monthly)

When reviewing the IDP, the representative forum and outreach programme served as the primary vehicle for consultation and public participation.

It must be noted that no planned or new IDP projects were implemented during 2006 due to the financial crisis faced by the Municipality.

2.

PERFORMANCE

HIGHLIGHTS AND

SERVICE DELIVERY

APPROACH

2.1. PERFORMANCE HIGHLIGHTS

Sakhisizwe Municipality is involved in the provision of many and varied services to its community. At times these services are provided independently and in other instances, service provision is completed together with other organisations; spheres of government; businesses; and/or non-governmental organisations.

This chapter will highlight the services provided by the various departments of Sakhisizwe Municipality and will discuss these within the following table provided :

2.1.a) MUNICIPAL MANAGER'S OFFICE

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
COMMUNICATIONS & CUSTOMER RELATIONS/ CUSTOMER CARE	<ul style="list-style-type: none"> • Improve customer relations and communication • Engage with local communities as to their satisfaction with services rendered by the Municipality (Mayoral Outreach Programme) • Development and implementation of communications strategy • Dedicate staff to deal with customer care issues 	<ul style="list-style-type: none"> • Planned to undertake Customer Satisfaction Survey • Mayoral Outreach Programmes • Currently public participation conducted through Ward Committees with assistance of Community Development Workers • Planned to develop Service Delivery Charter • Undertake IDP review/budget process 	<ul style="list-style-type: none"> • Not established Funding constraints & support systems (staff, computer software IT Network) unreliable hence affects customer relations re information. • Lack of information on how effective these committees are. • Customer relations needs to be filtered throughout the organisation • Not being able to reach all communities in the medium and language of choice

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
	<ul style="list-style-type: none"> • Utilise the Municipality's website as an information, education and marketing portal 	<ul style="list-style-type: none"> • Planned communications strategy developed need review • Complaints not dealt with formally – verbal instruction • Plan to develop formal register where suggestions and complaints can be dealt with. • Monitoring mechanism put in place – follow up procedure • Website utilised effectively to communicate, educate and market the Municipality site 	<ul style="list-style-type: none"> • The high costs of printing and advertising which limits the production of publications and adverts • No dedicated staff to manage function • Staff shortages • Funding • No website – requires development • Funding • Communication through Mayoral Outreach Programmes

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
	<ul style="list-style-type: none"> • Implementation of institutional scorecard • PMS agreements developed • PMS system developed • PMS Audit Committee 	<ul style="list-style-type: none"> • Plans to implement • Developed for s57, plans in place to phase-in system to broader spectrum of employee • PMS reporting (monitoring quarterly) • Developed/ requires review • Planned phased in approach to middle management levels • Not appointed – currently 	<ul style="list-style-type: none"> • Grants received from MSP and Provincial Government for PMS • Not done • Funding constraints • Capacity • PMS Agreements developed • PMS System to be phased in at middle management level • Balanced scorecard type system in place • Internal Audit Committee nominated Cllr/s & external consultant on PMS Audit Committee • Formal PMS audit committee to be established

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
DELEGATIONS	<ul style="list-style-type: none"> • Delegation register – to maximise administrative and operational efficiency Provide for adequate checks and balances 	<ul style="list-style-type: none"> • Planned development of Register (responsibility of the MM and CFO) 	<ul style="list-style-type: none"> • Not in place • Funding constraints

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>OFFICE OF THE MAYOR</p> <p>SPECIAL PROGRAMMES</p>	<ul style="list-style-type: none"> • Establish and promote effective functioning SPU Unit – in the Office of the Mayor/ Municipal Manager • Monitor issues related to youth, elderly, women, disabled & HIV/AIDS 	<ul style="list-style-type: none"> • SPU Officer appointed • Planning to draft annual programmes with relevant stakeholders 	<ul style="list-style-type: none"> • Investigate avenues of funding • Participation of stakeholders • Staff shortages • Unfunded vacant post

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>CORPORATE SERVICES</p> <p>EMPLOYMENT EQUITY & SKILLS DEVELOPMENT</p>	<ul style="list-style-type: none"> • Employment Equity and skills development policies and plans are in place and reporting performed as legislated • SWP Plan and implementation plans submitted to LGWSETA 	<ul style="list-style-type: none"> • Plans in place – reporting performed EE reporting format partially complied with. • Training programmes implemented – not contributed to staff development – lack skills – staff sent on incorrect training • Management (x1), Municipal Manager and Mayor sent on Management Development Programme • ABET Training beneficiary 42 staff members • Mayor and Municipal Manager on a management development programme 	<ul style="list-style-type: none"> • Capacity • Lack of understanding • Lack of consultation • Lack of input from HOD's staff • Maintenance/ monitoring reporting consistency • Skills Audit/needs analysis not performed to required standard. • EE reporting format EEA4 not complied with • EE Plan • Reporting tables do not correlate • Skills Plan tables employees categorised incorrectly • Information does not correlate with Payroll • Funding allocated for training channel for use other than training • No dedicated training budget

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>ADMINISTRATION & COUNCIL SUPPORT Continued ...</p>	<ul style="list-style-type: none"> • Integration of filing systems <p><u>Schedule of Council Meetings</u></p> <ul style="list-style-type: none"> • Standing Committee • Council • Organized system of Council Support required • Required equipment in place – electronically manage the function • Council & Standing Committee agendas and minutes in an effort to reduce quantity of paper used 	<ul style="list-style-type: none"> • Integration completed • Municipal records are Archived • Manual System in place • Plan to establish a functional Registry Office • Council approved schedules of meetings, including deadlines for submission of reports, rotation of meetings and deadlines for distribution of agendas/ notices • Equipment not acquired • Equipment is operational - requires to be updated 	<ul style="list-style-type: none"> • Integration is complete. System is not managed and is currently in chaos. • Staff capacity • Funding • Institutional memory in danger. Preservation and proper management of such function is critical • 3 Operational Standing Committees • Funding • In place/requires to be updated • Capacity of Committee Clerk

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>CORPORATE SERVICES</p> <p>IT</p>	<ul style="list-style-type: none"> • Upgrade recording and printing equipment to reduce down time and increase output 	<ul style="list-style-type: none"> • Equipment in place. Equipment requires to be upgraded • Planned IT Plan developed by SITA – awaiting proposal • Planned IT Programme DBSA initialising programme link to the Municipality to LGNET • All users have secure login access • One network printer in Cala – allows users to print via network to photocopier machine • Leave records to be computerised – leave values for financial year end • Planned leave audit • Leave administration 	<ul style="list-style-type: none"> • Funding constraints • Skilled IT personnel • Capacity of staff to maintain • Funding • Office Space • IT Infrastructure • Lack of access to IT infrastructure • Function split between Corporate and Finance - No co-ordination • Network not fully functional • No attendance registers • No attendance register controller • Leave has financial implications for Council • Leave to be administered by HR

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>CORPORATE SERVICES</p> <p>TRAFFIC (Law Enforcement Testing Station)</p>	<ul style="list-style-type: none"> • Ensure that Road Traffic Act and related functions are performed to policy and adherence to legislation 	<ul style="list-style-type: none"> • Currently manual system – registers not maintained or audited/ checked regularly • No proper leave policy • Offices and Testing Station established • Planned renovations • Planned implement Traffic Education Drives • Planned to introduce Driving School at Educational Institutions – as an Extra Mural activity • 20 Roadworthy's processed a month (during year under review) • Buses – 6 • Goods vehicles - 9 • 115 learners licenses processed • 112 driver's licenses processed 	<ul style="list-style-type: none"> • Capacity of staff not a dedicated function • No control • No exception reports • Lack of maintenance traffic/street signs • Lack proper statistics • Robot infrastructure • Shortage of equipment and vehicles • Funding constraints • Functions not co-ordinated • Proper management and control of function • Shortage of qualified Vehicle Examiners • Upgrade database

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>CORPORATE SERVICES</p> <p>HEALTH</p>	<ul style="list-style-type: none"> • To provide a comprehensive integrated Health Care Service • Child health – immunizations, health, education and monitoring of development stages • Tuberculosis (TB) diagnosis of active cases – treatment • Record/statistical information in clinics • Provision of HIV/AIDS awareness, training, counselling, opportunistic infection treatment and prevention measures • HIV/AIDS programmes/campaigns to both community & Council – offer support to those affected and those infected by HIV/AIDS 	<ul style="list-style-type: none"> • Services are adequately rendered albeit resource shortages at Clinics in Cala (controlled by Province) and 3 Clinics in Elliot (controlled by the Municipality) • Planning to obtain funding to improve current health care service/s • Establishment of Health Committee • Preparation of an HIV/AIDS Plan • Related Training Courses attended • 5000 patients attended to monthly in the 3 Clinics in Elliot • Qualified professional staff in place 	<ul style="list-style-type: none"> • Lack/Access of health facilities to reach all areas and inhabitants • Buildings require rehabilitation • Co-Ordination planning and administration of emergency health services • Lack of funding • Shortage of qualified/skilled clinic staff care for delivery of services – ongoing challenge • Lack of resources, clinic (medical) equipment and office equipment and linen for the clinic • Functional integration being negotiated to improve service delivery • Shortage of chronic medication at the Clinics

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
	<ul style="list-style-type: none"> • Health promotion programmes – dealing with social mobilization, health awareness campaigns – educative home visits • Reduce current high infection rate • Medical Services – providing accessible medical services to the community 	<ul style="list-style-type: none"> • Interaction with Provincial Department of Health and relevant stakeholders in order to overcome fragmentation and duplication of services • Activities organised per the National Primary Health Care calendar 	<ul style="list-style-type: none"> • Improve/establish partnerships, accessibility with relevant stakeholders – community health forums • Promote Primary Health Care and HIV/AIDS education • Inadequate access to HIV/AIDS prevention, treatment and support system • Lack of proper statistics • Section informally reports to Corporate Services Department – not formally indicated on the organizational structure • National Health Act, Act 61 of 2003 came into effect 2005 – makes provision of PHS the service a competency of the Province – lack of clarity whether service will be centralized or decentralized • Inadequate funding from Province for agency function of PHC Services

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>CORPORATE SERVICES</p> <p>H R ORGANOGRAM</p>	<ul style="list-style-type: none"> • In place – not reviewed – not Strategically designed • Not populated adequately • Poorly developed handwritten Job Descriptions in place – not structured – no consultation and input • Job Descriptions not developed for all positions 	<ul style="list-style-type: none"> • Requires Review urgently – planned review – based on operational requirements/ functioning aligned to IDP. • Planned to be reviewed & updated – revised in with new organizational structures – new job descriptions will also be developed • Planned strategic sessions with management • Posts have been benchmarked due to huge disparity in salary 	<ul style="list-style-type: none"> • Strategic posts not filled • Attraction of skill – poor remuneration – low graded Municipality • Capacity • Funding constraints • Affects service delivery • Currently not aligned to IDP & does not meet objectives of IDP • Staff perform a multiple of tasks – not related • Functions are being performed by employees who do not have the capacity to fulfil same • Functions are not homogenous and are housed in incorrect departments

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>CORPORATE SERVICES</p> <p>LABOUR RELATIONS</p>	<ul style="list-style-type: none"> • Disciplinary Grievance Policy & Procedure in place • Management 	<ul style="list-style-type: none"> • Task results received. Awaiting salary curves • LLF Meeting held – not regular • Disciplinary Grievance Policy in place (Collective Agreement) • 5 Cases of theft • 8 Cases of under influence of alcohol • 2 Cases negligence • 10 Grievance cases • Planned to incorporate disciplinary grievance code into a procedure – that assist staff to understand 	<ul style="list-style-type: none"> • Poor remuneration structures • Retention of staff – attracting required skills • Low grade of the Municipality • Participation • Capacity of staff (in formulating charges prosecuting/ chairing of hearings) • Lack of understanding • Lack of supervision
<p>CORPORATE SERVICES</p> <p>LEGAL SERVICES</p>	<ul style="list-style-type: none"> • Co-ordinated legal services 	<ul style="list-style-type: none"> • Legal disputes – contracts, general application to law - handled by Adv Bloem Roos Kalp & Partners McDougall & Bowes Inc Eavesdrop Inc 	<ul style="list-style-type: none"> • Capacity • Function outsourced for legal opinion/advice/ representation

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>CORPORATE SERVICES</p> <p>CONDITIONS OF SERVICE AND HR POLICIES</p>	<ul style="list-style-type: none"> • SALGBC Collective Agreement in place • H R Policies are in place and adhered to in terms of applicable legislation • Maintenance of Personnel files • Personnel files for all employees (permanent temporary) • Payroll (Administration/ authorization) effective payroll administration processes re payroll are implemented appropriately • Payroll Procedure manual and Payroll instructions are authorized prior to implementation Legislative requirements are complied with 	<ul style="list-style-type: none"> • All employees with effect 1 Jan 2006 – subjected to uniform Conditions of Service • Planned Policy reviewal • Personal files in place – require audited/ restructured • Planned procedures manuals (HR) processes • Planned to implement procedure manual with procedures • Planned to implement pre-numbered payroll instructions • All instructions to be processed through HR prior to implementation by Finance Department. 	<ul style="list-style-type: none"> • Policies are outdated – require reviewal – legislative compliance • Proper administration of benefits (retirement/ resignation, etc) • Absence of contracts/Letter of appointment and relevant information • Files required to be audited • No dedicated HR/Personnel Clerk • Capacity • No pre-numbered payroll instructions (regarding new appointment/ resignations/ retirements), verbal instructions etc lead audit queries • General salary increases not processed through Corporate Services but by implementing dept Finance • Excessive overtime/ overtime not verified and checked/ monitored by H R

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>CORPORATE SERVICES</p> <p>O H S</p>	<ul style="list-style-type: none"> • Policy in place to maintain facilities – safeguard employees risk from injury through operations of the Municipality OHS 	<ul style="list-style-type: none"> • Policy requires renewal • Health & Safety reps appointed – meeting conducted – not regularly – 50% functional 	<ul style="list-style-type: none"> • No capacity/ lack of interest • Not compliant • Accident not reported – not reported within 48 hours • Inspection not done • Meetings not held regularly • Training of Safety Reps not done

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>CORPORATE SERVICES</p> <p>SOCIAL & RECREATIONAL FACILITIES (Halls & Libraries)</p>	<ul style="list-style-type: none"> • Establishment of sufficient social & recreational facilities - support social development • Development, maintenance and administration of: • Community Halls • Multi purpose Centres • Libraries 	<ul style="list-style-type: none"> • 2 Halls in Elliot and 1 Hall in Cala • Ongoing research, planning and assessment of facilities – maintenance /development reports. • Ongoing maintenance - but limited due to funding constraints • Planned project – Renovations Masibambane Hall R100 000 & Hall in “old Location (R 50 000) • Painting of halls • Revised Tariff (Halls) structure in place • Security placed at halls • Use of Occasional Caretaker/s • Planned building hall in “Old Location” • Planned public conveniences at Halls • Planned: build Halls in each ward – multi-purpose community centres 	<ul style="list-style-type: none"> • Lack of qualified staff • Inadequate facilities • Lack of Funding /sufficient funding • Shortage of equipment • Manual system – require relevant IT system/s • Under investment in facilities • Low tariff structure – Policy & procedures require review • Equipment shortages require 600 chairs at halls in Cala and 1200 Chairs in the Elliot Hall/s • Function housed in incorrect department • Functions not co-ordinated • Bookings/ payments processed and financed • Maintenance by Technical department • Maintenance not performed regularly

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>(IPED)</p> <p>TOURISM/ LOCAL ECONOMIC DEVELOPMENT</p>	<ul style="list-style-type: none"> ▪ To fight poverty and create facilities to support economic, including amongst others, agriculture infrastructure, hawker shelters, taxi facilities, SMME business premises, etc ▪ Development Develop strong linkages with & amongst all relevant stakeholders in the field of LED ▪ To establish and facilitate functioning of Tourism/ LED forum ▪ Draft Tourism/LED Strategy – implementation thereof ▪ To provide safe, sustainable and equitable amenities to all citizens in order to draw tourists to the region <ul style="list-style-type: none"> • Develop & implement strategies for effective utilization of land and properties 	<ul style="list-style-type: none"> ▪ Sakhisizwe Tourism established from all local tourism associations for Elliot and Cala ▪ Plan to establish Tourist information centres ▪ Tourism Plan developed ▪ LED Strategy to be developed and discussed at LED Forum ▪ Terms of Reference Developed ▪ Funding obtained from DBSA – formed a technical committee – tourism and business <ul style="list-style-type: none"> • Land sold at market value • Business Development • Economic growth and employment created 	<ul style="list-style-type: none"> • Funding a constant constraint • Professionally qualified LED staff • Proactive approach required to facilitate revive and ensure continued functioning of the forums and ensure implementation of Tourism and LED Strategy • Attendance at forum Meetings • Establish an environment conducive to development - Many tourism/development opportunities that need exploration – strategic partnerships to be created • Identify stakeholders and develop Tourism Strategy • Insufficient funding

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>(IPED) TOURISM/ LOCAL ECONOMIC DEVELOPMENT Continued.....</p>	<ul style="list-style-type: none"> • Create a vibrant economic environment that is conducive to SMME`s development to 50% of the unemployed by 2014 • SMME database profile • Hawkers 	<ul style="list-style-type: none"> • Develop skills – business training • SMME development strategy /Plan to be developed • Planning to Develop database • Plan to establish training centres • Promote Public Private Partnerships • Co – ordinate different programmes from all spheres of government • Invest in Local entrepreneurs/contractors • Plan to undertake natural resource identification and mapping to attract investors • Plan to form section 21 company -- deal with LED related projects • Develop infrastructure • Planned to Identify & demarcate Hawker sites • Issue trading /Hawkers license • Review By Laws • Self sufficiency • Create Economic growth 	<ul style="list-style-type: none"> • Slow economic growth – require intervention • Poverty alleviation programmes • To facilitate & monitor the provision of agricultural activities and facilitate with DOA the support of emerging farmers • Provide information centres to assist with economic initiatives • Lack of infrastructure • Provision of water from CHDM • Identify stakeholders • Liaise with Private Public Partnerships – obtain support /financial resources • Lack / Source Funding DOA & Social Development • Source equipment and tractors

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
	<ul style="list-style-type: none"> • Co –ordinate and facilitate provision of dipping tanks • Provision of shearing sheds Production of healthy livestock by 2009 • Stimulate agricultural growth – farming (citrus farming) • Investigate economic possibilities - Plantations forestry and woodlots • Homestead Production Community Gardens • Acquisition of Tractors and equipment 	<ul style="list-style-type: none"> • Production of healthy livestock • Create economic possibilities • Economic growth • Job Creation • Plan to develop agriculture development plan • Alleviate poverty • Promote food production • Established and sustainable community gardens • In 2006 /2007 commenced with a draft business plan • Self sufficiency • Skills Development 	<ul style="list-style-type: none"> • Source funding • Establishment of irrigation system • Create organized citrus farming • Market agricultural potential in Municipal area • Forming public – private partnerships • Development of agro – based industries wool production, meat production

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
			<ul style="list-style-type: none"> • Citing financial difficulty • Material price increase & or timeous / non payment • Achieving provincial norms and standards in terms of housing delivery challenges • Problems with Access roads • The road infrastructure is very bad during rainy days because of poor stormwater control • Incorrect allocation of Beneficiaries • Allegations of fraud within the projects • The DHLGTA is very committed to the completion of this project • Beneficiary administration - some beneficiaries were allocated sites in areas, which belonged to other people. • HIV /AIDS Crisis – result skewed demographic profile • Develop a database and Continually update and maintain beneficiary list • Continually foster job creation

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>(TECHNICAL) ELECTRICITY & STREET LIGHTING</p>	<ul style="list-style-type: none"> • To keep the electricity network operational and provide a reliable service • To increase the number of households with access to electricity • Develop a electricity master plan • To ensure that supply is up graded to be able to meet needs for future growth • Provide electricity to 973 residential and commercial consumers including industrial and small holdings in the Municipal environment • Provide public lighting • New connections done on request in licensed areas • Ongoing maintenance of existing networks 	<ul style="list-style-type: none"> • Plan to align upgrading with spatial development framework • Master plan developed – currently being phased in – planned to be completed by March 2008 • 30 new connections done on request as there is currently no backlog in licensed areas • 325 Electricity faults reported and dealt with - a large improvement over the previous year • Faults attended within 2 hours of reporting fault • Conventional electricity meters serviced/ replaced – 50 • Ongoing Operation and maintenance • Installation of Overhead lines – Elliot Industrial area 	<ul style="list-style-type: none"> • Elliot network controlled by the Municipality whist Cala network falls under Eskom • Income generated is not channeled back to department for Projects funding and • No input into budget process re requirements of department / projects • Staff shortages resulting overtime and continuous 24 hour standby duty Employment of 1 Snr competent Electrician – X 1 Apprentice Electrician and X 2 Linesman (Electrician’s Assistants) in Elliot • Ability to retain and attract skilled staff • Shortage of equipment and vehicle for • Electricity theft • Ageing infrastructure • Insufficient funding • Electricity backlogs in the rural area

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
	<ul style="list-style-type: none"> • The rural areas of Sakhisizwe Municipality (Masibambane, Pholar Park, 'Old & New Township", Takalane, Masibambane, Ekuthuleni Ext and Cala Unit, are within the licensed area of ESKOM and will remain so in the foreseeable future • Maintenance of existing public lighting • Street light maintenance 90% are functional • Extension of public lighting systems • Maintenance and renewal of public buildings • High Mast Lighting and electrical installations, when required 	<ul style="list-style-type: none"> • Upgrade at Shoprite & erected LV Line Breaker Kiosk (R 58 000) • Installation of new overhead Lines in Industrial area of Elliot (R 5000) • Installation of New transformer MV Line (22kv) at Maclear Road in Elliot (R10 000) • Ongoing maintenance of pump stations and electrical installations in Elliot & Cala • Street light maintenance in both units • Planning to install high mast in Cala in 2007/08 financial year • Planned phased-in upgrading of Elliot Electrical network (R2 Million allocated) completed by March 2008 	<ul style="list-style-type: none"> • ESKOM assistance with tariff analysis • Not achieved Street Lighting not maintained - No suitable vehicle require - Cherry Pickers • Rehabilitation of network • Standardization of equipment • Supply Chain Management • Non compliance of communities with regard to electrical installations • High Masts in 2007 / 2008 financial year in Cala • Lack of tools and equipment • Lack of storage facility for vehicles, tools and equipment

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>(TECHNICAL) ROADS & STORMWATER</p>	<ul style="list-style-type: none"> • The construction and maintenance of gravel and surfaced roads • Rehabilitation and maintenance of roads • To construct access Roads • The construction of sidewalks • The construction of storm water systems • The construction of bridges and river crossings • Maintenance of road furniture • Planning and design of new projects • Purchase of new plant 	<ul style="list-style-type: none"> • Planned project 3 roads Construction MIG Grant R5 074 Million reduced to R3.1Million by Dept of Minerals and Energy, therefore only 2 Roads Projects planned • Tender process to commence • Planned to formulate a Roads construction and maintenance programme – tarred and gravel roads • DBSA deployed a Technical Manager to the Municipality • Funding obtained MIG Grant -- Constructed Taleni and Ndyavu Access Roads (R 2.6 Million) 	<ul style="list-style-type: none"> • Old infrastructure and rapidly deteriorating roads – in some cases past functional life – major rehabilitation needed – potholes prevalent in both units • Large portion of roads are gravel – will require resurfacing • Capital allocation insufficient • Resources constraints • Technical Managers post vacant for over 2 years Shortage of tradesman in related field • Insufficient plant, machinery & equipment – one tipper truck one pad foot roller 2 x 13kl water carts 1 x 4x4 TLB required to perform function • Insufficient funds Reducing the access roads backlog – rural areas – 32 villages • Supply Chain Management • Urban renewal Needs to be done to encourage LED

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
(TECHNICAL) WATER	<ul style="list-style-type: none"> • Reduction of water services to rural areas – Optimization of treatment works capacity • Supply water to existing water storage facilities • To ensure adequate water supply • Reduction of burst pipes • Augmentation and expansion of distribution network to provide water to new developments • Implementing a preventative Maintenance programme • Chris Hani are the Water Service Authority who in turn have appointed Amathole Water to provide water to outlying areas in Sakhisizwe Municipal Area by District Municipality 	<ul style="list-style-type: none"> • Water purified was 120 000 KI • Water faults reported and attended to were 240 • 12 Water meters replaced/ serviced • New water connections were 50 in Elliot • Ongoing maintenance • Drought emergency relief received from Government successful in creating no inconvenience to consumers • Planned undercount excavation for water sources • Planned construction of dams and raw water storage • Planned building of reservoirs at Pholar Park 	<ul style="list-style-type: none"> • Completion of the Section 78 process • A permanent solution to the bulk water supply • Capacitating of staff • Qualified operators • Water backlogs in the rural area • Rehabilitation of the reticulation networks • Culture of non payment – limiting income sources • Illegal connections • Tampering with meters/ damage to meters • Development of a Water Master Plan for all areas • Supply Chain Management • Rehabilitation of the purification works • Installation of individual and section metering for water balancing

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>(TECHNICAL) WATER Continued...</p>	<ul style="list-style-type: none"> • The Sakhisizwe Municipality appointed on an agency basis to reticulate water until the Section 78 process is completed • Water purification is undertaken at Cala 1 Plant and at Elliot 1 Plant • Outlying area water is supplied by Chris Hani Amathole Water but reticulated by Sakhisizwe • Potable water is reticulated to households within the Sakhisizwe area to unmetered (Cala, Old Township and Masibambane – 1763) • Metered Elliot – 865 • Metered in Cala – 798 	<ul style="list-style-type: none"> • Planned Pipeline extension of filter works to outlying areas • Maintenance to electrical /diesel water pumps at pump station • Lobbying for funds for construction of small water projects • Planned upgrading of Municipal water service provider status • Water subsidies are provided to 3128 households • Arcus Gibb Consulting Engineers appointed to investigate raw water/bulk water storage facilities quality water • Equipped borehole to alleviate water shortages • Requested CHDM (WSA) to appoint service provider – feasibility study – expansion of a raw water storage 	<ul style="list-style-type: none"> • Realistic tariffs for cost recovery • Replacement of vehicles • Bulk rehabilitated and supplied supply to be established for rural areas • Dam scour and line • Installation of fire hydrants • Ward 7 continuous problems with water shortages • Confusion between LM and WSA • Insufficient bulk water facilities • Silt– impact on water quality. Silt occupies large volumes of storage dam – silt exceeded the inlet that leads to WTW. • Water shortages • Confusion between WSA and LM budgets • Shortage of water during dry seasons • Insufficient raw water storage • Water restrictions often implemented

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
(TECHNICAL) SANITATION	<ul style="list-style-type: none"> • Water supplied to households : Pholar Park – 29 – total 3455 of that 3128 receive subsidies • New connections are done on application • Infrastructure is responsibility of water services authority • Rural areas fall under Chris Hani District Municipality • Maintenance of purification works and reticulation systems • The Sakhisizwe Municipality has been appointed as Water Services Provider by the Water Services Authority (Chris Hani District Municipality) on an annual basis until the Section 78 process is completed, and this includes provision of sanitation services. 	<ul style="list-style-type: none"> • Addressed problems associated with Treatment Works, Ponds and spillage with CHDM • The problems associated with sewer reticulation in Cala has been reported at Council meetings A planned survey of affected households is required 	<ul style="list-style-type: none"> • Treatment works in Elliot have exceeded their design period • Sewerage ponds are at capacity • Pond walls are damaged • Sewer spillage into river • Installation of chlorinator • Awaiting assistance from CHDM • Rural sanitation backlogs • Eradication of bucket system • Pholar Park, Cala • Shortage of need VIP Toilets in rural areas – buck eradication

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
	<ul style="list-style-type: none"> • The rural areas fall directly under the Water Services Authority (Chris Hani) • Infrastructure projects are the responsibility of the Water Services Authority • New connections are done upon request as there are still backlogs although a large percentage are below RDP standards • Maintenance of ponds, conservancy tanks and reticulation systems • Waterborne households serviced: Elliot, "Old Township", Masibambane inclusive commercial/business: 2050 • Cala: 822 • VIP serviced: 2000 • Conservancy tanks – 40 per month • The urban communities are insisting on waterborne sanitation removal and are not prepared to accept other methods 	<ul style="list-style-type: none"> • Operational problems experienced in Cala intervention by DWAF • Bucket system has been eradicated - VIP – toilet system in rural areas and waterborne in Urban Areas • Ongoing Operation and Maintenance • Construction of new treatment works has begun in Elliot • Construction of oxidation ponds has begun in Elliot Extension • Complaints reported and attended to were 340 • Sewer blockages were 240 • VIP's serviced: 2000 • New connections: 22 • Conservancy tanks serviced on request basis – Cala 8 per week • Elliot 2 per week • Bucket system serviced • Cala 216 • Pholar Park: 26 • Subsidies received 2772 	<ul style="list-style-type: none"> • Sanitation ponds needed in rural areas • Unqualified operators (treatment works) • New vehicles needed • Waterborne sanitation for bucket eradication in Elliot • Rural areas and Cala sanitation inadequate • Outstanding waterborne 1500 (urban area) and VIP (rural area) outstanding 1000 • Supply Chain Management • Old and aging infrastructure (reticulation) • Irrigation at ponds • Staff not trained in operations and maintenance of pond • Culture of non payment still exists • Confusion between WSA and LM budgets

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
	<p>A political decision has been taken for waterborne sanitation in urban areas and VIP's in rural areas</p>		<ul style="list-style-type: none"> • Lack of staff • Insufficient funding • Lack of tools and equipment • Effluent generated from ponds not used for irrigation • Sewerage reticulation incomplete in Cala – using septic tanks and conservancy tanks Ndondo Square Township – problems with soil material saturation ends up in the septic tanks • Septic tanks not approved by Municipality • Poor workmanship (septic tanks) • Effluent is running into Tsomo River – creating Health problems – implications from DWAF

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>(TECHNICAL SERVICES)</p> <p>PARKS AND PUBLIC OPEN SPACES</p>	<ul style="list-style-type: none"> Grass on sidewalks, parks and open spaces to be cut 	<ul style="list-style-type: none"> Grass on sidewalks, parks and open spaces cut -- not regularly maintained in the 2 towns within Sakhisizwe i.e. Elliot & Cala. Cutting includes cemeteries, sports fields, sidewalks and parks. Regular pruning of trees and shrubs did not take place 	<ul style="list-style-type: none"> Difficulty during growing season to maintain side walks, due to staff shortages and equipment availability. After first frost the work returned to normal and the backlog could be dealt with – not performed consistently Lack of funding Regular pruning of shrubs & trees not done Department not functional due to post being filled No management /staff in department Staff shortages – function currently not coordinated partly managed by IPED department and Technical Department – hampered service delivery

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>(TECHNICAL)</p> <p>REFUSE REMOVAL/SOLID WASTE</p>	<ul style="list-style-type: none"> • To provide refuse removal services, street cleaning, public conveniences, Landfill site and waste transfer Sites and waste minimization education • Household refuse and business refuse to be removed efficiently and effectively. • Daily cleaning of streets to ensure health standards maintained. • Development of a functional solid waste site. • Register Solid Waste Sites • Waste Management Plans • Waste minimization Education • Obtain Operational permits for Sites • Fencing of Landfill Sites • Purchase vehicles /equipment to improve service delivery • Revise waste By laws • Distribution of bins and containers 	<ul style="list-style-type: none"> • Household refuse to be removed once a week and business refuse twice a week. • Refuse removed from 3977 commercial and residential areas municipal areas • Elliot 3260 • Cala 522 • Commercial 195 of 3977 a • Subsidy are provided to 3782 • Streets cleaned daily. • Waste Sites at both nodes – • Waste disposed at the SWD site 67 tons per month (household / domestic) – 75 % • Waste disposed: Garden refuse consists of 24 % • Plans to re - develop and register a solid waste site at Cala. • Programme for refuse removal in place • Plans in place to fence Landfill Sites • Development of A Management Plan for Landfill Sites (EHP) • Planned finalize waste By Law 	<ul style="list-style-type: none"> • Refuse is collected weekly in Elliot and Business are serviced twice a week, according to a refuse programme • Residents in Cala are serviced Daily - according to a scheduled programme specific allocated areas are serviced each day of the week • Refuse site not fully operational and poorly operated and mismanaged • No control over “dumping” at refuse sites • Old outdated & defunct machines and equipment and vehicles • Shortage of Vehicles • Maintenance of existing vehicles • Financial constraints – budget insufficient for improvement.

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
		<ul style="list-style-type: none"> ▪ Planned engage sectoral departments ▪ Implement Environmental & integrated environmental management plan ▪ EHO is employed (seconded through CHDM to enforce By law on cleanliness of Premises ▪ Bins placed in ext 4,8,9,11,12, 13, 14 and 15 ▪ Plans in place to identify collection areas/spots/ containers be placed in such areas 	<ul style="list-style-type: none"> • Statistics not regularly recorded • Lack of control over collection – lack of supervision within function • Insufficient public refuse receptacles in CBD • No recycling facilities • Future Planned education drive to educate the community on waste minimization – pilot project to initiated at school level • Formalize environmental & integrated environmental management plan • Service not homogenous to functioning department • No collection spots – identified • No removal containers in such spots/areas • Theft of fence at solid waste site

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>(TECHNICAL) COMMONAGES / POUNDS</p>	<ul style="list-style-type: none"> • Control, manage and maintain public open spaces (Commonages) & pound management • Fencing 	<ul style="list-style-type: none"> • Currently commonages in Ext 8 to 12 Cala • Containment of stray animals • Secure Community Gardens • Establish commonage /pound fence all arable land • Currently tariff structure in place • Revisit tariff structure • Revisit related By-laws 	<ul style="list-style-type: none"> ▪ A huge challenge to commonage management - liaise with DOA & Dept of Public Transport – establish the commonage /pounds ▪ Fence arable land • Negotiations with small farmers • Staff shortage and associated problems with remuneration & overtime

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>(TECHINAL /COMMUNITY SERVICES)</p> <p>SPORTSFIELDS & CARAVAN PARK (ELLIOT)</p>	<ul style="list-style-type: none"> • Establishment of sufficient social & recreational facilities - support social development • Development, maintenance and administration of: • Sportsfields and other associated amenities 	<ul style="list-style-type: none"> • One sportsfield in Elliot • One sportsfield in Cala with indoor facilities – utilized daily • Elliot: - Utilized bi-weekly • Sub-standard facilities • Caravan facilities used by visitors to the region – no statistics • Equipment donated by Dept Sports, Arts & Culture • Maintenance schedule in place - not being maintained at desired level • Planned review of maintenance Revised schedule to be implemented • Planned to build 10 new sportsfields 	<ul style="list-style-type: none"> • Manage the vandalism of these amenities • Control proper use of amenities • Revisit procedure on use of amenities and develop tariff structure • Implement maintenance programme/s • Shortage of staff – staff not allocated specifically for such function - perform a variety of functions within department • Collaborate with Provincial and National departments

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>(TECHNICAL)</p> <p>CEMETERIES</p>	<ul style="list-style-type: none"> • To maintain cemeteries, control & provide burials within the framework of the Health Act 	<ul style="list-style-type: none"> • Planned to upgrade and maintain cemeteries • Planned Geo-technical investigation • Planned to provide licensed cemeteries • Planned rehabilitation of cemetery (Pholar Park & Hillview) • Review existing Tariff Policy/ Develop Tariff Policy • Identify land for grave sites • Fencing of cemeteries • Planned to improve record keeping and statistically reporting on cemeteries / burials • Planned review of Pauper Burial Policy (2008-2009 financial year) 	<ul style="list-style-type: none"> • Unavailable land – cemeteries are at full capacity • Insufficient funding • No statistical records • Cemeteries not fenced and maintained • 90% of burials are illegal • Registers in place not controlled – not sufficient • No allocated staff members takes responsibility for this function • Staff shortages/ unfilled post • (Function not co-ordinated – staff perform a multiple of tasks within Technical Dept) • Function not homogenous to Technical Dept - housed in the incorrect dept

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES & KEY SUCCESSES	CHALLENGES & OPPORTUNITIES
<p>(TECHNICAL)</p> <p>TOWN PLANNING & BUILDING CONTROL</p> <p>(Part of Technical administrative service)</p>	<ul style="list-style-type: none"> • To create an efficient spatial settlement pattern • To enforce building regulations - Application of legislative issues • Control of land use • Building safety • Environmental protection • Spatial development 	<ul style="list-style-type: none"> • Developed a spatial development framework • Approval and rezoning done in conjunction with District Municipality (Chris Hani) • Planned upgrade and formalize rural settlements • Plan to facilitate an investor friendly environment related to land tenure 	<ul style="list-style-type: none"> • Required to implement spatial development framework • Develop land use management plan and land settlement plan • Prioritize land use practices and planning • Prioritize land reform/tenure • Plan, programme and link services and supply networks to optimize efficiency • Access roads to properties • Lack of adequate houses – ensure construction of quality houses • Enforce building regulations • Building Control Officer to be appointed

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES & KEY SUCCESSES	CHALLENGES & OPPORTUNITIES
<p>(TECHNICAL)</p> <p>DISASTER MANAGEMENT</p>	<ul style="list-style-type: none"> To ensure formulation of an integrated and sustainable disaster management plan 	<ul style="list-style-type: none"> Planned to formulate a Disaster Management Plan in partnership with CHDM and Provincial Government Working CHDM to establish Disaster Management Centre with necessary equipment and facilities 	<ul style="list-style-type: none"> Office space and equipment needed Vehicle needed Separate budget for town planning and building control Zoning maps needed - Community land issues need to be legally solved More land for development departments not liaising with the municipality before developments are implemented Hailstorm disaster destroyed 60 RDP structures. Total cost R174Million. Partially destroyed 96 households R52 641 Thousand – 2% for damaged roofs and windows require R7 897 to repair damage

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES & KEY SUCCESSES	CHALLENGES & OPPORTUNITIES
		<ul style="list-style-type: none"> • Carry out Awareness Programmes/ Campaigns Counselling Services to victims • Encourage CHDM to undertake risk vulnerability assessment 	<ul style="list-style-type: none"> • Damage to roads – estimate damage R10,5Million • Lack integrated approach to Disaster Management within municipal area • Lack of risk mitigation measures on disaster prone areas

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
		<ul style="list-style-type: none"> • Purchased software • Accurate meter readings • Send out accounts on time • Manual receipting in Cala requires to be integrated Computerized System implemented – addressed when Sebata System is fully upgraded and IT System is linked to both units. • Update indigent database • Improve cash flow • Planned cut off services for non – payment • Raise charges • Establish debt management strategies • Improve on existing service standards and build community awareness on importance for paying of services • Improve customer care • Planned training of relevant staff on implementation of new software • Develop relevant By-Law • Planned public consultation • Eradicate government debt • Planned to provide monthly cut-off list to Technical Service to ensure disconnection for non-payment • Monitor electricity cut-offs 	<ul style="list-style-type: none"> • Check meter reading received for accuracy – ensure correctness via exception reports • Implement credit control policy effectively – monitor payments against account raised – exception report • Staff shortage/follow up • Manual receipting for services in Cala – create opportunities for misappropriation of funds

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>Rates & Valuations</p>	<ul style="list-style-type: none"> • Implement annual interim valuations to raise additional rates • Valuations data cleansing of current valuation information 	<ul style="list-style-type: none"> • Planned interim valuation • Currently underway and Planned to be completed in 2007/2008 financial year 	<ul style="list-style-type: none"> • Increase revenue • Create integrated valuation roll of the municipal area • Create same equal rates base • Ensuring data integrity
<p>Assets & Risk Management</p>	<ul style="list-style-type: none"> • Invest Trust funds monies Convert and transfer transactions from IMFO/GAMAP Ledger to GRAP general ledger • Compliance with MFMA • Identify and verify municipal properties • Analyse all capital votes to identify assets purchased and categorize assets into GRAP format • Comply with GRAP format immovable property • Bar code assets 	<ul style="list-style-type: none"> • Investment have been done externally • Annual Financial Statements prepared submitted to AG's office – in compliance with MFMA • Planned for 2007/2008 financial year • Planned – use of combined management system • Deloitte & Touche appointed 	<ul style="list-style-type: none"> • Financial Constraints • Shortage of qualified staff to manage function • Computer literacy

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>Assets & Risk Management continued...</p>	<ul style="list-style-type: none"> • Stock take immovable property • Update assets register and Capture and update movable property assets • Acquisition and disposal • Obtain Infrastructure assets – group assets into categories – unbundled assets • Develop assets management and accounting policy & procedure • Develop immovable property acquisitions assets management and disposal manual • Develop assets vote • Application form to assist with recoding assets purchases in the system • Develop assets management report • Reconcile assets vote -- capitalize on SEBATA financial system 	<ul style="list-style-type: none"> • Immovable assets properties to be grouped and included in the annual financial statements to comply with GRAP • Planned stock take • Unknown quantity of movable assets • Infrastructure totals of assets to be obtained and grouped in categories • Development of Policy & Procedure Manual is planned • Development of a assets vote on financial system • Fixed assets definition report planned • Insurance Portfolio 	<ul style="list-style-type: none"> • Result in opening balances on annual financial statements – comply GRAP – Control of assets

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
INSURANCE	<ul style="list-style-type: none"> • Establish of Sakhisizwe own internal record keeping system of all insurance claims • Budget calculations for motor, COID and benefits contributions insurance premiums • Develop Insurance Policies & Procedures 	<ul style="list-style-type: none"> • Insurance Portfolio • Planned Policy development 	<ul style="list-style-type: none"> • Records system established & no reliance on outside assistance
EXPENDITURE	<ul style="list-style-type: none"> • Integrate former TLC's Banking Accounts into one consolidated account 	<ul style="list-style-type: none"> • Completed 	<ul style="list-style-type: none"> • Compliance -- with required insurance claim procedures internal control measures in place • Prevent unnecessary/ illegitimate insurance claims
PAYROLL	<ul style="list-style-type: none"> • Integrate the former TLC's Payrolls • Set Internal control measures and measures & Procedures • Upgrade payroll version / system of Sebata 	<ul style="list-style-type: none"> • Payroll system integrated • Planned appointment of Payroll Officer • Completed • Integration completed • Planned development of Payroll Procedure Manual 	<ul style="list-style-type: none"> • No dedicated staff member to deal with Payroll function – post requires to be funded and filled • Capacity Building

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
		<ul style="list-style-type: none"> • Obtain Sebata training & relevant Procedure Manual/s • Planned implementation of pre numbered authorization/ instruction memo's from Corporate Service Department – prior to payroll implementation/s • Planned upgrading of Software • Over expenditure re overtime payments – excessive – planned procedure development • Monitor overtime payments – ensure hours claimed are legitimate with legislated hours as BCEA. 	<ul style="list-style-type: none"> • Reduce audit queries • Legal remuneration of Council monies • Prevent illegal payments • Reduce over and underpayment in salaries • Balanced payroll vote • Financial challenges • Capacitation staff • Payroll procedures required • Overtime payments – excessive • No control/ monitoring procedures in place • Not currently verified and no policy in place – required to be within prescriptions of BCEA – query excessive overtime time payments

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>PROCUREMENT/ SUPPLY CHAIN MANAGEMENT</p>	<ul style="list-style-type: none"> • Perform Annual Stocktake of stock, equipment in “Municipal Stores” • Take over procurement from “informal “Stores • Implement Supply Chain/ preferential Procurement Policy • Manage number of order and transactions • Convert “stores” account from IMFO to GRAP • Segregate procurement from stores • Establish a database of suppliers in categories of services offered/ rendered • Establish Audit/ BID Committee and 	<ul style="list-style-type: none"> • Planned for June each Year • Supply Chain Management Policy Developed • Planned conversion • Planned to establish Data Base • Established – Bids evaluated and recommendations prepared - approved through Council 	<ul style="list-style-type: none"> • Staff shortages – capacitated staff • Financial constraints • Achieve legislated compliance • Enhance efficiency and improve controls

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
<p>BUDGET & TREASURY</p>	<p>Establish Budget & Treasury Office Prepare 3 year Budget -- according to MFMA and National Treasury guidelines - aligned to IDP budget in line with GRAP Update indigent database and cater for indigent free basic services – affordable tariffs Department to prepare service delivery and implementation plans Submission of monthly, quarterly and mid year financial reports to Council National & Provincial departments and other stakeholders treasury</p> <p>Implement activity based costing system</p> <p>Undertake monthly analysis of creditors days, net debtors to annual income and total debt annual income</p> <p>Review tariff -- base tariff on costing results in order to achieve a costs reflective user charge</p>	<ul style="list-style-type: none"> • Budget Approved • Indigents catered for – free basic services implemented • Input and participation of management in the budget process • Not done –Planned to be addressed • Not done -- Planned to be addressed • Not done – Planned • Planned to be undertaken • To be reviewed 	<ul style="list-style-type: none"> • Lack of interpretation of budget and budget management process, staff and Councillors) • Lack of capacity -- Capacity building programmes -- Financial constraints • Lack financial controls • No participation, input and information sharing re budget process • No monitoring mechanism of budget expenditure (monthly printouts)

SERVICE	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES	PERFORMANCE MEASURES AND KEY SUCCESSES	CHALLENGES AND OPPORTUNITIES
IT	<ul style="list-style-type: none"> • Upgrade IT infrastructure and provide required financial system • Provide IT Support to all users • Training of IT System • Develop Municipal website 	<ul style="list-style-type: none"> • Planned – roll implementation • Planned to purchase hardware and software • DBSA appointed to integrate IT System • Training has commenced • Planned development 	<ul style="list-style-type: none"> • Capacity of staff • Funding constraints • Skilled IT Practitioner
Motor vehicle registration facilities operational	<ul style="list-style-type: none"> • Available motor vehicle registration facilities • Grade A Traffic Test Station • Trained personnel to operate facilities 	<ul style="list-style-type: none"> • Motor vehicle registration facilities in Elliot operational • Traffic Test Station in Elliot operational • Trained Natis personnel 	<ul style="list-style-type: none"> • Maintenance of facility • Upgrade equipment • Funding contracts • Retention of skilled personnel • Ongoing training of Natis system

3.
HUMAN RESOURCES
AND
OTHER
ORGANISATIONAL
MANAGEMENT

3. EXISTING AND NEW DELIVERY MECHANISMS

Sakhisizwe Municipality was established during December 2000 and this resulted in the amalgamation of two local authorities and towns, namely :

- Elliot and Cala

Included in this area are surrounding townships, farms and villages

Whilst substantial progress and development has been made in order to restructure and align all smaller units into the larger formed "Sakhisizwe Municipality", this had not been without challenge. Transformation is required, not only in terms of the re-organisation, which led to the amalgamation, but also in terms of new legislation and a new way of doing things.

Every effort has been made to engage in a formal and directed change management programme in order to ensure that changed processes, procedures, and practices are understood by all, and are lived as day-to-day ideals and values within the organisation. In the areas of :

Governance;

Institutional development;

Transformation: and

Change Management,

every effort and focus is being made to ensure that delivery mechanisms support the required change at every level. Ongoing and critical analysis and evaluation takes place in order to ensure that Sakhisizwe Municipality takes the correct steps towards achieving excellence in human resource and other organisational management.

3.1. Institutional Development

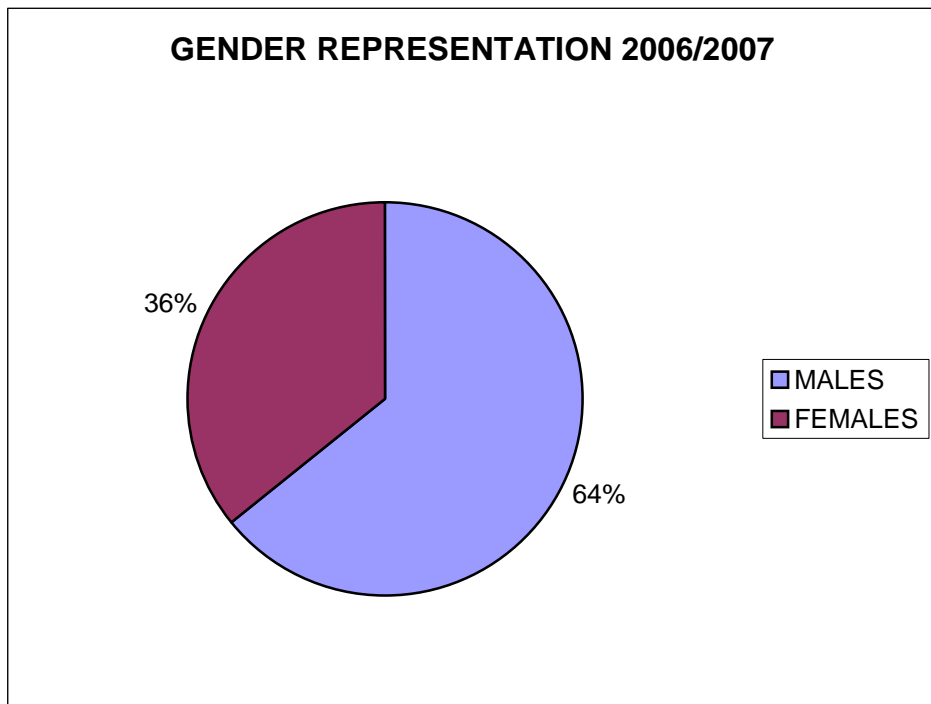
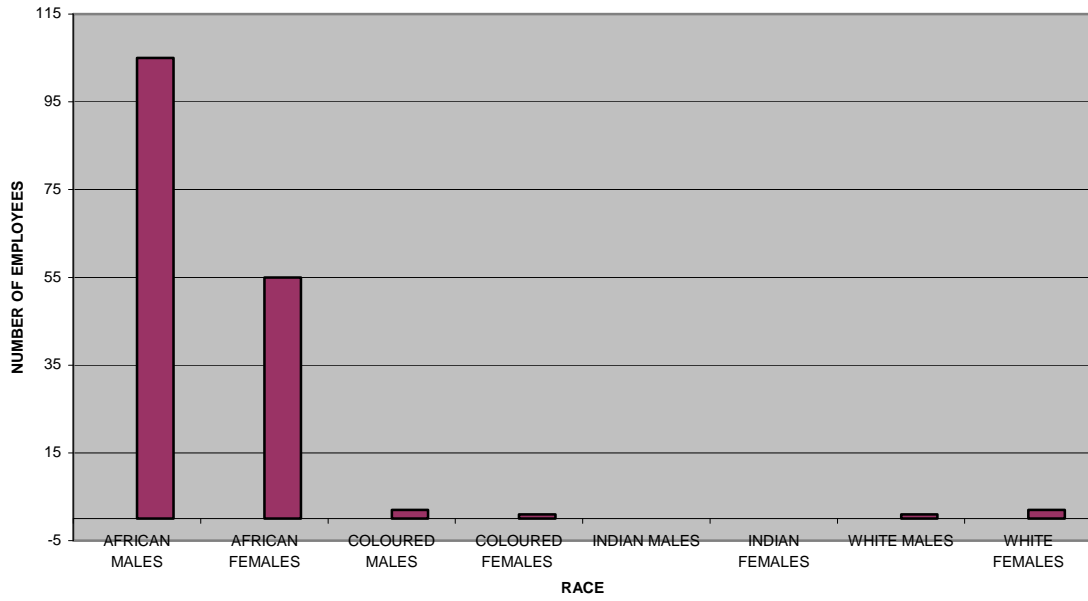
3.1(a) Sakhisizwe Municipality has an overall staff complement of 168 employees, which are broken down as follows :

NUMBER OF STAFF	GENDER	LEVEL
1	African Female	Mayor
4	African Female	Councillors
8	African Male	Councillors
1	African Male	Top Management
2	African Male	Senior Management
2 0 0 1 0 0	African Male Coloured Male White Male African Females Coloured Female White Female	Professionally qualified, experienced specialists and mid-management
13 1 1 8 0 2	African Males Coloured Male White Male African Females Coloured Female White Female	Skilled technical, academically qualified and junior management
34 10 1 1	African Male African Females Coloured Female Coloured Male	Semi-skilled and discretionary decision making
45 2 27	African Males Coloured Males African Females	Unskilled and defined decision making
0 2	African Males African Females	Temporary employees
2	African Females	Interns (Financial)

TOTAL STAFF COMPLEMENT: 168 STAFF

Error!

RACIAL BREAKDOWN OF STAFF WITHIN SAKHISIZWE MUNICIPALITY



3.1(b) Organisational Structure

The amalgamation of the erstwhile TLC's of Cala and Elliot to form Sakhisizwe Municipality created the need for reviewing the organisational structure and placement of staff as per placement criteria. Annual review and certainly further review was required during the budget process review, but to date this has not occurred. Ultimately, this results in the fact that the current structure does not take into account long-term and growth issues. It also results (as per previous discussion) in acknowledgement of the fact that the structure does not adequately reflect logical functional groupings and groupings as per norms of best practice principles.

- Review of the organizational structure is planned for the 2007/2008 financial year and it is required that members of the Budget Technical Committee will be involved within this process. During this process it will be required that functional groupings be considered and modifications made as required. It will also be required that the structure represent an accurate account of the demands placed on the organization by the IDP.
- In determining the current structure for the 2007/2008 financial year, it will be required that the IDP, the Implementation Plans and the organizational structure in terms of infrastructure for service delivery, be examined in order to ensure that the structure reflects the identified needs and strategic objectives. The final structure must provide an Organogram, which will enable the organization to meet key deliverables as identified within the IDP. The refinement and moderation of the Implementation Plan will take into account all direct and indirect costs associated with each position on the Organogram.
- For each position and certainly for each new position reflected on the Organogram, a job description is required to be provided – written specifically for the TASK System of job evaluation (confirming with national expectations, policies and processes). These, in turn, govern the practical implementation of the TASK System of Evaluation as prescribed by SALGA.

- Overall, it is imperative that the placement of staff be examined. Misplaced staff will be required to be re-placed or re-deployed. This process will be required to take place in consultation with the Local Labour Forum prior to implementation.
- Every effort will be made to ensure that placement occurs in a manner that is fair, objective and in a manner that will not be detrimental to the operational functioning of the organisation.

3.1(c) Job Evaluation

Job evaluation has on a national scale, placed huge demands on staff and organisations alike. Whilst the results of the job evaluation exercise have been made available through the presentation of the Final Outcomes Report (presented to us by the Provincial Job Evaluation), implementation awaits the National Wage Curve from SALGBC and the process of appeal. In respect of the wage curve, we have raised concerns on the benchmarking of municipalities, in order to determine the wage curves for different municipalities. These issues are currently under discussions with the parties of the SALGBC.

3.2. **GOVERNANCE**

3.2(a) Document Management Project

This project remains a challenge in many respects. At the outset, it must be stated that this Records/Document Management System is not only outdated, and not of a good standard, but has also deteriorated over time. This is due in part to a lack of qualified and skilled staff to manage this function.

In respect of the “institutional memory” of the organization, this is of particular concern. As an integral aspect of record within the institution, it is critical that this process be examined and urgently reviewed.

Currently the organization is faced with an unstructured records system and a system that was inherited from Cala TLC. With the process of amalgamation and centralization of records within Cala, this system has disintegrated into a further state of chaos. Simply stated, the system is unstructured, files/subject matter is numbered incorrectly, documents are filed incorrectly and cannot be retrieved.

During 2007/2008, it is planned to review the existing system and to develop a new system (with administrative and financial support from DBSA). DBSA have also undertaken to ensure that relevant and appropriate training is provided for this purpose – preferably ensuring mentoring by partnering with other municipalities that are recognized as having correctly functioning document management systems.

On one hand, the administration of Council and Standing Committee Meetings has shown improvement and Council agendas and minutes have been provided accurately and correctly (facilitating Council decision-making.) Minutes are also being signed by the Mayor (as is required).

Whilst the Audit Committee is not yet operational, the establishment of the Internal Audit Committee is currently under way and negotiations have already been undertaken with the District Municipality. It must be noted that this function will be a shared function and this role cannot be over-emphasized.

A Remuneration Committee has been elected by Council and constitutes:

- Mayor (Ms W Tikana)
- Chief Whip Cllr: S Ntakana
- P Mc Ewen (DBSA Deployed: Financial /Municipal Mentor)
- C van Schalkwyk: HR/PMS consultant

Purpose of Committee: To ensure that payment of salaries for s57 Managers occurs in terms of Council resolutions, after negotiations are concluded between Managers and Council.

3.2(b) Policies Adopted

- Remuneration Policy according to SALGA guidelines
- Budget Policy.
- Investments Policy
- Tariff Policy

3.2(c) Register of Interest

This register was formally adopted and both Councillors and officials are required to declare their interests in order to avoid any conflict that may arise as a result of doing Council business.

3.3. **TRANSFORMATION AND CHANGE MANAGEMENT**

3.3(a) **Performance Management (IPAS – Balanced scorecard approach)**

The Performance Management System was developed in-house and piloted, it was effected for top management. During 2006/2007 it was introduced to middle management. Due to financial constraints was not cascaded to this level. due to capacity and financial constraints. The roll out of individual Performance Management is being planned and will be done in a systematic manner. It was agreed to rollout in phases and as such, the process will be addressed in the 2007/2008 financial year.

This performance management system has ensured that service delivery was implemented based on targeted dates that were approved by Council. It assisted in identifying shortfalls /weaknesses and/or successes of each dept against objectives.

The absence of the Service Delivery and Budget Implementation Plans will require that the Performance Management System be linked to the KPA's and KPI's of s57 Managers, which are in turn linked to the IDP.

Under the circumstances, the system will be required to be reviewed and refined further. Through this process, and customisation, it will be ensured that it remains objective at all times and suits the circumstances of the Municipalities.

Individual performance assessments for the individual managers have been completed by an independent Committee (PMS Committee), which was constituted by elected council members and independent consultants.

Whilst this process has been considered to be objective, we are still required to formally establish an independent performance audit committee. In the interim a Remuneration Committee was appointed through Council to oversee the Auditing of this process.

Annual reports are submitted to Council and this assists Council to evaluate performance and to make the necessary interventions when these are identified.

3.3(c) Skills Development

This function was functioning properly until the resignation of the SDF. Annual Training plans have been developed and reporting has been done via the Implementation Reports.

It must be noted, however, that these have not occurred in respect of realistic needs and have not been applied according to the prescriptions of the Skills Development Act.

Funding remains a constant challenge and the Municipality has not complied with the utilization of 2% of the Salary Bill for Skills Development.

The following issues require compliance:

- Appointment of a SDF
- Appointment of a Skills Committee
- Skills Audits and Skills Analysis are required to be redone and completed regularly
- Committee meetings (Training) are required to be held between officials, Councillors and Labour Union representatives (Committee to be established and operational)

In addition to skills development Sahkisizwe Municipality have introduced an internship programme in order to alleviate the negative impact that skills shortages have on the recruitment and the subsequent placement of suitably qualified persons. This also has an impact on the operational functioning of the organisation, as the organization requires technical capacity and competence in order to provide the required service delivery and sustainable development as highlighted in the IDP.

With funding received from National Treasury two interns were appointed in 2006 in the one in the Corporate Service department and one in the Finance department. DBSA has providing further funding and appointed two interns who are currently undergoing In-Service Training in the Finance Department.

The internship programme is a process of empowering and capacitating future employed staff. Identified students/ graduates from recognised institutions, where engaged to work for the Budget & Treasury Department, for a set term of three months.

The internship programme is regarded as a means to balance the immediate shortages and the long run demand for employees, it is envisaged that both current and future personnel shortages can be minimised.

3.3(d) Employment Equity

Sakhisizwe Municipality do not have an Employment Equity Plan in place. The report submitted to the Employment Equity Registry has partially been complied with. The incorrect EEA 4 reporting format was utilized. The Employment Equity Registry introduced a new reporting format in 2006. Sakhisizwe did not comply with the following reporting format:

- ❖ Section EE4: Income Differentials Statement – not Completed.
- ❖ Income differentials of all categories not reported and Completed.
- ❖ Section B: Disparities in occupational levels has not been reported on or completed.
- ❖ Section F: Qualitative Assessment – not completed
- ❖ Affirmative Action Measures - not completed
- ❖ Section G: Progress report not completed

Employees are categorized incorrectly; the statistical information does not correlate with the Skills Development statistical information and payroll information. Limited and often, no consultation and communication with management and staff on issues relating to Employment Equity. No formal reporting to Council on progress.

It would appear that the Municipality is not compliant with all Employment Equity prescriptions; however, they are in the process of addressing all these issues and whilst doing so, will have to create the required infrastructure, support and understanding.

3.3(e) Occupational Health & Safety

At this point we are able to state that this responsibility and function measures a level of 50% functionality and compliance. In this respect :

- The OHS Committee is established but does not meet regularly
- Monthly reports are not submitted in respect of IOD's and other pertinent issues.
- Safety representatives perform their work on a basic level (not effectively monitored).
- The organization remains challenged in its ability to enforce the Health and Safety Act through recognized mechanisms.

4.

**AUDITED FINANCIAL STATEMENTS
ANNEXURE A**

**AND RELATED
FINANCIAL INFORMATION**

**AUDITOR GENERAL'S REPORT
ANNEXURE B**

AUDIT REPORTS AND CORRECTIVE ACTIONS

The auditing of the financial statements for the period ended 30 June 2006 has commenced and the Report of the Auditor-General of Sakhisizwe Municipality for the Financial Year ended 30 June 2006 is attached hereto – See Chapter 4 **Annexure B.**

Corrective Actions

The Report of the Auditor-General is currently being dealt with.

Challenges and general comments

- The successful implementation of the Municipal Finance Management Act (MFMA) over the next three (3) years. Management, senior staff and all Councillors will be trained in the requirements of the Act.
- This department would proceed with the implementation of GAMAP (Generally Accepted Municipal Accounting Practices). Senior financial staff would be sent for training on the implementation thereof and if needed the expertise of external service providers would be called upon to assist the department.
- The taxation of rates on all properties and farm land is an exercise that would require a lot of consultation and discussions before the implementation could take place.
- Various policies required in terms of new and existing legislation would be reviewed and compiled before it would be discussed with management, Council and community stakeholders.
- Training of staff within the Finance Department will continue as will the internship programme with assistance of DBSA (Programme and National Treasury for 2 years)
- Implementation of a comprehensive Information Technology (IT) System to complete and train the employed IT/GIS Operator would be required.
- During the next financial year all assets would be bar-coded and listed as required for the implementation of GAMAP.

RESPONSE TO THE AUDITOR-GENERAL'S REPORT

Section 121(3)(g) of the Municipal Finance Management Act, Act No 56 of 2003, requires that particulars of any corrective action taken or to be taken in response to issues raised in audit reports referred to in paragraphs (b) and (d) must be included in the Annual Report of the Municipality.

The corrective action taken or to be taken in response to issues raised in the Audit Reports are based on feedback in respect of :

1. Other compliance : Compliance issues

A qualification was received due to the fact that information regarding compliance with legislation on matters like : Tariff policy, property rates, related party, minutes, credit control policy, interest on debts and budget process, could not in any way be provided.

In order to remedy these deficiencies, management will be required to identify and document compliance requirements. Internal policies and procedures will be required to reflect compliance issues and more specifically internal record-keeping systems will be required to be implemented in order to be in a position to provide required documentary evidence.

2. Other : Planning Information

Information for audit planning regarding management reports, Organogram, internal audit and the Audit Committee could not be provided.

Again, it will be required by management to ensure that they are in possession of accurate internal record systems that are continuously updated and current, for all areas mentioned above.

As reflected within the Annual Report, plans are already under way to develop, implement and update the Organogram and internal processes and procedures.

3. Revenue : Revenue Information

The Audit finding for this area resulted in a qualification and it was found that revenue information regarding assessment, rates, services, grants and subsidies and accounts receivables could not be provided for audit purposes. Consequently, audit procedures could not be performed and the audit scope was limited.

Again, the solution to this qualification lies in the ability of this Municipality to be able to supply records from information systems, which function in an accurate and functional manner. Again, within the Annual Report, we have formally committed ourselves to the process of developing and implementing a formal document and information system.

4. Expenditure : Expenditure Information

The Audit finding for this area reflected that a memorandum with details of information regarding expenditure, creditors and VAT was submitted to Council, but this could not be obtained or sourced. In this instance no audit procedures could be performed and the scope of the audit was found to be limited.

The solution to this issue relates to the provision of accurate information and has its solution in the maintenance of accurate and sound financial records. This is an area already highlighted within the Annual Report as requiring attention and commitment has already been given that financial management will be monitored more effectively in keeping with standard financial accounting principles and controls.

5. Employee cost : Salaries and Wages

An audit qualification was received for the area relating to salaries and wages. This occurred as a result of the fact that the Municipal Manager was unable to supply the information required in respect of salaries and wages. As a direct result, audit procedures in respect of salaries and wages could not be performed.

The lack of financial controls and internal control systems was the direct cause established for this inefficiency. Financial discipline and controls are required in order to remedy this situation and commitment to this process has already been made, particularly with the appointment of the Mentor/Acting Chief Financial Officer, appointed from DBSA.

6. Other : Subsequent Events

A qualification was received when no information requested for subsequent events was made available, resulting in no audit procedures being performed.

The lack of financial discipline and controls (including the lack of management information) is currently being addressed by institutionalising internal policy, procedure and controls relating to financial discipline and according to recognized accounting practices. These have been instituted after the appointment of DBSA's Municipal Mentor/Acting Chief Financial Officer.

7. Overall concerns and concluding remarks

It must be stated at the outset that whilst identification of the shortcomings and qualifications within the Auditor-General's Report is contained within the Annual Report, and focus has been placed on introducing accounting and internal controls and systems in order to deal with many of these issues highlighted, it will take some time to deal with problems of this magnitude.

Great strides have already been made with administrative and financial control and focus is being driven by the Municipal Mentor/Acting Chief Financial Officer appointed by DBSA. We are confident that, with this administrative and financial support, Sakhisizwe Municipality will ultimately achieve a situation where they receive an unqualified audit report. Top priority will be given to remedy the current situation and to avoid a reoccurrence in the future.

5.

FUNCTIONAL AREAS

SERVICE

DELIVERY

5.1. IPED DEPARTMENT

DEPARTMENTAL MANAGER (S57)

Mr A MLUNGWANA

(Contract Terminated 31 December 2007)

Each function will be examined within its respective section, as follows:

The IPED Services Department is responsible for the following:

KEY FOCUS AREAS

- Local Economic Development
- Implementation and facilitation of IDP Projects
- Effective monitoring of IDP Projects
- Agricultural and rural development
- Tourism

IDP Project

Management, reporting on all IDP and other agency-related projects.

Objectives

- Development of Departmental Service Delivery, Budget and Implementation – (Ensure SDBIP are linked to IDP)
- Input into development and annual review
- Public participation
- Involvement of internal and external role players in the IDP review process - improving
- Continuous improvement of IDP process – co-ordination and integration
- Monitoring, supporting and reporting on the implementation process

IDP Project

- Existing projects have continued under the year under review – no new projects were implemented during the year under review due to financial constraints

HOUSING (Projects)

Objectives

- Provide housing – facilitate access to adequate housing
- Address backlog in housing delivery
- Construct 4000 units by 2007
- To develop a housing sector plan – Identify stakeholders – develop feasibility study and implementation plan
- To promote public private partnership
- To identify funding (DLHTA, DPLG, DBSA and private institutions)
- Elliot Pholar Park (Ward 1 and 2) – 800 houses – R20 Million allocated, 300 completed
- Sakhisizwe Housing Extension – Wards 13,14 and 15 – R50 Million allocated – 5000 units completed

Challenges and general comments

- Housing of the poor is an area of concern – virtually every town, settlement or village is faced with a shortage in low-cost housing. The following are the gaps that still need to be bridged in terms of housing provision.

Ward 1	1200 houses
Ward 2	800 houses
Ward 3	1000 houses
Ward 4	1725 houses
Ward 5	800 houses
Ward 6	2050 houses
Ward 7	1000 houses

Total housing backlog is estimated to be 4250.

- Allocation of beneficiaries – established database
- Funding constraints – securing funds
- Project
- Problems with contractor and shortage of materials
- Availability of land – slow land identification and development
- Lack of capacity
- Limited capacity for services (bulk services)
- Poor access roads
- HIV/AIDS crisis
- Project blocked by DHLG & TA – since revived
- Natural disasters

LOCAL ECONOMIC DEVELOPMENT, TOURISM AND AGRICULTURE

Background

Responsible for all activities associated with economic development activities.
This section is responsible for :

- Organizing meetings and workshops involving economic development, planning organizations and SMME's (e.g. training and lending organizations). Explore possible access support from various funding windows – form partnerships at district level and with European Union and NGO's.
- Analyzing and reviewing all By-Laws or legislation, which appears to retard or promote economic growth and development.
- Analyzing land accessibility, availability and infrastructure in order to discover the most appropriate areas in which to drive the concept of economic development.
- Developing strategies through research studies within similar framework, to ensure programmes success.
- Developing action plans to ensure programmes success.
- Interacting with community forums to promote SMME development
- Formulating an informal trading policy and promoting trading facilities
- To ensure enhancement of Tourism potential
- SMME database profiles are developed and maintained

Strategic objectives

- Plan to form Section 21 Company (LED related)
- Identify stakeholders
- Link LED plans with Tourism programmes
- SMME development
- Capacity building – enhance forming skills – enhance capacity of LTO's
- LED strategy and Tourism strategy
- Facilitating and promoting investments and lobby for funds
- Mobilizing development stakeholders and marketing the Municipal area
- Collecting development information and research
- Establish Tourism Information Centres
- Establish Arts and Culture Centres
- Diversify agricultural activities/commodity production
- Integrate tourism, agriculture, SMME and IDP
- 45% of arable land under resuscitation – programme to promote economic activity
- To position the municipal area within the market on citrus farming
- Develop architectural development plan
- Capacity Building
- Develop irrigation schemes

5.2. CORPORATE SERVICES DEPARTMENT

A MGALELI CORPORATE SERVICES MANAGER (Contract Terminated 30 November 2007)

The Corporate Services Department is responsible for the following:

KEY FOCUS AREAS :

- Human Resources
- Labour Relations
- Skills Development
- Employment Equity
- Occupational Health & Safety
- General Administration
- Amenities: Libraries and Halls
- Transport Management
- Health Services
- Performance Management System
- Traffic Control

Human Resources

Human Resources : Benefit Administration
 Recruitment & Selection
 Organisational Development and Structure
 Staff Provisioning
 Employee Assistance Programme
 Policy Development

Objectives (2006/2007)

- Development of Procedure Manuals and Policies
- Skills Audit/needs analysis conducted
- Workshop and train staff on procedure manuals and policies
- Effective and efficient implementation of recruitment and selection processes and procedures
- Develop strategies to deal with scarcity of skills and retention of skilled employees
- Reviewed organizational structure so that it is aligned to the IDP
- Complete submission of job descriptions to the PJEC for evaluation
- Educate all unit supervisors as to the Employee Assistance Programme
- Strengthening of internal campaign to educate employees re HIV/AIDS
- Updating procedures and policies and workshopping these to Council prior to adoption
- Report and submit approved Employment Equity Plan to Employment Equity Registry by 1 October 2006.

Labour Relations

Strategy 2006/2007

- Ensuring the implementation of Labour Relations Policy and practices in a manner, which is just and fair.
- Create understanding and facilitate employer-employee relationship to resolve disputes and to create a conducive environment.

Labour Relations – General comments and challenges.

- Ten grievance cases
- Two cases of negligence
- Five cases of theft
- Eight cases under influence of alcohol
- Five dismissals – 4 re-instated through Arbitration
- One case – currently pending
- Capacity of senior staff/Supervisory in implementing Policy
- Staff not following policy
- Focus on developing and growing the capacity of staff from within this section

Skills Development and Employment Equity

This function ensures the planning and execution of skills development by ensuring that the Workplace Skills Plan is implemented.

Objectives 2006/2007

- Workplace Skills Plan 2006/2007
- Submission of Implementation Plan (June and September 2007)
- To implement internship and in-service programme and appoint Interns on an annual basis
- Develop and implement ABET programme
- Implement planned Training programmes
- Employment Equity Plan to be developed
- Employment Equity report to be submitted (in required, legislated format)
- Analysis report of gaps in plan
- Create required infrastructure, support and understanding of Employment Equity

- The following Training programmes were conducted:
 - ABET Training (42 employees)
 - Transport Management (1)
 - Archives Management (1)
 - HRM (1)
 - Diploma in Public Admin (1)
 - Diploma in Traffic (1)
 - Examiner of Driving & Vehicle Testing (1)
 - Basic Auxiliary Health Care (2)
 - Finance (4)
 - First Aid (5)
- Two Interns appointed during the year under review

General Comments

- Several Tertiary Institution Students were assisted with In-Service Training/learning opportunities
- Challenges in ongoing commitment to ensure attendance of ABET classes
- Training delivery well received
- Councillors continue to attend SALGA Workshops at various times – relevant to their portfolios and relevant to related Budget Policy Investment Policy and Tariff policies.
- Councillors trained and workshopped on financial policies.
- Sakhisizwe Municipality does not have an Employment Equity Policy in place other than reporting. Employment Equity reports have been submitted to the Employment Equity Registry, the reporting format was however, not complied with in that the sections in relation EEA4 - Income differentials, disparities in occupational levels, qualitative assessments, affirmative action measures and progress report were not completed.

Occupational Health & Safety

Ensuring compliance with the Occupational Health and Safety Act.

Objectives 2006/2007

- Monitor usage of safety equipment
- Health & Safety Committee Meeting as scheduled
- Inspection reports are submitted monthly

Challenges

- Further training in all aspects of OHS
- Ensuring that safety compliance occurs e.g. wearing safety equipment
- Ensuring safety representatives perform monthly inspection and reports are issued
- Risk analysis is done

General Administration

To ensure that the archives function is effectively and correctly managed.

Objectives 2006/2007

- Application for disposal for outdated archives
- Obtain additional space to store security cabinets
- Submit reviewed filing system to Provincial Archives
- Improve efficiency and effectiveness of Council agendas and minute taking processes

Challenges

- Records Management System is outdated and not up to standard and has deteriorated. This has posed a danger to organization insofar as institutional memory is concerned.
- Capacity of the staff member placed in this strategic position requires capacity development

Performance Management

To ensure that a performance management system is applied at all designated areas and within service delivery mechanisms, as per legislative requirements.

Objectives 2006/2007

- Performance Management System to be implemented effectively from top to middle management
- Introduction and implementation of Service Delivery and Budget Implementation Plans.
- Establish an independent performance audit committee to assess performance of Managers

Challenges and General Comments

- The PMS system was developed in house and piloted; it was only affected for top management – s57 Managers.
- Service Delivery and Implementation Plans not done and therefore system linked to the KPA's and KPI's then linked to the IDP.
- Capacity of and financial constraints remain a challenge.
- Review and further customization of the system.

Corporate Governance

Ensuring that governance issues are processed correctly internally.

Objectives 2006/2007

- Review of By-Laws
- Establish Internal Audit Committee – not established
- Remuneration Policy – established
- Fraud Prevention Policy – not developed
- Establish Register of Interest – Developed
- Internal Audit Committee not established. Negotiations with CHDM to share function
- Fraud Prevention Policy to be developed
- Capacity and funding constraints

General comments and challenges

- Eleven By-Laws reviewed and developed. Seven have been gazetted under the year in review
- Ward Committee established and functioning received training. CDW in each Ward

Traffic and related functions

Ensuring that Road Traffic Act and related functions are performed according to strict policy and adherence to legislation.

Objectives 2006/2007

- Increase roadworthy's
- Increased learner drivers licenses by 20%.
- Law Enforcement focus and drives to educate public
- To ensure signage is compliant in the municipal area
- Promote Road and Safety Campaigns
- To maintain traffic signs and street signs
- Improve infrastructure and capacity at the testing station

General Comments

- Roadworthy's – vehicles (including trailers) – 120 processed. Buses – 6 processed and goods vehicles – 9 processed
- Learner license figures escalated
- Drivers license issues increased
- Shortage of staff impacts on ability to perform law enforcement function
- Infrastructure
- Funding constraints

LIBRARIES

- The strategic objective of this function is the provision of reading and study material and to promote reading amongst the youth.

Section Objectives (2006/2007)

- Maintenance of the library buildings at Elliot and Cala and the supply of library materials.
- Establishment library committees and promotion partnership with DSRAC.
- Promotion of and participation in the library week activities scheduled.
- Acquisition of equipment for the libraries.
- Installation of alarm systems within the libraries

Challenges and general comments

- Receipt of Government subsidy allowed for purchase of library materials.

Nature and extent of facilities provided

- Elliot 1 facility – users not determined
- Cala 1 facility – users not determined

COMMUNITY HALLS

The overriding objectives of this function are to provide new multi-purpose facilities within the rural areas and to ensure that existing facilities are maintained.

Section objectives (2006/2007)

1. Upgrade and maintain existing halls and municipal buildings
2. Four hundred (400) new chairs for town halls
3. Upgrading and construction of schools
4. Upgrading and construction of schools
5. Heaters at Barkly East Town Hall to be repaired
6. Provide standard Community Halls in all 7 Wards
7. Rehabilitation of Town Hall and Municipal Manager's residence
8. Upgrade pre-school facilities
9. Establish ABET Centres in each Ward

Nature and extent of facilities (Community Halls) provided :

- Elliot 2
- Cala 1

HEALTH/HIV/AIDS

Background

The service is responsible for the provision of clinic services at the three (3) Clinics in Elliot.

The function for the provision of community health clinics within the municipality is administered as follows and includes :

- Agency relationships with the Provincial Department of Health of the Eastern Cape
- Unit management including in-service training to staff
- Report on daily activities
- Monthly reports/statistics
- Quarterly TB statistics

The overall objectives of this function are to ensure a healthy environment and that primary health services and facilities are available.

Strategic Objectives

- To expand and improve the Health Care Services Comprehensive Integrated Health Care Service
- Ensure optimal primary health for all citizens, ensuring they reach all areas and inhabitants
- Investing in the training of staff in order to ensure development of skills, thereby contributing to quality in service delivery
- Regular HIV/AIDS forum meetings and provision HIV/AIDS Awareness Training, counseling and implementing HIV/AIDS programme and campaigns.
- Training of HIV/AIDS peer educators
- Development of HIV/AIDS Policy in the workplace.
- Water quality monitoring program
- Inspection of business premises to ensure food preparation is done within health requirements
- Establishment of Health Committees
- Health Promotion Programmes

Challenges and general comments

- Shortage of qualified clinic staff
- Shortage of equipment and resources
- Shortage of medicines
- Buildings require rehabilitation
- Lack of reliable statistics
- 5000 per month patients attended to at the 3 Clinics in Elliot
- Inadequate funding

Transport/Fleet Management

Ensuring the provision of transport and a well-maintained roadworthy Municipal fleet – enabling service delivery.

Objectives

- Provision of roadworthy and well maintained vehicles
- Optimizing vehicle availability by efficient monitoring – serving, repairs and vehicle replacements and fleet/transport administration

General comments and challenges

- Fleet Management Policy in place – not implemented
- Capacity of staff member appointed to position
- All passenger vehicles damaged in hailstorm not roadworthy – resultant effect on service delivery – vehicles not maintained
- Driver education – no monitoring mechanism in place
- Ageing Municipal fleet
- New vehicles purchased
- Toyota Condor over turned
- Double Cab Nissan
- 2 x 1400 Nissan bakkie
- 3 x Isuzu LDV's
- Nissan Almera Sedan

Information Technology

- Provision of information management and technological support

Objectives

- Link offices in Cala and Elliot
- Establish Internet email facilities – secure login facilities
- Upgrade IT infrastructure
- Develop IT Policy
- Implement electronic (HR System and document management system) (specifically linked to payroll and leave administration)
- Access to SEBATA system to administer and capture leave and access to various enquiry screens for payroll administration.

Challenges and General Comments

- Skilled IT staff
- Lack of access infrastructure
- Funding constraints
- Outdated equipment – hardware & software
- DBSA initializing programme to link units
- No progress with Electronic Document System

5.3. TECHNICAL SERVICES

VACANT POST

Objective

The overall objective of the Technical Services Department is to supply efficient, effective and economical services to the community, which it serves.

Key Focus Areas

- Electricity distribution – licensed areas only
- Street lighting
- Roads construction and maintenance – municipal and access roads
- Stormwater and pavement construction
- Town Planning – Building control, zonings, consolidations, sub-division, spatial development
- Municipal Planning – Integrated Development Planning and other planning in conjunction with various departments
- Water Provision – bulk, treatment and reticulation
- Sanitation – Sewerage removal and treatment
- Waste/refuse management
- Parks & Public Open Space (Commonages/Pounds)
- Sportsfields
- Cemeteries

The provision of water and sanitation services is in the urban areas only, as a Water Services Provider appointed until June 2006 by the CHDM District Municipality, who are the Water Services Authority.

The department is responsible for the ongoing operation and maintenance of the above services, as well as capital projects undertaken. It should, however, be noted that water and sanitation capital projects fall under the CHDM District Municipality.

The IDP review was completed and adopted within legislative requirements.

FUNDING

The operation and maintenance costs are funded through the Municipalities internal funding, which is derived from service charges, equitable share allocation under the Division of Revenue Act and Rates and Taxes. Capital Projects are undertaken with internal resources and Municipal Infrastructure Grants (MIG conditional grants)

ELECTRICITY & STREET LIGHTING

Section Objectives

- Provide electricity to 973 residential and commercial consumers, industrial and smallholdings
- Provide public lighting to Elliot and surrounds
- New connections done on request in licensed areas
- Ongoing maintenance of existing networks
- The rural areas of Sakhisizwe Municipality are within the licensed area of ESKOM and will remain so in the foreseeable future
- Maintenance of existing public lighting
- Extension of public lighting systems
- Maintenance and renewal of public buildings electrical installations, when require
- High mast lighting and electrical installations

ROADS AND STORMWATER

Section Objectives

- Maintenance and reconstruction of gravel and surfaced roads
- Construction of sidewalks
- Construction of stormwater systems
- Construction of bridges and river crossings
- Maintenance of road furniture
- Planning and design of new projects
- Purchase of new plant and equipment
- Rehabilitation of road – potholes
- Resurface gravel roads

Challenges and general comments

- Road between Cala and Lady Frere has been resurfaced by Department of Transport
- Department has had no Manager in place for more than 1 year
- Stormwater drainage poor
- Poorly maintained roads
- Mainly gravel – muddy during rainfalls or snowfalls
- Storm drainage canals blocked – contribute to road erosion. Low level bridges become flooded due to pipes not scoured
- Damaged bridges
- Potholes
- Lack of proper road network

Electricity challenges and general comments

- Most households rely on paraffin and candles

- Lack of efficient electricity – impact on environment due to harvesting of unrennewable wood sources
- Network ageing requires upgrade – current weak to cater for demands
- ESKOM do not want to commit to project in the area
- Street lighting 90% functional and not maintained – do not have Cherry Pickers to perform maintenance function

WATER

Section objectives

- CHDM is the Water Services Authority – Sakhisizwe appointed on an agency basis to reticulate until Section 78 process completed
- Water purification is undertaken at Elliot and Cala
- Bulk water is supplied to Elliot
- Outlying water is supplied by DWAF, Chris Hani District Municipality and Amathole Water but reticulated by Sakhisizwe
- Potable water is reticulated to 3 455 households within the Sakhisizwe area:
- Masibambane 1 763, Metered Elliot 865, Pholar Park 29, metered Cala 798
- New connections are done upon application
- Infrastructure is the responsibility of the Water Services Authority
- Rural areas fall under Amathole Water, who were appointed by the CHDM
- Maintenance of purification works and reticulation systems
- Optimisation of treatment works and augmentation and expansion of distribution networks to ensure adequate supply
- Implementing preventative maintenance programmes
- Curb water shortages
- Development water master plan
- Purchase vehicles and equipment
- Build dams and reservoirs and planned pipeline extensions

Challenges and general comments

- Water shortage
- Shortage of dams and reservoirs
- Old aging infrastructure, vehicles and equipment
- Skilled staff/qualified staff
- Culture non payment – cuts off's not implemented
- Water backlogs
- Illegal connections and meter tampering – no fines implemented
- Poorly maintained pumps
- 3 128 receive subsidies

SANITATION

Section objectives

- The Sakhisizwe Municipality is the appointed Water Services Provider by the Water Services Authority (Chris Hani District Municipality) on an annual basis until the Section 78 process is completed and this includes provision of sanitation services in the delegated areas of Elliot and Cala
- The rural areas fall directly under the Water Services Authority
- Infrastructure projects are the responsibility of the Water Services Authority
- Infrastructure projects are the responsibility of the Water Services Authority
- New connections are done upon request as there is no real backlog although a large percentage are below RDP standards
- Maintenance of ponds, conservancy tanks and reticulation systems
- Waterborne households served: 2050; Cala 822
- Conservancy tanks - 40
- VIP's 822; Bucket and below RDP standard Cala 216; Pholar Park 26
- The urban communities are insisting on waterborne sanitation removal and are not prepared to accept other methods
- A political decision has been taken for waterborne sanitation in urban areas and VIP's in rural areas

Sanitation challenges and general comments

- Rural sanitation backlogs
- Shortage of VIP toilet in rural area
- Maintenance ponds – sanitation ponds needed in rural area – outstanding waterborne 1500; old aging infrastructure
- Poor maintenance
- Construction of oxidation ponds has commenced in Elliot Extension
- Construction new treatment works has commenced

TOWN PLANNING AND BUILDING CONTROL

Section objectives

- Application of legislative issues
- Control of land use
- Building safety
- Environmental protection
- Spatial development

Challenges and general comments

- Lack qualified staff
- No Building Control Officer in place
- No building control carried out in the area
- No policy on Building Control

- Spatial development framework required
- Zoning maps
- Land issues required to be resolved
- Land for development
- Land management/settlement plan to be developed

CEMETERIES

The overall objectives of this function are to provide and control burials within the framework of the Health Act and ensure provision of adequate cemeteries.

Strategic objectives (2006/2007)

- Development of cemeteries within Sakhisizwe Municipal area
- Rehabilitation of cemetery at Pholar Park and Hillview area
- Control and maintenance of statistical burial records
- Pauper burial policy to be established
- Control of illegal burials
- Security and fencing of cemeteries

Nature and extent of facilities provided

- Cala 2 Facilities
- Hillview 1 Facility
- Old Location 1 Facility
- Elliot (town) 1 Facility

Challenges and general comments

- Cala cemetery
- 90% capacity
- 2000 burials a year
- Lack of available land – requires identification
- Statistics reveal 106 burials are legal, 90% are illegal
- Tariff structure differ – requires review
- No proper statistics/recording in place

SPORT AND RECREATION FACILITIES

The overall objectives of this function are to provide basic sport and recreation facilities within the whole of Sakhisizwe Municipality.

Strategic Objectives (2006/2007)

- Establish sufficient social and recreational facilities
- Development and maintenance and administration of facilities
- Fencing and security of facilities

Nature and extent of facilities provided

- Elliot 1 Facility (utilised weekly)
- Cala 1 Facility in Cala with indoor facilities
- 10 Planned new sportsfields
- Caravan facilities sub standard
- Shortage of staff
- No statistics of facility use
- Traffic structure reviewed
- Maintenance not performed regularly to facilities maintenance plan

PARKS AND PUBLIC OPEN SPACES

The overall objectives of this function are to provide and maintain parks and open spaces creating a pleasant environment for the communities.

Strategic Objectives (2006/2007)

- Renovations of the caravan park in Elliot
- Planting and pruning of the trees along municipal streets within Sakhisizwe according to schedule – planting trees in are prone to disaster
- Regular cutting of grass on sidewalks, cemeteries, sportsfields and open spaces as per schedules (Jan – April) and (Sept – Dec).
- Obtaining funding needed for planting trees and flowers (budget)

Challenges and general comments

- Function not managed and co-ordinated – housed in incorrect department – no control – partially in IPED, partially Technical
- Shortage of staff
- Lack of equipment and funding

COMMONAGES AND POUNDS

The overall objectives of this function are to manage commonages within Sakhisizwe Municipality and to extend the commonage at Ext 8 to 12 in Cala and to maintain the pounds.

Strategic objectives (2006/2007)

- Negotiate with small farmers
- To renovate the farm building on commonage at Lady Grey
- Fencing of commonages and pounds
- Containment of stray animals
- Review/Revisit tariff structure
- Curb overtime

WASTE MANAGEMENT : SOLID WASTE AND REFUSE

The overall objectives of this function are to provide an effective, efficient and affordable service to the communities within Sakhisizwe.

This service is responsible for refuse removals, solid waste disposal, landfill and street cleaning in the towns within Sakhisizwe Municipality.

The refuse collection functions of the Municipality are administered as follows and include :

- Daily refuse removal in Cala (according to schedule)
- Weekly household refuse removals and daily business removals
- Daily cleaning of streets with the assistance of volunteers working in three towns
- Maintaining and opening of furrows and culverts on regular basis
- The management of the waste disposal site in accordance with prescribed Rules and Regulations

Strategic objectives

- Engage Sectoral Departments
- To obtain a feasibility study for a refuse site
- The management of the solid waste sites within prescribed guidelines
- Regular refuse removals
- Daily clearing of litter in streets
- Purchasing of vehicles for waste
- Register solid waste sites – obtain permits for sites
- Develop waste management plan
- Waste minimization education
- Fencing of sites
- Revise Waste By-Law
- Recycling facilities
- Waste minimization Education Programmes
- Formalize integrated environmental management plan
- Develop functional solid waste site at Cala

Nature and extent of facilities provided

Number of households receiving regular removal services and frequency and cost of services :

- Removed commercial and residential arrears at least once a week – 3977

Free Basic Services Provision

- Quantity (number of households affected): 3 782

Challenges and general comments

- Solid waste site not fully operational – mismanaged
- Illegal dumping
- Shortage of vehicles
- Financial constraints
- No waste minimization education programmes
- Lack of staff – lack control over refuse collection
- No recycling facilities
- Insufficient refuse receptacles in CBD
- Formalize Environmental Management Plan
- EHO is seconded through CHDM to enforce cleanliness of premises

DISASTER MANAGEMENT

To ensure integrated and sustainable disaster management plan – to address disaster issues.

Objectives

- To formulate a Disaster Management Plan for the area in partnership with CHDM
- Preventing/reducing risk of disaster
- Emergency preparedness – effective response to disaster
- Disaster Rehabilitation
- Working with CHDM to establish Disaster Management Centre with necessary equipment and facilities
- Encourage District Municipality to undertake disaster risk vulnerability assessment

Challenges and general comments

- Lack of integrated approach
- Lack of mitigation measures
- Rehabilitation after disaster
- Capacity – no dedicated staff
- No database established
- Shortage of equipment
- Financial constraints
- Risks: Flash floods
 Heavy snowfalls and hailstorms
 Droughts
 Tornados
 Veld fires
 Earthquakes

- Reference is made to the function in Community Services Department – appears to be in Technical Department – lack co-ordination and responsibility – both departments – have no Manager in place
- Upgrade fire fighting and disaster management programmes and procedures

5.4. FINANCE DEPARTMENT

VACANT POST

(MR NKUNZI – DISMISSED FOR FINANCIAL MISAPPROPRIATION)

The Finance Department is responsible for the following :

Focus areas :

- Revenue Collection/Income Generation
- Expenditure
- Budgeting
- Accounting and Reporting
- Information Technology
- Assets and Risks
- Motor Vehicle Licensing
- Supply Chain Management
- Budget & Treasury

Overall objectives are to improve and refine functioning within each of these areas.

Key Performance Indicators

These will be examined under each subsection as follows:

REVENUE COLLECTION/INCOME GENERATION

This section ensures that the processing of monthly consumer accounts and the receipting of all revenue is undertaken of the towns that fall within the jurisdiction of Sakhisizwe Municipality.

All these functions are supervised and supported from Elliot, from where meter readers servicing the water and electricity meters are controlled.

The Key Performance Indicators are :

- Expand/enhance revenue base
- Implement revenue management strategies – collections
- Valuations and calculations of rates for all properties in the municipal area
- Data Cleansing
- Disconnect electricity and water in arrears
- Upgrade and extend pay points for services
- Set up customer queries and complaints procedure
- Annual reconciliation of assessment rates
- Annual billing of assessment rates
- Do survey of infrastructure & services on farms
- Monthly updating consumer database
- Implement Credit Control and Debt Collection Policy and maintain
- Maintain and implement financial policies and procedures
- Free basic services and indigence subsidy support
- Tariff
- Rates
- Credit Control and Debt Collection
- Update Indigent database

Challenges and general comments

- Revenue collection rates 5 623 raised
- 726 Fully paid
- Existence of a culture of non-payment – contributed high unemployment and poverty
- Data cleansing to be implemented
- Implement credit control procedures – build community awareness
- Enhance
- Disconnections electricity and water to be implemented – not done monthly
- Lack of financial policy and procedure
- Develop relevant By-Law
- Capacity of staff – dedicated to function
- Lack of financial control
- Lack of statistic and financial records – no reporting
- Indigent database outdated
- Meter reading not accurately done by Technical Department
- Outstanding debtors dealt with Legal Advisors – Eavesdorp appointed
- Implement annual interim valuations

EXPENDITURE AND CONTROL

This function is situated in Elliot and is supported by three staff members who are responsible for the payment of creditors, ordering of goods, services and materials, processing the monthly salaries and allowances, compilation and control of budgets, controlling capital and other projects, processing of monthly and quarterly financial reports and compilation of annual financial records and statements.

The Key Performance Indicators are:

- Monthly reconciliation and payment of all creditors
- Monthly controlling of purchases
- Monthly processing of payroll
- Monthly maintaining and updating of :
external DBSA loans;
internal revolving fund loans / advances
- Annually update and maintain Council's Insurance Portfolio
- Monthly updating and maintaining Council's investments
- Update and implement financial policies and procedures
- Supply Chain Management
- Loans and contractual agreements
- Assets management and insurance
- Cash management, banking and investment
- Implement Municipal Finance Management Act, No 56 of 2003 requirements related to Expenditure
- Payroll management and maintenance

Challenges and general comments

- No dedicated staff member for Payroll function
- Capacity of staff
- Excessive overtime payments
- No internal control – checks and balance
- Under- and over-payments
- No procedures in place
- Upgrade software and hardware
- Late/non payment creditors
- Procedures not in place
- Over-expenditure – no financial control
- Supply Chain Management Policy absent
- Review, update and maintain Council's Insurance Policy. Ensure all assets are insured in terms of Insurance Portfolio
- Excessive telephone usage – no control
- Cash management, banking and investment
- Monthly selling and control pre-paid electricity
- Monthly reading of water and electricity meters

- Accurate monthly billing of accounts
- Monthly delivery of consumer accounts
- Daily receipting of all revenue
- Daily banking of all revenue
- Secure all revenue collected
- Implement Municipal Finance Management Act, No 56 of 2003 requirements related to Revenue collection
- Train and develop staff

BUDGETING

The annual compilation of Council's operational and capital budget is the responsibility of this department. It also provides the necessary inputs during the annual review of Council's Integrated Development Plan (IDP).

This department is also responsible for the determination of tariffs and maintaining a cash budget. Actual expenditure to date is monitored monthly against Council's approved budget and reports are monthly submitted to all other departments informing them of their expenditure to date.

The Key Performance Indicators are :

- Compile and publish budget time schedule
- Establish and public committees and consultation forums
- Outreach programme to all wards
- Review and prepare :
 - Integrated Development Plan (IDP)
 - Service Delivery Agreements
 - Delegations
 - Budget-related Policies
 - Operational and capital budget
- Determine rates and tariffs
- Consult with established committees and forums
- Table budget and supporting documents
- Approve budget and supporting documents
- Budget and supporting documents to :
 - National Treasury
 - Provincial Treasury
 - Public and website
- Service Delivery and Budget Implementation Plan (SDBIP)

Challenges and general comments

- No analysis of creditors – debtors annual income total annual debt
- Review tariff
- Misconduct
- No participation in budget process
- Capacity issues
- Financial constraints – mismanagement
- No SDBIP Plans – not linked to Budget/IDP – not aligned
- No financial control
- No policies in place
- No service delivery agreements
- No legislative compliance
- Budget and financial statement not done within required timeframes as legislated
- Delegations not in place
- Lack of interpretation/understanding budgets

ACCOUNTING AND REPORTING

- Daily and monthly updating of accounting records
- MFMA required reporting to :
 - National Treasury
 - Provincial Treasury
 - Accounting Officer
 - Executive Committee
 - Municipal Council
- Monthly reconciliation of supporting registers
 - Funds
 - Loans
 - Assets
 - Banks
 - Investments
 - Debtors
 - Creditors and
 - Income & Expenditure
- Compilation of annual financial statements
- Compilation of annual report for Department : Budget & Treasury Service
- Implement Municipal Finance Management Act, No 56 of 2003 requirements related to Accounting and Reporting

Challenges and general comments

- Updating of records and reporting not done regularly
- Audit queries and qualification received
- No reconciled registers

INFORMATION TECHNOLOGY

This function is not yet fully functional in both units. The units are not linked.

The Key Performance Indicators set are :

- Maintain and upgrade of computer hard-and software
- Secure computer hard- and software services
- Training to all staff in utilizing IT systems effectively
- Develop IT policies
- Introduce/implement GIS System
- Update General Plans (GP's)
- Update ownership/Title Deed information
- Update Valuation information
- Update road and street infrastructure
- Update geographical information
- Update ESKOM infrastructure
- Update electrical infrastructure
- Update water infrastructure
- Update sewerage infrastructure
- Update solid waste infrastructure
- Daily and monthly processing of records when required by other departments
- Develop and maintain Municipal Website
- Develop ICP Security Strategy

Challenges and general comments

- IT Plan is being developed by SITA - awaiting proposal
- DBSA initialising programme link to LGNET
- DBSA supplied 3 computers to the Municipality
- IT function not fully functional
- Upgrading of hardware and software
- No IT support function
- Capacity
- Financial constraints
- Units not linked
- No GIS System
- No policy and control

ASSETS AND RISKS

The existing manual assets register, as well as the inventory lists are now in the process of being computerized by means of bar-coding all moveable assets. The Key Performance Indicators set are :

- Develop asset management policy
- Stock take asset – acquisition and disposal of assets
- Recording and marking (bar-coding) of all assets
- Updating and maintaining a comprehensive assets register
- Compiling, updating and maintaining of inventories
- Revalue fixed assets
- Develop asset vote and asset management report
- Convert and transfer transactions from IMFO/GAMAP ledger to GRAP
- Comply with GRAP format immovable property
- Reconcile assets – capitalize on Sebata System

Challenges and general comments

- Annual financial statements not compliant with legislation
- Non compliant in every respect
- Manual system not compliant
- Unknown quarterly of movable assets
- No or little records planned – use of combined management system
Deloitte and Touché appointed – done during 2007/2008 financial year

MOTOR VEHICLE LICENSING

Apart from the roadworthy's driver's licenses, etc, performed at the Grade A Traffic Test Station situated in Elliot, the NATIS motor vehicle registration facility service is also rendered by Council on an agency basis for the Department of Transport in Elliot. Plans are in place to extend and upgrade this facility.

The Key Performance Indicators set are :

- Avail facilities for the licensing of motor vehicles
- Maintain and perform National Traffic Information System (NATIS) on behalf of the Department of Transport
- Train staff to operate NATIS System

Challenges and general comments

- Infrastructure and equipment shortages
- Training of staff on NATIS

7. **OVERSIGHT REPORT FOR THE PERIOD 2006/2007**

1. **Background**

The Municipal Finance Management Act (Act 56 of 2003) requires Council to consider its Annual Report and based on the analysis and evaluation thereof, to prepare and adopt an Oversight Report.

The Oversight Report that follows is a reflection of the analysis and evaluation of the Annual Report.

2. **Analysis of the 2006-2007 Annual Report**

The Annual Report (2006-2007) for Sakhisizwe Municipality was examined whilst reflecting on the Auditor-General's Report for the same period. Findings are detailed in the remainder of this document, together with comments on the extent to which the strategic objectives of each department were met.

It must be noted that when successes and challenges are highlighted for each department, they are presented in terms of four departments, namely: IPED, Technical Services, Corporate Services and Finance. Community Services Department is not reflected formally, as functions belonging to this department were split into the other four departments, (as indicated earlier within this report), due to the absence of the Community Services Manager. It has also been highlighted that functionality within these departments needs to be addressed in order to reflect logical groupings.

2.1. **Auditor-General's Report on Annual Financial Statements (ending June 2006)**

The Auditor General's report to Council in respect of the Financial Statements are attached hereto as Annexure A.

In terms of this report, the underlying theme of all qualifications and issues of concern related to :

- * Lack of financial management discipline, which includes lack of management information

Inherent within this underlying cause is the overriding need for sound administrative and fiscal control (processes and procedures).

In terms of the Annual Report and the resultant action taken as a result of formal interventions from DBSA (appointment of Municipal Mentor/Acting Chief Financial Officer), it is apparent that Sakhisizwe Municipality is already attempting to address many of the issues highlighted. However, it must be noted that the extent of the deficiencies existing and experienced, cannot be resolved overnight. While progress will be made in many areas, it would be realistic to expect all issues to be finally resolved over a period of 2-3 years.

Qualifications were received for the following areas :

- Compliance issues
- Revenue information
- Salaries and wages
- Subsequent events

Other areas highlighted related to :

- Planning Information
- Expenditure Information

As detailed, a concerted effort and top priority will be placed on introducing administrative and fiscal control in order to remedy the highlighted areas of concern.

2.2. Degree to which Strategic Objectives have been met:

Performance against strategic objectives will be reported on per department as follows:

2.2.1. IPED Department

The IPED Services Department is responsible for the areas of:

Local Economic Development; the implementation and facilitation of IDP Projects; effective monitoring of IDP Projects; Agricultural and Rural Development and Tourism.

a) Integrated Development Plan

Successes included :

- IDP developed and reviewed
- Strategic Plan developed and to be phased in and implemented during 2008/2009

Challenges remain:

- Development and Implementation of Service Delivery and Budget Implementation Plans
- Lack of capacity

b) Projects (Housing)

Successes included :

- Elliot Pholar Park (300 houses completed)
- Sakhisizwe Housing Extension (5000 units completed)

Challenges remain:

- Housing backlog of 4 250 houses
- Beneficiary database
- Funding constraints
- Project management
- Land availability
- Capacity
- Services capacity
- Poor access roads
- HIV/AIDS crisis
- Project blocked by DHLG & TA
- Natural Disasters

c) Local Economic Development, Tourism and Agriculture

Successes included :

- Sakhisizwe tourism established
- Tourist information center plans
- Tourism plan developed
- LED strategy developed
- DBSA funding – technical committee established for tourism and business
- Business Development
- Economic growth and employment

Challenges remain :

- Funding
- Professionally qualified LED staff
- Implement Tourism and LED strategy
- Forum Meeting attendance
- Slow economic growth
- Information centers
- Lack of infrastructure and land identification
- Water provision from CHDM
- Liaison with private public partnerships
- Funding to be sourced from DOA and Social Development
- Source equipment and tractors
- Establish irrigation systems
- Create organized citrus farming
- Market agricultural potential
- Develop agro-based industries (wool and meat production)

2.2.2. Corporate Services Department

a) Human Resources

Successes included :

- Uniform Conditions of Service
- Planned policy and procedure development
- Planned leave Audit and Planned Procedure and Policy

Challenges remain :

- Outdated HR policies
- Benefit administration
- Leave administration & Policy (to be administered by HR Dept)
- Leave Audit
- Contracts and letters of appointment
- Personal file administration & maintenance
- Filing
- Capacity
- Payroll policy and formal procedures (authorizations and the like)
- Overtime management
- Updated Organogram
- Strategic posts filled
- Retention of staff

- Funding constraints

b) Labour Relations

Successes include :

- Disciplinary and grievance policy in place
- Successful “prosecution” of cases

Challenges remain :

- Poor remuneration structures
- Staff retention
- Capacity of staff (implementing policy IR)
- Staff not following policy
- Outsourcing for legal opinion

c) Skills Development

Successes included :

- Workplace Skills Plan successful – in that training programmes implemented
- In-Service Training programmes
- Training well received
- SALGA training for Councillors

Challenges remain :

- Ongoing commitment to attendance for ABET
- No dedicated Funding –channeled to other projects
- Proper development & consultation WSP
- Categorizing of employees

d) Employment Equity

Successes included:

- Submission of Employment Equity reports

Challenges remain :

- Employment Equity Plan
- Equity reports to be submitted in correct format
- Analysis of deficiencies in plan
- Create infrastructure and support for Employment Equity

e) Occupational Health and Safety

Successes include :

- Established Health & Safety Committee
- Appointed safety representatives

Challenges remain :

- Further training in all aspects of OHS
- Safety compliance
- Ensuring safety representatives perform monthly inspections and issue reports
- Risk analysis
- Updated policy
- Non-compliance

f) General Administration

Successes include :

- Seven (7) By-Laws developed and five (5) gazetted
- Council rules and procedures developed
- Procedure developed to guide public liability claims
- Planned document management system developed (to be sent to Provincial Archives for approval)
- Three Operational Standing Committees

Challenges remain :

- Outdated Records Management System
- Staff capacity
- Integration of filing system
- Funding

g) Amenities : Libraries and Halls

Successes include :

- Facilities provided for library (Elliot and Cala)
- Two (2) halls in Elliot and one (1) in Cala
- Renovations (Masibambane Hall)
- Painted halls
- Security provision at halls

Challenges remain :

- Government subsidy for purchase of library materials
- Qualified staff
- Adequate facilities
- Funding
- Equipment
- Policy and procedure review
- Regular maintenance functioning
- Building of Multipurpose halls in all wards

h) Transport Management

Successes include :

- Purchase of new vehicles
- Fleet Management Policy

Challenges remain :

- Fleet Management Policy Implementation
- Staff Capacitation
- Vehicle maintenance
- Unroadworthy vehicles
- Driver education
- Ageing fleet

i) Health Services

Successes include :

- 5000 Patients attended to amongst clinics (x3) in Elliot
- Establishment of Health Committee
- HIV/AIDS Plan
- Training
- Service Provision as per NPHC

Challenges remain :

- Shortage of qualified Clinic staff
- Shortage of equipment and resources
- Buildings require rehabilitation
- Lack of reliable statistics
- Amount of patients per Clinic
- Inadequate funding
- HIV/AIDS Policy and Implementation
- HIV/AIDS Forum
- HIS/AIDS Peer Educators trained
- Health Promotion Programmes

j) Performance Management Systems

Successes include :

- PMS Agreements for s57 Managers
- Performance monitoring

Challenges remain :

- Develop institutional scorecard
- Review and further customisation of existing System
- PMS to be phased in to middle management
- Internal Audit Committee appointed
- SDBIP developed for all departments
- Capacity

k) Traffic Control

Successes include :

- 120 Roadworthy's completed (vehicles) and 6 for buses and 9 (goods vehicles)
- Learner licence figures escalated
- Drivers licence issues increased
- Testing station established

Challenges remain :

- Shortage of staff
- Infrastructure
- Funding constraints

l) Information Technology (IT)

Successes include :

- All users have secure login details
- One network printer in Cala

Challenges remain :

- Skilled IT staff
- Lack of access to infrastructure
- Funding constraints
- Outdated equipment (hard and software)
- Electronic Document System

2.2.3. Technical Services Department

a) Electricity and street lighting

Successes include :

- Master Plan developed and being phased in
- backlog in licensed areas being addressed
- Fault maintenance and service excellence
- Operation and maintenance

Challenges remain :

- Funding
- Most households rely on paraffin and candles
- Efficient electricity provision
- Network ageing
- Eskom
- Maintenance of street lighting
- Retention of skilled staff
- Electricity theft
- Tools and equipment

b) Roads and Stormwater

Successes include :

- Implementation of construction and maintenance programme
- Technical Manager deployed by DBSA

Challenges remain :

- Old infrastructure and deteriorating roads
- Appointment of Technical Manager (Qualified)
- Poor stormwater drainage
- Poorly maintained roads
- Roads mainly gravel
- Storm drainage canals blocked
- Damaged bridges
- Potholes
- Poor road network s

c) Water

Successes include :

- 120 000 kl Water purified
- 240 Water faults reported and attended to
- 12 Water meters replaced/services
- 50 New water connections
- Ongoing maintenance

Challenges remain :

- Water shortage
- Shortage of dams and reservoirs
- Ageing infrastructure, vehicles and equipment
- Skilled/qualified staff
- Funding
- Water backlogs
- Illegal connections and meter tampering
- Poor pump maintenance
- Subsidies

d) Sanitation

Successes include :

- Reporting to Council : Sewer reticulation at Cala
- Addressed problems re Treatment Works, ponds and spillage with CHDM
- Eradicated bucket system
- New treatment works construction (Elliot)
- Complaints dealt with
- Ongoing maintenance and construction
- Construction of oxidation ponds commenced in Elliot extension
- Construction of new treatment works commenced
- Technical Manager deployed by DBSA

Challenges remain :

- Rural sanitation backlogs
- Shortage of VIP toilets (rural area)
- Ageing infrastructure
- Poor maintenance

e) Town Planning and Building Control

Successes include :

- Spatial Development Framework developed
- Approval and rezoning completed with Chris Hani District Municipality

Challenges remain :

- Qualified staff
- No Building Control Officer in place
- No building control activity being carried out
- No building control policy
- Spatial Development Framework require
- Zoning maps
- Land issues to be resolved
- Land for development
- Land management/settlement plans to be developed

f) Cemeteries

Successes include :

- Provision of facilities

Challenges remain :

- Staff shortages
- Maintenance
- Cala cemetery
- 90% capacity
- Available land
- Illegal burials
- Review tariff structure
- No proper statistics/recording in place

g) Sport and recreational facilities

Successes include :

- Social and recreational facility provision

Challenges remain :

- Vandalism management
- Controlled use of facilities
- Maintenance programme

- Staff shortages
- Tariff structure

h) Parks and Public Open Spaces

Successes include :

- Grass cut as per maintenance programme
- Regular pruning of trees and shrubs

Challenges remain :

- Staff shortages
- No Manager in department
- Funding
- Equipment availability
- No records /Statistics

i) Commonages and Pounds

Successes include :

- Containment within commonages
- Commonage /pond fence

Challenges remain :

- Fence arable land
- Staff shortages
- Staff problems (remuneration and overtime)
- Land Shortage

j) Refuse removal/Solid waste

Successes include :

- Daily refuse removal in Cala
- Daily cleaning of streets
- Weekly household removals and daily business removals

Challenges remain :

- Maintenance and opening of furrows and culverts on a regular basis
- Management of Waste Disposal as per prescribed rules and regulations
- No control over dumping
- Shortages (maintenance and vehicles)
- Recycling facilities
- Theft of fence
- No Records /Statistics

k) Disaster Management

Successes include :

- Assistance and support
- Disaster Management Plan developed

Challenges remain :

- Lack of integrated approach
- Rehabilitation after disaster
- Dedicated staff (capacity)
- Establish database
- Shortage of equipment
- Financial constraints
- Risks, e.g. droughts, earthquakes, etc
- Awareness Programmes and Campaigns

2.2.4. Finance Department

a) Revenue Management

Successes include :

- Appointment of Chief Financial Officer/Municipal Mentor
- Planned improvement of billing system
- Purchased software
- Accurate meter readings
- Accounts sent out timeously
- Legal Advisors appointed to deal with outstanding debtors

Challenges remain :

- Culture of non-payment
- Data cleansing to be implemented
- Implement credit control procedures
- Implement disconnections monthly
- Lack of Finance Policy and Procedure
- By-Law development staff capacity lack of financial control
- Lack of statistics and financial records
- Indigent database outdated
- Inaccurate meter reading
- Implementation of annual interim valuations

- Receipting of revenue
- Banking of revenue
- Control of assets through application of GRAP
- Cash management, banking and investment
- Monthly selling and control of pre-paid electricity
- Monthly reading of water and electricity meters
- Accurate billing
- Accurate delivery of accounts

b) Expenditure and Control

Successes include :

- Insurance Portfolio
- Integrated payroll system
- Supply Chain Management Policy developed
- Evaluates bids and makes recommendations

Challenges remain :

- Dedicated staff member for Payroll function
- Capacity of staff
- Proper authorizations from HR re payroll amendments / implementation
- Excessive overtime payments
- Internal controls
- Under and overpayments
- Policy and procedures
- Upgrade hardware and software
- Late/non payment of creditors
- Procedures not in place
- Financial control (over expenditure)
- Supply Chain Management Policy
- Update and maintain Insurance Policy
- Asset management
- Telephone usage and control

c) Budgeting

Successes include :

- Annual Budget developed and approved
- Indigents provided for

Challenges remain :

- Tariff Review
- Capacity
- Mismanagement

- No SDBIP's
- No financial control
- No policies
- No service delivery agreements
- No legislative compliance
- Financial statements completed timeously
- Delegations not in place
- Lack of understanding
- Compliance with principles of reporting

d) Accounting and Reporting

Successes include :

- Monthly reconciliations
- Annual Financial statements

Challenges remain :

- Regular updates of records and reporting
- Audit queries and qualifications
- No reconciled registers
- Implementation of MFMA

e) Motor vehicle licensing

Successes include :

- NATIS Motor Vehicle Registration facility service
- Operation of NATIS System

Challenges remain :

- Infrastructure and Equipment shortages
- Training of staff on NATIS

f) Audit Reports

Challenges remain :

- Application of new rates tax
- Update policies
- Training of staff
- Implementation of comprehensive IT System
- Bar-code all assets
- Implementation of GAMAP

3. **CONCLUSION**

In concluding, it must be noted that while every effort has been made to summarize successes and challenges within this Municipality during the 2006/2007 period, information presented has for the most part been based on the “lack of formal record”, and reliable information. As reflected within the Audit Report, the greatest deficiency has been absence of financial controls and formal record-keeping systems. It is these issues that will form the basis of all further action.

As such, it is recommended that Council adopt this Annual Report.

RECOMMENDED

That Council adopts the Annual Report for Sakhisizwe Municipality for the period 2006-2007, as reflected in the Annual Report attached for this purpose.

CLOSING SUMMARY

From the detailed chapters in this Annual Report, Sakhisizwe Municipality has been able to report on all aspects of organisational performance, providing a true, honest and accurate account of Council priorities and goals and our ability as an organisation to achieve these, notwithstanding the many highlighted challenges that prevail.

Within Chapter 1 of this report, you were exposed to an overview of Sakhisizwe's geographic and demographic profile, as well as socio-economic factors that influence life within this region.

Chapter 2 has highlighted the key successes and challenges experienced by the more high profile service delivery departments. These have been examined by looking at the service delivery approach adopted, the performance measures and key successes, as well as the challenges and opportunities faced by service delivery currently.

Chapter 3 provides insight into the organisation structure and changes required to ensure that Sakhisizwe Municipality is able to fulfil its developmental Local Government objectives, through compliance at every level.

Chapter 4 represents an account of Sakhisizwe Municipality's financial health and wealth and includes all financial statements as public documents.

Chapter 5 provides comprehensive information on the functional areas of Sakhisizwe Municipality, including overviews of functions and strategic objectives. All of these objectives are then tied directly back to the Integrated Development Plan and more technically into the Service Delivery Budget and Implementation Plans for each department.

Under extreme circumstances some success, growth and progress was achieved, particularly as a result of the direction and support provided both by political leadership and DBSA (with the appointment of the Municipal Mentor). As highlighted within the main body, it is felt that positive strides have been made and will continue to be made over time in order to resolve the difficulties and challenges faced by this Municipality.

Finally, it must be noted that the Annual Report for 2006/2007 provides a realistic and accurate account of the progress and extreme difficulties experienced by Sakhisizwe Municipality and reflects the impact that all of this has had on service delivery.

GLOSSARY

<i>CBO</i>	<i>Community Based Organisation</i>
<i>DBSA</i>	<i>Development Bank of South Africa</i>
<i>DORA</i>	<i>Division of Revenue Act</i>
<i>DWAF</i>	<i>Department of Water Affairs and Forestry</i>
<i>GAMAP</i>	<i>Generally Accepted Municipal Accounting Practices</i>
<i>GDP</i>	<i>Gross Domestic Product</i>
<i>GRAP</i>	<i>Generally Recognised Accounting Practices</i>
<i>IDP</i>	<i>Integrated Development Plan</i>
<i>ILGM</i>	<i>Institute of Local Government Management of Southern Africa</i>
<i>IMPRO</i>	<i>Institute of Municipal Public Relations Officers</i>
<i>LED</i>	<i>Local Economic Development</i>
<i>LGSWETA</i>	<i>Local Government and Related Services SETA</i>
<i>MFMA</i>	<i>Municipal Finance Management Act</i>
<i>MIG</i>	<i>Municipal Infrastructure Grant</i>
<i>NEPAD</i>	<i>New Partnership for Africa's Development</i>
<i>NGO</i>	<i>Non-Government Organisation</i>
<i>SALGA</i>	<i>South African Local Government Association</i>
<i>SMME</i>	<i>Small, Medium and Micro Enterprises</i>
<i>TLC</i>	<i>Transitional Local Council</i>
<i>UKDM</i>	<i>Ukhahlamba District Municipality</i>

CREDITS

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