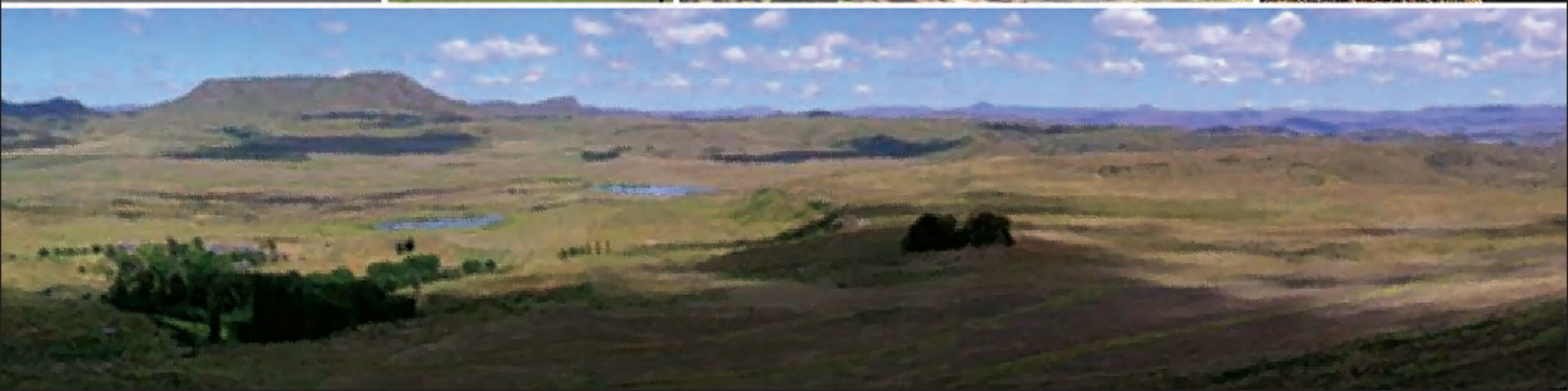




ANNUAL REPORT

for the financial year
2006 / 2007





Annual Report
FOR THE FINANCIAL YEAR
2006 / 2007

ACRONYMS USED IN THIS REPORT

AG	- Auditor General	LAC	- Local AIDS Council
CHDM	- Chris Hani District Municipality	LAN	- Local Area Network
DAC	- District AIDS Council	LED	- Local Economic Development
DBSA	- Development Bank of Southern Africa	LLF	- Local Labour Forum
DFID	- Department for International Development	LM	- Local Municipality
DM	- District Municipality	M & E	- Monitoring and Evaluation
DPLG	- Department of Provincial and Local Government	MFMA	- Municipal Finance Management Act (56 of 2003)
DRP	- Disaster Recovery Plan	MHS	- Municipal Health Services
DWAF	- Department of Water Affairs and Forestry	MIG	- Municipal Infrastructure Grant
ECAC	- Eastern Cape AIDS Council	MSP	- Municipal Support Program
ECDMA	- Eastern Cape District Management Area	PDR	- Project Definition Report
ECESCOC	- Eastern Cape Emergency Services Coordinating Committee	PHC	- Primary Health Care
EHP	- Environmental Health Programme	PMS	- Performance Management System
EPWP	- Expanded Public Works Programme	PMU	- Project Management Unit
FHP	- Food Handling Premises	RSC	- Regional Services Council
GAMAP	- Generally Accepted Municipal Accounting Practice	SALGA	- South African Local Government Association
GDS	- Growth and Development Summit	SAN	- Storage Area Network
GRAP	- Generally Recognised Accounting Practices	SCM	- Supply Chain Management
ICT	- Information Communication Technology	SDBIP	- Service Delivery and Budget Implementation Plan
ICTSC	- Information Communication Technology Steering Committee	SHE	- Safety, Health and Environment
IDP	- Integrated Development Plan	SMME	- Small, Medium and Micro Enterprise
IMFO	- Institute for Municipal Finance Officers	STI	- Sexually Transmitted Infection
IMST	- Information Management Systems Technology	UFH	- University of Fort Hare
ISDR	- International Strategy for Disaster Risk Reduction	WAD	- World AIDS Day
ISDRP	- Integrated and Sustainable Rural Development Programme	WAN	- Wide Area Network
ITIL	- Information Technology Information Library	WMPF	- Website Management Procedures Framework
IWMP	- Integrated Waste Management Plan	WSA	- Water Services Authority
KPA	- Key Performance Area	WSDP	- Water Services Development Plan

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CHAPTER 2

Performance





OFFICE OF THE MUNICIPAL MANAGER

2.1 COMMUNICATIONS

Objectives

- Develop, implement and review CHDM's Communications Strategy;
- Develop and implement CHDM's Marketing Strategy;
- Enhance working relations between the CHDM and its stakeholders;
- Advise the Council on the stakeholder's needs and perceptions; and
- Create and maintain a good image of the institution.

Description of activity

Communication is a cross-cutting function within the institution. It involves strategic management and must take into account the political programmes. The focus currently is both on external communication and internal communication. The unit was strengthened in 2006/7 with one additional staff member. It comprised a Communications and Media Relations Manager, a Communications Officer and a Website Content Author. There is still a need for greater capacity.

The communications function is a legislative requirement in terms of Municipal Systems Act, 32 of 2000, and the Municipal Finance Management Act, 56 2003.

The functions performed included the following: media liaison; media production including newsletters, information booklets, leaflets and photography; upholding the corporate identity; organising promotional material; website management; consolidation and production of annual reports; dissemination of information; assistance during izimbizo or outreach programmes; encouragement of community participation; and the establishment of communication structures etc.

Key functions for 2006/07

- Implementation of communications strategy (media liaison, media production, photography, information dissemination, upholding of corporate identity);
- Marketing of Chris Hani District Municipality;
- Production of Annual Report; and
- Website maintenance.

Challenges

- Communications within the DM remain a challenge – there is a need to resource the Communications Section so that communication is enhanced;
- Meaningful community participation is still a challenge;
- CHDM needs to establish a customer service desk;
- Events-management and co-ordination is a challenge;
- Inadequacy of local electronic media;
- Lack of co-ordination and integration of district activities;
- Communication among the three spheres of government needs to be strengthened; and
- Insufficient funding and inadequate personnel.



PERFORMANCE

Performance report

Measurable outcome	Activities/ project description	Project leader	Budget 2006/07	Performance report				Stakeholders/ partners	Challenges & proposed solutions
				Key deliverables	Due date	% complete	Budget spent		
Develop / Review and Implement Communications strategy for 2006/07 financial year	Strategic Session Develop Communications plan Identify programme to profile the CHDM Conduct environmental assessment	Ms Mbangcolo	R.1 349 200	Communication Strategy Inform the Public in the performance of CHDM on the key performance areas	June 2006	100%	R1 372 111	Office of the Premier, Government Information System, Local Municipalities, Government Departments Funding is always a challenge Communications Strategy was reviewed and will be adopted by Council in December 2007	
Marketing & Branding	Organise Quarterly Advertising Space with National Magazine List CHDM in Directory Companies Develop corporate identity and ensure it's adhered to Develop customised stationary, promotional Material, Car Decals etc.	Ms Mbangcolo	R 450 000	Well known CHDM	Quarterly and Ongoing	80%	R 350 000	Funding is always a challenge to market and brand CHDM	

Measurable outcome	Activities/ project description	Project leader	Budget 2006/07	Performance report				Stakeholders/ partners	Challenges & proposed solutions
				Key deliverables	Due date	% complete	Budget spent		
Annual Report be Produced Annually	Collect performance report from all HODs and sectional Heads Executive Mayor to provide his note Speaker to reflect on Council Municipal Manager provide overview Collate the document after being prepared, include Auditor General's Report	Ms Mbangcolo	R 245 000	Produce an Annual Report that will be approved by Council Be sent to :- - Auditor General - DLGH & TA - Provincial Treasury - Stakeholders	30 days after Council has approved A G report, Annually	30%	00 000	Service Providers	Always delayed by the finalisation of the Auditing of CHDM and production of the AG report
Ensure Website is maintained and runs effectively	Collect and upload the key information to the website as required Monitor the information and suggestions	Ms Mbangcolo	00 000	Website to have updated information, and its user friendly.	Ongoing	Ongoing	00 000	Department of Local Government & Traditional Affairs, EC	Department of Local Government and Traditional Affairs were hosting CHDM website when they revamped their website, CHDMs was then affected and it never existed after that, so ICT is in a process of developing the website and is expected to be up before the end of 2007/8 Directorates provides information very late or do not provide it at all

2.2 INFORMATION COMMUNICATION TECHNOLOGY UNIT

1. *Overview and background*

The mandate of the Information Communication Technology (ICT) Unit is to provide an information and communication technology service and support to the DM and to provide a secure, reliable and consistent platform for information accessibility.

The unit is responsible for driving technological innovations, aligning ICT to the organisational strategic plan, in particular the IDP, and supplying and supporting ICT infrastructure for approximately 170 computers in 5 remote sites.

2. *Description of activity*

With four staff members, the ICT unit is a support function reporting to the Municipal Manager. The function of the unit is co-sourced. The information systems are in-house and the infrastructure is supported internally with second-line support from an external service provider. The DM has a service level agreement with a service provider.

The ICT functional services rendered includes, but is not limited to, the following:

SERVICE DELIVERY

Management of ICT services that involves a number of management practices to ensure that the services are provided as expected by Council, management and users. Service delivery involves:

- service level management;
- capacity management;
- availability management; and
- security management.

SERVICE SUPPORT

Specification, implementation and support of hardware and software infrastructure including:

- desktop support (computers, printers, laptops and other ICT equipment);
- server support;
- network support (WAN, LAN, network equipment);
- ICT systems security;
- Systems/applications;
- E-mail and internet;
- Service desk (helpdesk and consumable provisioning);
- Problem management (Fault monitoring and recovery and problem analysis);
- Configuration management; and
- ICT assets management.



3. *Strategic Objectives*

- Enable effective operation of the municipality's service delivery functions by ensuring development, implementation and maintenance of appropriate systems;
- Provide the crucial, secure and sustainable infrastructure based on the most appropriate technology;
- Ensuring access to accurate and timely information at all times for executive and management decision support;
- Increasing efficiency and effectiveness through continuing assessment, quality improvement and accountability to stakeholders;
- Ensure development of an ICT Strategy and link it with ICT strategies of LMs;
- Ensure effective and efficient electronic communication;
- Formulation and implementation of ICT policies; and
- Ensuring availability of electronic communication systems (Internet and e-mail)



Performance Report

Measurable outcome	Activities / project description	Project leader	Budget 2006/07	Performance report					Stakeholders / partners	Challenges & proposed solutions
				Key deliverables	Due date	% complete	Budget spent			
Upgrade of servers and network equipment	Upgrading of servers, router and switches as per outcomes of ICT audit (recommendations)	T. Somtombo	R 500 000	Purchase of hardware Installation and configuration	31 May 2007	90%	85%	CHDM Service provider		
Development of intranet	Use of SharePoint portal as to provide intranet services to CHDM community	T. Somtombo	R 350 000	Internally develop CHDM intranet pilot project using sharepoint	31 November 2007	30%	0%	CHDM		
Networking of the disaster management centre	Linking the new Disaster Management Centre to the CHDM network	T. Somtombo	Incorporated in the budget for the centre	Appointment of service provider Procure network equipment Cabling Wireless networking for WAN	31 October 2006	100%	-	CHDM	Project took longer than projected	
Finalisation of a backup storage system (SAN) project	Project started in previous financial year and was completed this year	T. Somtombo	R 800 000	<ul style="list-style-type: none"> - Installation of software and hardware - configuration of backup system - installation of backup tapes - training - project handover 	30 September 2006	100%	100%	CHDM Service provider	Project completion took longer than projected	

2.3 INTERNAL AUDIT

The key objectives of Internal Audit are:

- To provide an independent, objective assurance and consulting activity designed to add value and improve the municipality's operations;
- To evaluate and improve the effectiveness of the risk management and internal control processes; and
- To assess, evaluate and improve the effectiveness of the corporate governance processes.

Core function of the unit

The Internal Audit work normally includes, but is not restricted to, review, appraisal and reporting on the following:

- Systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether the CHDM is in compliance;
- Operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned;
- Reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- Economy and efficiency with which CHDM resources are employed and identify opportunities to improve operating performance; and
- Means of safeguarding assets and, as appropriate, verifying the existence of assets.

Challenges

- Limited resources to complete the CHDM Internal Audit Plan;
- Limited resources to assist LMs;
- Level of Internal Audit Unit;
- Reporting lines of the Unit; and
- Co-operation from management.

Proposed solutions

- Introduction of learnerships and internship programmes;
- Appointment of an Internal Audit Manager;
- Internal Audit to report to the Municipal Manager; and
- Conduct workshops so as to market the Unit.



Performance Report

Measurable outcome	Activities/ project description	Project leader	Budget 2006/07	Performance report				Stakeholders/ partners	Challenges & proposed solutions
				Key deliverables	Due date	% complete	Budget spent		
Conduct risk assessment and develop a risk-based internal audit plan	Identify key risk areas and make a plan for audit projects	N. Peter		Develop a risk based internal audit plan	July 2006	100%	0	CHDM Managers SIA	Reluctance from Management in drawing up action plans
Execution of Internal Audit Projects	Evaluate the effectiveness of internal controls	N. Peter/ V. Dusubana		Internal Audit reports on - ICT - Corporate Governance - IDP - Budgeting and Treasury - SCM - Disaster Management - LED Projects - Clinics and Medicine - Dispensing - Human Resources	July 2007	70%	0	CHDM Managers Internal Auditors	Shortage of staff within Internal Audit Cooperation of Managers with the Internal Audit team
Shared Audit Committees and Internal Audit services. Internal Audit units, IA Infrastructure in all LMs	Risk assessment workshops for all LMs and DM Training of AC for the LMs and DM Recruitment and training of IA staff for LMs Execution of IA projects	V. Dusubana	R1000 000	- Establish steering committee Risk assessments in all local municipalities Training of AC Recruitment and training of internal audit staff for the LMs	June 2008 October 2007 April 2008 June 2008 June 2008	100% 100% 0% 0% 0%	R501 202	PwC CHDM Lukhanji Emalaheni Sakhisizwe Intsika Yethu Ngcobo Tsolwana Inkwanca Inxuba Yethemba	Cooperation from Local Municipalities resulted in delays to some key deliverables

2.4 SUPPLY CHAIN MANAGEMENT

Overview and background

At the beginning of the procurement reform process in 1995, it was recognised that a consistent legislative framework would be required to give effect to government’s procurement reform policy objectives. It was recognised that procurement reforms would have to be limited to those measures that could be implemented within the ambit of the existing legislation.

Strategic Objectives

- Regulate the functioning of operational activities by way of a sufficient and uninterrupted flow of goods and services to CHDM;
- Purchase goods and services of the required quality to get maximum value for money;
- Continually find and develop reliable alternative sources of supply;
- Ensure lasting good relations with reliable suppliers;
- Keep losses and the investment in inventory at a minimum, while taking into account safety and economic considerations;
- Achieve healthy co-operation and co-ordination with different departments within CHDM; and
- Develop policy procedures and systems which will ensure that the administrative costs of supply are kept to a minimum.

Projects awarded

Projects awarded in construction	R150 664 960.67
Percentage awarded to HDIs	75.38%
Premium paid to promote empowerment goals	R4 505 765.65

Challenges

- Targets on development of SMMEs were not clearly defined in the Supply Chain Management (SCM) Policy which would ensure evaluation of the SCM unit;
- Staffing of the SCM unit remains a big challenge with the unit operating with only five staff members posing a lot of challenges and pressure. The council however is in the process of rectifying that situation; and
- Accommodation is also a big challenge. This is evident when it comes to deliveries, inventory controls, contract management and archiving. A long-term strategy is also in place to deal with this challenge.



Performance Report

Measurable outcome	Activities/ project description	Project leader	Budget 2006/07	Performance report				Stakeholders/ partners	Challenges & proposed solutions
				Key deliverables	Due date	% complete	Budget spent		
Development of Database	Advertise Categorise Allocation Implementation Monitoring	SCM Manager	R50 000	Compliant Database	October 2006	100%	R2 500	Service Providers SCM	Time frame not met. Database not user friendly, cannot perform some of the functions that are important i.e. cannot sift supplier according to locality - a more advanced and user- friendly software to be budgeted for and installed
Acquisition of Goods & Services	<ul style="list-style-type: none"> - Identify demand - Budget - Request Quotes - Check delegation - Check authorized requisitions - order - delivery - GRN & Invoice - Monitoring - Reporting 	SCM Manager	Operational budget	Compiled internal control procedures and processes for acquisition of goods and services	July 2006	100%	Operational budget expenditure	Service Providers CHDM	Eliminating outstanding commitments backlog Cooperation of managers in elimination of unauthorised expenditure, and to adhere to the internal processes
Reviewed SCM Policy	<ul style="list-style-type: none"> - Process Reviews - Invite comments on stakeholders - consolidate - workshops - Legal Testing - appoint a Service Provider - Adoption - Implementation 	SCM Manager	R50 000	Process Reviews <ul style="list-style-type: none"> - Invite comments on stakeholders - consolidate - workshops - Legal Testing - appoint a Service Provider - Adoption - Implementation 	December 2006	100%	R	CHDM	Changing legislation
Centre to advice tenderer Advice Centre	Appointment of TAC manager Allocation of space /office /office	Municipal Manager SCM Manager	Operational budget	Appointment of TAC manager Allocation of space/office Awareness to the public	September 2006	100%	R	SEDA CHDM	Budget constraints prevented effective awareness campaigns

2.5 DISASTER MANAGEMENT

Establishment of Disaster Management Section

The Disaster Management Section was established in 2001 to deal with all disaster-related incidents as it became clear that the function was going to be given DMs.

The closure of the Regional Office of the Department of Local Government in Queenstown brought about challenges as the DM was working hand-in-hand with that Office in dealing with disasters in the region. Challenges were enormous as the DM did not have funding for the function. The Civil Protection Act was used to deal with disasters although it was more responsive than proactive.

The passing of the Disaster Management Act, 57 of 2002, by Parliament brought about some relief as it enabled DMs to deal effectively with disasters prevalent in the area. The Bill and the White Paper were used to guide CHDM policy on Disaster Management.

After the promulgation of the Disaster Management Act, a Chief Disaster Manager and a Senior Disaster Management Officer were appointed to deal with all disaster management issues. Section 50 of the Disaster Management Act, 57 of 2002, states that a Municipality must submit a report annually to the municipal council on all activities during the year.

Section 50(2)(a) says that that report must be submitted to the national and provincial disaster management centres as well.

A Disaster Management Framework was prepared with the help of a consultant in terms of Section 42 of the Disaster Management Act. Further planning was undertaken to conduct Risk Assessments which would enable the development of Disaster Management plans. This will be put out to tender early in the 2007/8 year.

This report covers all programmes and incidents that occurred during the 2006/07 financial year. Because of the fact that the report must be submitted to both national and provincial disaster management centres, which have a different financial year to those of municipalities, this report covers the period starting from 1 July 2006 to 30 June 2007 in order to be consistent with our Financial Year end, and for our planning purposes.

Common hazards prevalent in the area are:

- Tornadoes: Ngcobo, Emalahleni, Intsika Yethu, Lukhanji, Sakhisizwe and to some extent Inxuba Yethemba LMs;
- Gale force winds: Ngcobo, Emalahleni, Intsika Yethu, Lukhanji, Sakhisizwe and Inkwanca;
- Floods: Emalahleni, Intsika Yethu and Tsolwana;
- Veld-fires: Sakhisizwe, Lukhanji, Emalahleni, Intsika Yethu & Inkwanca;
- Lightning: Ngcobo, Emalahleni, Sakhisizwe and Intsika Yethu; and
- Snow: Sakhisizwe, Inkwanca and Inxuba Yethemba.

Each year the DM is confronted by different types of disastrous incidents, usually affecting the most vulnerable communities where the impact of the disaster is deepened by poverty levels.



Severe Storms



Flash Flood



Hail Storm



Tornado



Objectives

- To promote a coordinated and integrated approach to Disaster Management
- Act as an advisory and consultative body on issues concerning disaster and Disaster Management within the Chris Hani District Municipality
- To promote community participation in Disaster Management issues
- Act as repository of and conduit for information concerning Disasters and Disaster Management within Chris Hani District Municipality

Plans to comply with the act

Establishment of the Disaster Management Centre

The process of establishing a centre in terms of Section 43 of the Disaster Management Act, 57 of 2002, started in December 2004. In September 2006 the structure which was built through financial assistance from the province was completed and officially opened on the 12 October 2006 by the then Premier of the Eastern Cape Province, Ms Nosimo Balindlela.

Establishment of Disaster Management Satellite Centres

For easy coordination of our programmes, six Satellite Centres were initiated in the following six LMs:

- Ngcobo,
- Sakhisizwe,
- Emalahleni,
- Intsika Yethu,
- Tsolwana, and
- Inxuba Yethemba

The DM bought all the necessary equipment for the Satellite Centres to be operational and that equipment was despatched to the centres.

The use of volunteers, given budgetary constraints, to man satellite centres worked fairly well. The volunteers assisted by responding to incidents reported and conducted damage assessments. They were recruited in terms of Section 58 of the Disaster Management Act in each municipal area.

In an attempt to strengthen the Disaster Management Centre and to establish fire services, a Senior Disaster Management Officer for Planning, an Administrator and a Chief Fire Officer were appointed.

Equipment

To respond to disasters, CHDM acquired a 4X4 Isuzu Double Cab to replace the one bought by the province in 2001. The vehicle is fully equipped with a green and a red beacon light, a siren and a PA system.

Capacity building programmes

The approach of using volunteers had its own problems as the one response vehicle could not be everywhere anytime.

Some LMs still had a problem with the function because of a perception that disaster management was not their function but the DMs. Therefore they found it difficult to release their resources.



During the period under review CHDM personnel underwent certificated courses on:

- Emergency Trauma Response, conducted by Dr Peter Jones;
- Fundamentals of Disaster Risk Management, conducted by Potchefstroom University, for all volunteers;
- Disaster Risk Management Planning, also by Potchefstroom University, for some CHDM personnel; and
- Fundamentals of Disaster Risk Management, again Potchefstroom University, for all directly-elected councillors.

Inter-governmental relations

The Disaster Management Advisory Forum established in terms of Section 51 of the Disaster Management Act was functional. Sector departments, non-governmental organisations and community-based organisations cooperated fairly well. Traditional leaders were not yet on board.

The Disaster Management Centre was also part of the following structures:

- Eastern Cape Emergency Services Coordinating Committee (ECESCOC);
- Disaster Management Institute of Southern Africa (DMISA); and
- Provincial Disaster Management Advisory Forum.

Education and Awareness Programmes

Part of our disaster prevention strategy is an Education and Awareness Programme. We resolved to take Disaster Management to schools. Initially we thought of visiting each school to make a presentation to both learners and educators but after looking at the vastness of our area we thought of something that would bring all schools together. We decided to initiate a competition where schools would be competing in drama, visual arts and choral music. The message in all performances was to be on disaster risk management: awareness, preventative strategies, mitigation, and reconstruction and rehabilitation

We had a financial incentive for the winning schools, one that aimed at addressing vulnerabilities of the school concerned. Performances were held at both municipal levels and all schools were allowed to participate, from primary school to high school levels. The programme was linked to the United Nation's International Strategy for Disaster Risk Reduction (ISDR) day when winners from local municipalities would compete to get the winners of the district.

This programme started in 2005 and as a result of its effectiveness we saw ourselves hosting the national ISDR programme supported by the national and provincial Disaster Management Centres. Present on the day were delegations from Sweden and the United Nations.

The beauty of the programme is the fact that the youth at school go back home and act out what they learnt before their family members who also get educated as a result.



Reconstructed house



Capacity Building for Volunteers



Centre Opening





*Mr Johannes Voster
Director Budget & Treasury*

2.6 BUDGET & TREASURY

Overview

For the financial year 1 July 2006 to 30 June 2007 the Budget and Treasury Office was a hive of activity while providing the financial support services expected from it by the other Directorates and Sections of the DM.

The Budget and Treasury Office managed a total revised Operational Budget of R151 560 600 for the financial year. In addition it managed the Capital Budget amounting to R190 917 574.

Description of activity

Strategic Objectives

- Ensure continued compliance with all accounting, statutory and legal requirements including the implementation of the MFMA and GAMAP/GRAP standards;
- Implement revenue-generating strategies and lobby for additional equitable share from National Revenue to replace the abolished RSC Levies;
- Recover outstanding monies owed by the Provincial Government in respect of agency function subsidies and other liabilities;
- Provide support to other internal Directorates and LMs; and
- Implementation of financial control in respect of Water Services.

The function of financial management within the municipality was administered by the Budget and Treasury Office. Services were rendered by a staff compliment of 29 individuals, grouped together in the following functional sections:

- Accounting System Administration
- Budget Control and General Administration
- Financial Accounting and Financial Management, further divided as follows:
 - **Income**
 - Levy Income / Water Services
 - Project Funding
 - **Expenditure**
 - Creditors
 - Salaries
 - Project Payments



The functional services rendered included, but were not limited to, the following:

- Provision of relevant, accurate and reliable financial information to all users including Councillors, managers, levy payers and other stakeholders to facilitate informed decision making;
- Provision, maintenance and implementation of sound financial management policies, controls and systems;
- Ongoing introduction of budgetary and accounting reforms in line with the requirements of MFMA and GAMAP/GRAP;
- Production of annual budget and GRAP compliant financial statements;
- Maintenance of an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds. All efforts are made to pay monies due to suppliers and service providers within 30 days of receiving a valid invoice or statement unless other arrangements have been agreed upon;
- Provision of financial advice to Council and all other DM structures including Mayoral and Portfolio Committees;
- Administration of investment and insurance portfolios;
- Management of conditional grants;
- Asset Management;
- Revenue collection; and
- Capacity building by way of training of interns, councillors and officials.

Key issues for 2006/2007

In addition to managing the day-to-day functions related to financial and cash management, as well as focussing on the achievement of Measurable Outputs for the Key Performance Areas as set out below, the following activities were undertaken:

- During the first quarter, the Annual Financial Statements were prepared and submitted to the Office of the Auditor-General. Although the conversion and preparation of the 2005 financial statements were done with the assistance of a service provider, the 2006 financial statements were prepared internally.
- During the second quarter, the Office of the Auditor General had to be accommodated in order to perform the statutory audit of the financial statements for the year ended 30 June 2006. The actual audit commenced at the beginning of October 2006.
- During the third quarter, the Office had to manage the process of preparing and tabling the Draft Budget before the end of March 2007. The revised budget also formed the basis for the draft forecast for the 2007/2008 to 2009/2010 financial years.
- During the fourth quarter, the Office had to manage the finalisation process of preparing and tabling the Final Budget before the start of the new financial year.



PERFORMANCE

Analysis of function

Grants received and spent

An analysis of the grants received is contained in Appendix F of the Financial Statements.

Remuneration of Councillors

An analysis of the remuneration paid to Councillors is contained under note 21 in the Notes to the Financial Statements.

Employee related costs

An analysis of the employee related costs, including the remuneration paid to Section 57 managers, is contained under note 20 in the Notes to the Financial Statements.

Performance Report

In line with the Performance Management System for the Section 57 Heads of Department, the Department set itself Key Performance Indicators and Targets to be reached during the year under review.

These Indicators and Targets were grouped under the following Key Performance Areas:

- Financial Viability
- Sound Financial Management
- Revenue
- Accounting and Reporting
- Asset Management
- Expenditure
- Budgeting



Measurable Outcome	Financial Viability
Activities / Project Description	Comply with General KPIs set by National Treasury Ensure a reliable & sustainable revenue stream
Project Leader	Mr Vorster
Budget 2006 / 2007	N/A
Key Deliverables	Implemented credit control and debt collection policy Quarterly reports
Due Date	June 2007
Percent Complete	100%
Budget Spent	In house
Stakeholders / Partners	N/A
Challenges	Securing alternative revenue sources to replace the abolished RSC Levies
Measurable Outcome	Sound Financial Management
Activities / Project Description	Reform budget process and amend control systems to comply with GAMAP / GRAP Improve accounting and reporting internal controls Monitor capital expenditure
Project Leaders	Mr Vorster, Mr Pambaniso
Budget 2006 / 2007	N/A
Key Deliverables	IDP / Budget framework plan developed Detailed action plan for year-end and financial statements Monthly & quarterly reports on SDBIP
Due Date	June 2007
Percent Complete	100%
Budget Spent	In house
Stakeholders / Partners	N/A
Challenges	Ensuring continued compliance with legislative requirements
Measurable Outcome	Revenue
Activities / Project Description	Formalise a borrowing plan Provision for bad debts
Project Leader	Mr Vorster
Budget 2006 / 2007	N/A
Key Deliverables	Formal borrowing plan Provision for bad debt calculated and included in 2006 financial statements
Due Date	June 2007
Percent Complete	50%
Budget Spent	In house
Stakeholders / Partners	N/A
Challenges	Borrowing plan not completed and therefore carried over to 2007 / 2008 financial year A policy for bad debt provision needs to be developed in 2007 / 2008



PERFORMANCE

Measurable Outcome	Accounting & Reporting
Activities / Project Description	Submit financial statements to Auditor General Prepare in-year reports on time Appoint staff to organisation structure Link other LMs to shared accounting system
Project Leaders	Mr Vorster, Mr Pambaniso, Mr Silangwe
Budget 2006 / 2007	R3 000 000 to link 2 LMs to accounting service
Key Deliverables	2006 Financial statements submitted by 31 August 2006 Monthly reports distributed to all HODs, quarterly compliance reports submitted electronically and half-yearly performance report submitted Vacant positions filled 2 Additional LMs linked to accounting service
Due Date	June 2007
Percent Complete	75%
Budget Spent	R1 482 450
Stakeholders / Partners	Accounting system service provider & Local Municipalities
Challenges	Continued monitoring of and updating in terms of GAMAP / GRAP and other regulations Internal recruitment process causing delay in completely filling the organogram Withdrawal from the accounting service roll-out by LMs
Measurable Outcome	Asset Management
Activities / Project Description	Review Asset Management policy in terms of GAMAP / GRAP Make asset register a fully integrated electronic system Workshop asset movement control document
Project Leaders	Mr Vorster, Mr Silangwe, Mr Lolwana
Budget 2006 / 2007	R800 000 for asset identification and integrated asset register
Key Deliverables	Reviewed asset management policy Integrated electronic asset register
Due Date	June 2007
Percent Complete	R224 000
Budget Spent	75%
Stakeholders / Partners	Service provider
Challenges	Acquisition and implementation of identified system
Measurable Outcome	Expenditure
Activities / Project Description	Maintain GAMAP / GRAP compliance in terms of accounting for transaction Appointment of Investment Committee members
Project Leader	Mr Vorster
Budget 2006 / 2007	N/A
Key Deliverables	Reviewed accounting policies and procedures Functioning Investment Committee
Due Date	June 2007
Percent Complete	75%
Budget Spent	In house
Stakeholders / Partners	Committee members & financial institutions
Challenges	Composition of Investment Committee



Measurable Outcome	Budgeting
Activities / Project Description	Compile budget in accordance with MFMA requirements Prepare reports on SDBIP implementation
Project Leader	Mr Vorster, Mr Pambaniso
Budget 2006 / 2007	N/A
Key Deliverables	Adopted draft budget by end March 2007 Adopted final budget by end May 2007 Half-yearly performance report Monthly & quarterly reports on SDBIP implementation
Due Date	June 2007
Percent Complete	100%
Budget Spent	In house
Stakeholders / Partners	N/A
Challenges	Ensuring continued alignment between the IDP and budgetary processes

Challenges

In attempting to achieve the desired outcomes for each of the above-mentioned Key Performance Areas, the following challenges were identified for each.

Financial viability

The abolishment of the RSC Levies continued to make it difficult to improve on the cost coverage ratio achieved for 2006. This was further compounded by the fact that the ring-fenced portion within the Equitable Share allocation which was to compensate for the loss of levy income, was actually less than the levy income that had been lost.

Timely adoption of policies might not be achieved if there are persistent difficulties in scheduling sufficient time for workshopping the policies before adoption by Council.

Sound financial management

The receipt of the final Management Letter and audit report from the Office of the Auditor-General must be speeded up in order to utilise the recommendations to improve on the existing internal control measures.

Revenue

Abolishment of RSC Levies left a void in the revenue streams of the DM. The increase in the Equitable Share allocation was not equal to the lost levy income. Furthermore, there was no clarity on the continued duration of the ring-fenced portion of the allocation or the possible alternative sources of revenue.

Accounting and reporting

The reporting template received from Treasury needs to be continuously monitored for changes and must be linked to the accounting system in order to generate the required information in a more effective manner.



PERFORMANCE

The appointment of staff needs to be speeded up in order to comply with the time-frames laid down during the budget processes.

The roll-out of the accounting system to the LMs must be monitored closely to avoid any delays. The possible rescheduling of the roll-out to the various LMs should also be considered. A meeting was scheduled with Tsolwana LM in an attempt to revitalise the roll-out of the accounting system.

Asset management

The identification of property registered in the name of the Chris Hani District Municipality or its predecessors proved to be more difficult than expected. This was due to the processes being utilised by the Deeds Office. The movement of moveable assets during the identification process was also creating a problem of possible duplication or losing the asset.

Expenditure

Detailed monthly creditor reconciliations need to be done on all monthly recurrent creditors, as well as other ad-hoc creditors and project payments. The fact that Council's procurement was more focussed on SMME service providers, the majority of whom do not provide statements, further complicated the preparation of creditor reconciliations. Methods being utilised by other municipalities on the same accounting system were being investigated in an attempt to address this issue.

Budgeting

There needs to be much better alignment of all budget processes on DM and LM levels to ensure integrated planning for the District in totality.

There should be adherence to the 12-month budget cycle as prescribed in order to effectively plan for the medium term as opposed to the one-year planning of the past.

Conclusion

Overall, the Budget and Treasury Office performed well in its attempt to achieve in the Key Performance Areas that were set for it at the start of the year. Although some of the targets were not met, there were valid reasons as to why they were not achieved.

A special word of appreciation must be extended to the staff members within the Finance Directorate who contributed more than their fair share in order to ensure the success of the Department. These efforts and sacrifices are not going by unnoticed.





*Mr Ivan Sondlo
Director Corporate Services*

2.7 CORPORATE SERVICES

Introduction

Once again the Directorate has made strides to improve its administration support services to Council. There are, however, still challenges that we had to grapple with. The activities that the directorate engaged in should be viewed as an attempt to achieve the following objectives.

- Effective and efficient administrative support
- Alignment of the organizational structure with the IDP
- Skills development and capacity building
- Promote sound labour relations, health and safety
- Maintain and protect all CHDM assets

Personnel Administration

During the year under review we dealt with such issues as recruitment, selection and appointment of employees. We also dealt with resignations, retirements and death of employees.

Appointments	Resignations	Retirements
41	13	7

We embarked on a programme of inducting old and new employees in a number of policies approved by Council and other aspects of the municipality relevant to them. This was an-ongoing programme.

Occupational Health and Safety

Critical aspects in the year under review were the Disabling Frequency Rate (DIFR), Safety, Health and Environment (SHE) plan and implementation of Written Safety Work Procedures (WSWP)

Disabling Frequency Rate

Three employees reported injuries on duty for the whole year. The necessary administrative procedures in terms of the Occupational Injuries and Diseases Act were undertaken for all the affected employees.



Safety, Health & Environment Plan

A service provider was identified to establish and implement a Safety, Health and Environment (SHE) management plan for the DM and LMs. It was envisaged that this plan would be running in the 2007/08 financial year.

Skills Development and Employment Equity

We established a Training Committee which is a requirement of the Skills Development Act.

The DM attended a National Skill Fund meeting whose objective was to inform DMs and LMs about the planned Skills Development Project that was to be launched in the Province. Details on this project are available from our human resources section.

In terms of training interventions, there was training on Training of Trainers for Ward Committees, and Archives and Records Management Training which included employees from both DM and LMs. The total cost for this training was R79 580. For this training, participants would receive certificates of competence once they met the requirements at NQF Level 5. There was also training done in-house for human resources staff on the new PayDay software to enable them to perform their functions effectively.

The DM complied with the requirement of the Skills Development Act to submit a Workplace Skills Plan.

The Employment Equity Plan was in place, but no numerical targets were properly set. It was the responsibility of all parties in the Local Labour Forum (LLF) to attend to this.

Labour Relations

Generally the parties, namely SAMWU, IMATU and SALGA, were enjoying sound relations. This did not mean that there were no areas of dispute. However what was important is that when such disputes arose, they were dealt with peacefully without the intervention of outside structures.

Administration and Legal Services

The section Administration and Legal Services consisted of Administrative Support Services, Records Management, Fleet Management Services, Auxiliary Services and Legal Services.

Administrative Support Services

The key activities were the provision of Secretarial Support Services to Council, Standing Committees, Mayoral Committee, Bid Evaluation and Adjudication Committees, Audit and Performance Audit Committees, Local Labour Forum, Heads of Department and General Staff meetings.

Records Management

Records Management was an important element of Corporate Governance. The District Municipality strove to work towards compliance with the National Archives Act of 1996 and the Provincial Archives and Records Services Act of 2003.

The implementation of the File Plan, which is a systematic structure into which records are arranged and stored according to subject groups to facilitate efficient retrieval of information, was 70% towards completion.

Management of contracts was centralised and managed by the Head of Archives.



Fleet Management Services

The management of Council vehicles was done by the Fleet Management Officer. Tracking Systems were installed in all Council vehicles in an attempt to curb the misuse of vehicles and to identify and deal with those drivers who transgressed the rules of the road. Accident and speeding reports were submitted to Management when they occurred. A Fleet Management Policy was approved by Council and would be implemented.

Auxiliary Services

Security staff did their utmost to ensure that security was maintained. Security staff at Bells Road Offices attended security training. Security gates were fitted on both sides of the offices at Bells Road. Security remained a challenge at the different offices in Queenstown.

The Groundsman, Cleaners and Photocopy Operator ensured the smooth running of other auxiliary services functions.

Legal Services

The key activities were to ensure that the DM complied with the relevant legislation in many areas.

Policy Formulation

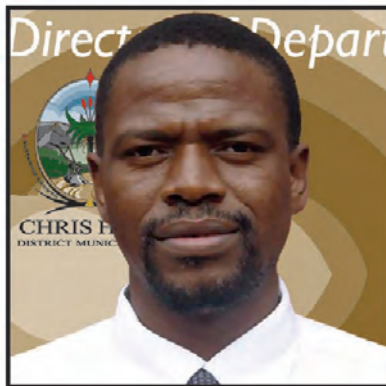
The DM developed a number of policies to guide and regulate its activities. The following were formulated and adopted by Council:

- Asset Management
- Credit Control and Debt Collection
- Employee Assistance Programme
- Induction
- Leave Encashment
- Smoking
- Telephone
- Bereavement
- Fleet Management
- Recruitment and Selection
- Corruption and Fraud
- Sexual Harassment

Challenges

- Staff turnover
- Recruitment and retention of skilled personnel
- Job evaluation process incomplete
- Gender equality at senior management level
- Implementation of performance regulations





Mr Makhaya Dunga
Director Engineering Department

2.8 ENGINEERING DIRECTORATE

Overview

The Engineering Directorate existed to ensure local economic development through:

- The implementation of capital programmes and projects;
- Ensuring provision of basic services such as water, including free basic water services to the poor;
- Ensuring the creation of a conducive environment for investment through the provision of bulk infrastructure;
- Contribute towards alleviation of poverty through the said programmes, projects and services; and
- Creation of jobs.

The directorate was composed of three sections:

- Project Management which dealt with the capital projects;
- Water Services which dealt with day-to-day operations and maintenance to ensure that water services are rendered to the community; and
- Roads and Transport Planning which dealt with integrated transport planning and maintenance of proclaimed roads under the Department of Roads and Transport.

Key Functions

Objectives

- Provide Free Basic Water and Sanitation Services
- Eliminate the backlog on water and sanitation services
- Eradicate the bucket system
- Operate and maintain water and sanitation schemes
- Develop Transport Plans
- Maximise job creation through the Expanded Public Works Programme (EPWP)
- Provide support to the 8 LMs within the CHDM Area



Programmes and projects undertaken:

- Expanded Public Works Programme (EPWP)
- Municipal Infrastructure Grant (MIG)
- Drought Relief
- Bucket Eradication
- DWAF transfers of assets
- Section 78 study to assess the most optimal process to provide water services
- Undertake Water Feasibility Study
- Water Conservation and Demand Management
- Water Management Information System
- Project Consolidate
- Operation and Maintenance of Water Schemes



Provision of water to change the lives of the community is key

PERFORMANCE

Performance Report

Measurable outcome	Provision of free basic water services
Activities/Project Description	Provide free basic water services to all registered indigent consumers and including rural areas
Project Leader	Mr Dungu
Budget 2006/07	R44 402 000.00
Key deliverables	Develop indigent register for all local municipalities
Due date	June 07
Percent complete	100%
Budget spent	R44 402 000.00
Stakeholders/partners	Consultants DWAF
Challenges	Illegal connections Commitment of CBOs/NGOs
Measurable outcome	Municipal Infrastructure Grant
Activities/Project Description	Provide Basic Infrastructure (Water, Sanitation, Bucket Eradication) services to communities. To provide infrastructure for economic growth.
Project leader	Mr Dungu
Budget 2006/07	R129 964 197.00
Key deliverables	Spend 100% of the allocated funds by March 2007
Due date	June 07
Percent complete	58% of population has water and 49% of population with basic sanitation
Budget spent	R129 964 197.00
Stakeholders/partners	Consultants DWAF
Challenges	Insufficient budget to eliminate backlogs
Measurable outcome	Expanded Public Works Programme
Activities/Project Description	Appoint EPWP Co-ordinator Learners to complete classroom training Award contracts to learners
Project leader	Mr Dungu
Budget 2006/07	30% of MIG Allocations
Key deliverables	Project implementation on MTEF terms
Due date	June 07
Percent complete	100%
Budget spent	30% of MIG Allocations
Stakeholders/partners	Emerging Contractors Department of Public Works
Challenges	Skills problem with some contractors



Measurable outcome	Annual Review of WSDP and identified projects for implementation
Activities/Project Description	Link those to IDP review process
	Budget
Project leader	Mr Dungu
Budget 2006/07	Internal (Review with Consultant's help)
Key deliverables	Prioritize list Budget to undertake backlog Project done with definite programme Implement the WSA plan to fulfill the legislative pre-requisite Reviewed WSDP and include the prioritised projects for IDP implementation
Due date	June 07
Percent complete	100%
Budget spent	Internal (Review with Consultant's help)
Stakeholders/partners	DWAF Consultants
Challenges	Funding to conclude the programme Co-operating with other Directorates Capacity of Consultants Delay of Prioritization
Measurable outcome	Section 78 Implementation
Activities/Project Description	Negotiate with Amatola Water to assist in rendering the Services LMs identified. WSP to sign Service Level Agreements
Project leader	Mr Dungu
Budget 2006/07	
Key deliverables	Finalise all Contracts by 30 June 2007
Due date	June 07
Percent complete	75%
Budget spent	
Stakeholders/partners	LMs
Challenges	2 LMs haven't signed the contract
Measurable outcome	Water feasibility studies
Activities/Project Description	Identify municipalities without feasibility study and conduct at least one feasibility study per year
Project leader	Mr Dungu
Budget 2006/07	R1 230 072
Key deliverables	Conduct Lukanji feasibility study
Due date	June 07
Percent complete	100%
Budget spent	R1 230 072
Stakeholders/partners	LMs
Challenges	Insufficient funds to do all LMs



PERFORMANCE

Measurable outcome	Water Conservation and demand management studies
Activities/Project Description	Conduct water conservation and demand management studies
Budget 2006/07	R456 000
Project leader	Mr Dungu
Key deliverables	Complete by October 06 and workshop in November 06 Source funds and develop a business plan for implementation by 1 July 07
Due date	June 07
Percent complete	100%
Budget spent	R456 000
Stakeholders/partners	DWAF LMs
Challenges	Insufficient funds to implement the developed strategies
Measurable outcome	Water services Authority Policies
Activities/Project Description	Draft water services policies
Project leader	Mr Dungu
Budget 2006/07	
Key deliverables	Complete drafts policies by October 06 Council approval by February 07
Due date	On-going
Percent complete	100%
Budget spent	
Stakeholders/partners	DWAF Consultants
Challenges	Draft policies that are not yet approved by the council
Measurable outcome	Transfer of DWAF Personnel
Activities/Project Description	Transfer all DWAF staff to the DM
Project leader	Mr Dungu
Budget 2006/07	DWAF
Key deliverables	Final transfer to be undertaken by August 2007
Due date	Aug 2007
Percent complete	85%
Budget spent	DWAF
Stakeholders/partners	DWAF
Challenges	DWAF requested an extension of the final transfer date Delays from DWAF in submitting the list of all employees to be considered in the transfer process.



Measurable outcome	Roads and Storm Water
Activities/Project Description	Maintain all access roads within the district
Project leader	Mr Dungu
Budget 2006/07	R8 000 000
Key deliverables	Know areas for maintenance to deploy staff accordingly Ensure that there is monthly budget to implement the plan Sign a service level agreement with the Department of Roads and Transport by June 2007
Due date	June 07
Percent complete	100%
Budget spent	R8 000 000
Stakeholders/partners	Department of Transport
Challenges	Funding to sustain roads and maintenance of the machinery
Measurable outcome	Transportation Planning
Activities/Project Description	Re-establish the Transport Forum Review and update the integrated Transport Plan
Project leader	Mr Dungu
Budget 2006/07	R 0.00
Due date	Annually
Percent complete	75%
Budget spent	R 0.00
Stakeholders/partners	Department of Transport
Challenges	



Construction of Beyele Bridge – Ngcobo





Ms Nokuthula Mgijima
Director Health and Community Services

2.9 HEALTH AND COMMUNITY SERVICES

Overview

The operations of the Health and Community Services Directorate were based on the strategies and objectives as outlined in the reviewed IDP of the CHDM. The directorate consisted of the following sections:

- Municipal Health Services (MHS),
- Primary Health Care (PHC), and
- HIV & AIDS Co-ordination.

Municipal Health Services

MHS, defined in the Health Act, 61 of 2003, is the function of DMs. Therefore these functions were to be transferred from the provincial Department of Health and LMs respectively to the DM.

By 30 June 2007, MHS functions were transferred from the three LMs that were rendering this function – Lukhanji, Sakhisizwe and Inxuba Yethemba LMs. All the Environmental Practitioners that were employees of these LMs were transferred to the DM.

The MHS section operated with identified Key Performance Areas (KPAs) as focal points for the delivery of services to the inhabitants of the CHDM. Details of implementation as per the KPAs follow.

Food Safety

Milk Safety Awareness

All milk producers within the CHDM area were identified and evaluated. With each formal milk producer, an education and awareness programme was done on good practices of milk handling, according to the relevant regulation, R1555. 53 milk samples were tested. 15% of the samples were not compliant. Ongoing health and hygiene education was undertaken. Informational material in the form of posters was developed and distributed to reinforce the theory given to milk handlers and farmers.



Meat Safety Awareness

Meat safety awareness was conducted as part of the day-to-day functioning of the Environmental Health Programme (EHP) as they conducted inspections of food premises. Posters were distributed to reinforce what was verbally communicated. 40 samples were taken and 10% did not comply. Education was an ongoing programme that needed to be pursued on a more frequent basis. The absence of personnel dedicated to health and hygiene education was a challenge.

Food Handling Premises

Regulation R918 governs Food Handling Premises (FHPs). About 70% of the FHP's in the CHDM area had a Certificate of Acceptability for meeting the basic requirements stipulated in R918. Awareness and education was conducted whenever an FHP was visited. A poster on safe food handling was developed. A total of 40 samples were undertaken randomly throughout the district. 15 samples did not comply with the minimum requirements.

Due on the level of samples that were not compliant, the directorate established a health education unit to deal strictly with education on health and hygiene across the district, focusing on food, water and milk quality.

The directorate initiated a pilot project in Lukhanji LM to include the informal food handlers, i.e. the hawkers. Meetings were conducted to organise the hawkers. This was successful. CocaCola was approached for funding as a joint partner with the CHDM in the project. A booklet was developed on food handling. While much of the groundwork for the project was done in the year under review, the project was to be launched in the next financial due to the massive amount of work still to be done.

Waste Management

In the last financial year Integrated Waste Management Plans (IWMPs) were developed for each LM within the CHDM area. Workshops were conducted with all LMs to identify the priority areas that had been identified by the IWMP to be included in the revision of the LMs' IDPs. The most critical issue identified by all the LMs was the absence of dedicated and skilled personnel responsible for waste management.

Each year CHDM allocated funding to the LMs for the cleaning of identified areas and the greening thereof. All the timeframes identified for the implementation of the project were met. The budget allocated was R1.5 million, divided among the eight LMs. The lifespan of the project was six months due to the budget availability. The LMs appointed and paid the workforce for the project and claimed from the CHDM.

Cholera Poster Development

Posters were developed and used when a water sample was taken and there was evidence of e-coli presence. The poster was used to demonstrate best practices to be undertaken in specific areas where sanitation was a problem.



School Greening Project

Emalahleni LM was identified as the pilot area and eight schools were identified in collaboration with the Department of Education. The launch was held in June 2007 at Yonna Primary School. The launch was in line with World Environment day.

Arbor day in the month of September 2006 was conducted at Tsolwana LM in collaboration with the Departments of Health, Education and DWAF. Eleven schools participated in this programme to bring about awareness on how to preserve our trees which then leads to the sustainability of the environment, and the importance of trees, especially the indigenous ones. A business donated a memorial stone on which the Yonna School name was engraved to commemorate this project.

Alien Plant Eradication (Lapesi)

CHDM is faced with a problem of alien and invasive plants. Lapesi is one of these plants. Three LMs are heavily infested by this plant – Lukhanji, Emalahleni and Sakhisizwe. In the last financial year only Lukhanji benefited from the project. Working together with the Department of Agriculture it was clear that the project would be implemented in Emalahleni and Lukhanji LMs. Three wards were identified in each of these two LMs. The project was first implemented in December 2006 in Lukhanji LM. A total of 3 096 hectares were cleared. The total number of people employed by the project was 1 560.

Environmental Management Awareness

The Environmental Management section conducted workshops with all the LMs to promote awareness and understanding of environmental management. There was no knowledge of environmental management and no person with relevant experience in any of the LMs. The CHDM had to support the LMs in the form of a shared service to the LMs.

Water Quality Management

This was an ongoing programme whereby water quality was to be monitored on a regular basis. To avoid duplication with the water services section in Engineering directorate, an agreement was reached to conduct random sampling as they took samples on a monthly basis using service providers. A total of 81 random samplings were done in all the LMs. The sources where water was sampled included tanks, reservoirs, springs, rivers, taps, etc.

Sanitation Resource Centre

This was an initiative of DWAF to enhance sanitation provision in all the provinces. The concept of a sanitation resource centre was introduced whereby a resource centre was to be constructed in each Eastern Cape DM. Funds were from DWAF, including operational costs for the centre when the DM took over. The project was delayed and was to be implemented in the financial year 2007/08.



School Greening Project – Yonna Village



Unveiling of Memorial Stone at Yonna School



Challenges for MHS

- Delay in the finalisation of devolution process leading to a shortage of staff to do justice in the field of MHS;
- Budget allocated to this section was minimal given that this was a core function of the DM;
- Delay in the development of educational and promotional material due to poor communication between directorates;
- Non-availability of skilled personnel in the LMs to handle waste management; and
- Lack of cooperation by other LMs.

Primary Health Care Services

Upgrading of Clinic and Nurses Home

A building that was used by the mobile clinic at Elliot in Sakhisizwe LM was renovated for the above purpose. The building also housed the EHP for this area. There was a slight delay by the contractor which was well managed by the project manager.

Circumcision Programme

This was an on-going programme that sought to ensure the health of the initiates was not compromised. Seasonal reports were tabled to the council. During the last winter season in the CHDM area there were no deaths reported. In the summer season approximately 2000 boys were initiates. Eight deaths were reported. Workshops were conducted in both seasons to bring greater awareness on how things should be done during each circumcision season.

PHC Challenges

- The provincialisation processes of this service caused uncertainties among staff and led to staff resignations;
- Non-availability of budget for capital projects within the PHC services; and
- Dilapidated Dordrecht Town clinic due to no budget being available for building a new clinic structure.

HIV and AIDS Co-ordination

HIV and AIDS Policy

A policy was developed and adopted by the council in September 2006. The policy was workshopped with all CHDM employees for them to know their rights as far as HIV&AIDS was concerned. The programmes contained in the policy were implemented. A workplace committee was established, made up of representatives from all the directorates and it drove every programme pertaining to HIV&AIDS. A booklet and posters containing a short version of the policy were developed. These could be used as a communication strategy in the place of a workshop.



Baseline Survey for the Chris Hani District Municipality

In order to determine the prevalence rate of the HIV&AIDS in the CHDM a survey was needed. This would assist to determine how best the problem could be addressed and also to create an informed environment. Due to interactions with the Eastern Cape AIDS Council, the British Department for International Development (DFID) was approached for financial assistance. DFID identified the baseline survey as one of the areas which they could support. Terms of reference were developed and were to be advertised to get a service provider to conduct the survey. The scope of work has been increased by not only focusing on the baseline survey, but also on the development of the implementation plan and the review of policy.

Voluntary Counseling and Testing (VCT) Programme

The programme was informed by the fact that provincialisation would take place by the end of June 2007. This prompted the HIV&AIDS unit to make provision for this so that when the services of PHC were provincialised there would be continuation of service for the CHDM staff. A post for a nurse was approved by the council and has been budgeted for. The current clinic was to be used as the VCT site. In all the events related to HIV&AIDS, VCT was conducted. It was observed that males were more motivated than females to partake in VCT. According to the last VCT conducted in April during the wellness month, 28 people were tested and four were positive. This suggested that statistically one in every seven people in the CHDM workplace was HIV positive.

Observation of HIV and AIDS Events

An internal World AIDS Day (WAD) was conducted for the CHDM employees and directly elected councilors. The District World AIDS Day was celebrated by CHDM at Sakhisizwe LM. It took the form of a four day door-to-door campaign by all District AIDS Council (DAC) stakeholders. The last day was the commemoration of the WAD. The door-to-door work continued afterwards to cover all seven identified wards.

Condom and Sexual Transmitted Infections (STIs) week was observed in the third quarter. The CHDM workforce was educated on STIs and how they relate to HIV&AIDS. Also emphasised was the importance of preventing these diseases and the early treatment of them when one has contracted them.

The candlelight memorial and the wellness month were observed during the last quarter. What was normally done was to observe these days both internally and externally, specifically the candlelight memorial. The wellness programme was developed to encompass the candlelight memorial. The candlelight district event was conducted at Inkwanca LM and also took the form of a door-to-door campaign.



District AIDS Council (DAC) functioning

This structure was functioning very well and was improving by day. All the set quarterly meetings took place and special DAC meetings were called when the need arose. Sub-committees were established to assist the functioning of the DAC. One sub-committee was the Technical Task Team which is a technical advisor to the DAC. This committee sat prior to each and every DAC meeting to see if the resolutions of the DAC had been executed and to screen reports for the DAC. In the DAC, the operational plans of the Local AIDS Councils (LACs) were tabled and interrogated. The DAC was inducted in June 2007 to reinforce the commitment by all the DAC stakeholders in the fight against the HIV&AIDS epidemic.

A sub-committee of the DAC on orphans and vulnerable children was established. A Local AIDS Council (LAC) was to be established at the level of each LM with the chairperson serving as a convener. The LAC convenors constituted the DAC-level committee.

Development of a monitoring and evaluation tool

A Monitoring and Evaluation (M&E) sub-committee was in place. This committee monitored the activities of the DAC and reported to the technical task team of the DAC. A provincial M&E tool was developed which was to be reviewed on an annual basis. DFID also supported and assisted with this. 25 people were trained by ECAC and DFID. They were from the LMs and the departments as stakeholders in the DAC.

Assistance to Local AIDS Councils (LACs)

For their proper functioning, the LACs were to be assisted by the DAC. In an endeavour to assist the LAC, funds were set aside to support each LM. Before funds could be transferred to the LMs an operational plan was submitted for scrutiny. If the plan satisfied the needs of the DAC, then approval was given and the funds were transferred to the LM. Tsolwana and Ngcobo LMs did not submit their plans. This was attributed to the fact that there was no dedicated person responsible to deal with HIV&AIDS functions. Through pressure executed by the DAC, Ngcobo LM appointed, with the assistance of ECAC, a person dealing with HIV&AIDS.

Mainstreaming of HIV&AIDS in all the directorates

DPLG conducted a workshop on HIV&AIDS mainstreaming in the DM. The attendance by the directorates was unsatisfactory and mainstreaming was a concept that had not yet been fully understood. It must be noted though that there was a slight improvement with participation in the HIV&AIDS activities conducted.

Interaction with the NGOs that deal with HIV and AIDS

There were a number of NGOs that worked on HIV&AIDS in the district. Africare was one of them, working in partnership with the DAC. Masihlanganeni was an organisation of people living with HIV&AIDS that also worked closely with the DAC.

At local level some NGOs from Sakhisizwe and Inkwanca LMs worked very closely with the DAC. Management Sciences for Health (MSH) also worked closely with the DAC.



Challenges for HIV&AIDS Co-ordination Unit

- This unit operated with only two personnel, a co-ordinator and an administrator. This was not enough for the work to be done;
- Budget allocated for this function was insufficient;
- Lack of commitment from some LMs created problems in the execution of this function;
- Absence of HIV&AIDS Co-ordinators in most LMs; and
- Lack of co-operation by directorates on HIV&AIDS mainstreaming.

Conclusion

The Health and Community Services directorate continued to deliver services to the CHDM community, directly and by the empowerment of that community such as through the school greening project, health education on care of the environment and the prevention of communicable diseases like cholera. The mainstreaming of HIV&AIDS by directorates improved slightly.

Provincialisation and devolution processes were still not finalised and were overdue according to the Department of Health that had planned 30 June 2007 as the final date. This had a negative impact on service delivery. Due to uncertainty staff were resigning on top of the existing shortage of staff.

Performance Report

Measurable Outcome	Municipal Health Services (MHS)
Activities / Project Description	Provision of Municipal Health Services in the CHDM area of jurisdiction in an effective and efficient manner.
Project Leader	Ms Mjijima, Mr Nel
Budget 2006/07 Key Deliverables	R3.5 million Awareness poster development for Cholera and Food Handling Premises. School Greening Project. Waste Management Project with all the LMs. Alien Plant eradication (Lapesi) at Emalaheni and Lukhanji LMs.
Due Date	30 June 2007
Percentage Complete	97%
Budget Spent	R3.2million
Stakeholder / Partners (source of funding)	
Challenges & Proposed Solutions	The delay in the process of devolution of staff from the department of Health provincially. The process to be finalised by the end of June 2008.



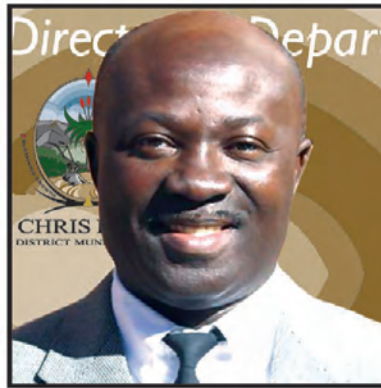
Measurable Outcome	HIV&AIDS Co-ordination
Activities / Project Description	To co-ordinate activities of HIV&AIDS within the CHDM area with all stakeholders that deal with HIV&AIDS in a proper manner. These will include involvement of the sector departments, all the eight LMs, NGOs, traditional leaders, etc.
Project Leader	Ms Mjijima, Mrs Kolo
Budget 2006/07 Key Deliverables	R500 000 Assistance to all the LMs. Observation of HIV&AIDS related days. (District World AIDS Day door to door campaign, STI and Condom week, Wellness day and Candlelight Memorial) Proper functioning of District AIDS Council. Monitoring and Evaluation. HIV&AIDS mainstreaming. Voluntary Testing and Counseling.
Due Date	June 2007
Percentage Complete	85%
Budget Spent	R350 000
Stakeholder / Partners (source of funding)	Department for International Development (DFID)
Challenges & Proposed Solutions	Delay that has been experienced between CHDM and DIFD in finalising the base-line survey for the municipality due to the termination of their service provider. The new service provider to fastrack the implementation. The HIV&AIDS unit is under staffed and needs to be beefed-up. Budget allocated is minimal. Baseline information for the CHDM staff complement and the directly elected councilors.
Measurable Outcome	Primary Health Care (PHC) Services
Activities / Project Description	To render comprehensive primary health care services to the inhabitants of CHDM in an effective and efficient manner.
Project Leader	Ms Mjijima, Mrs Baliso
Budget 2006/07 Key Deliverables	R560 000 Coordination of circumcision programme within CHDM area. Renovation of Elliot mobile offices at Sakhisizwe.
Due Date	June 2007
Percentage Complete	100%
Budget Spent	R560 000
Stakeholder / Partners (source of funding)	
Challenges & Proposed Solutions	No budget allocation by the Dept of Health for capital project. Finalisation of provincialisation processes.
Measurable Outcome	Financial Management
Activities / Project Description	To ensure that the budget that has been allocated is expended in an effective and efficient manner.
Project Leader	Ms Mjijima
Budget 2006/07 Key Deliverables	R4.560 million. 90% of projects implemented.
Due Date	July 2006
Percentage Complete	90%
Budget Spent	R4 110 000
Stakeholder / Partners (source of funding)	DFID
Challenges & Proposed Solutions	Minimal funding that gets allocated for this directorate.



PERFORMANCE

Measurable Outcome	Staff Management
Activities / Project Description	Management of staff in performing their activities. Staff development. Relations building among the staff.
Project Leader	Ms Mgijima
Budget 2006/07 Key Deliverables	R0.00 Committed staff. Diligent and motivated staff. Good working relations.
Due Date	Ongoing
Percentage Complete	Ongoing
Budget Spent	R0.00
Stakeholder / Partners (source of funding)	Outside service provider for training
Challenges & Proposed Solutions	Struggle to recruit staff in this area. Retaining of the existing staff. Absence of promotion. There should be a staff retention policy in place and promotion policy and be adopted for implementation.





*Mr Danso Agyemang
Director Integrated Planning &
Economic Development*

2.10 INTEGRATED PLANNING AND ECONOMIC DEVELOPMENT (IPED)

Overview

The Directorate for Integrated Planning and Economic Development (IPED) was responsible for the following components: Planning, Local Economic Development, and Housing.

The Planning unit supported local municipal planning processes such as IDPs, Town and Regional Planning and Geographical Information System (GIS). Local Economic Development (LED) had three main areas, namely Agriculture, Small, Micro and Medium Enterprise (SMME) and Tourism. The Housing unit was not established, awaiting the outcome of a national pilot accreditation exercise. The Directorate was responsible for integration and alignment of different programmes and ensuring the linkages thereof, for effective and efficient service delivery.



Ncora Dam that provides water to the Ncora irrigation scheme



PERFORMANCE

Measurable outcome	Revision of District IDP
Activities/project description	Develop process plan and framework document Identify new priority needs from LMs and communities Align DM IDP with LMs, Provincial and National plans and programmes
Project Leader	B. Viedge/D. Agyemang
Budget 2006/07	Operational
Key deliverables	Credible IDP that is aligned to both LMs IDPs and Sector Departments and National programmes and plans
Due date	End May 2007
Percentage Complete	100%
Budget spent	Operational budget
Stakeholders/partners	CHDM community members LMs Sector departments NGOs
Challenges	Alignment and integration LMs not adhering to timeframes Effective public participation Sector departments not providing information timeously
Measurable outcome	To ensure effective financial management
Activities/project description	IPED managers to be assisted to read financial statements Familiarisation of Financial Regulations (MFMA) Alignment of capital projects with Finance figures
Project leader	D. Agyemang
Budget 2005/06	Operational
Key deliverables	Proper record keeping of financial statements Appropriate accounts reconciliation
Due date	Annually
Percentage complete	80%
Budget Spent	Operational budget
Stakeholders/partners	IPED managers Finance Directorate
Challenges	Problems with e-Venus system Lack of access to electronic financial system prevents up to date management of finances
Measurable outcome	Better understanding of planning systems To ensure that the DM assists LMs on Town Planning and land use management issues
Activities/Project Description	Capacitate LMs to fulfill their Town Planning and Land Use Management Systems
Project Leader	D. Agyemang
Budget 2006/07	Operational
Key deliverables	LMs complying with Town Planning and land use regulations. Review SDF
Due date	Annually
Percentage complete	100% in LMs with qualified Town Planners
Budget spent	Operational budget
Stakeholders/partners	All LMs DHLT&TA
Challenges	Limited funding for land use management systems Limited planning units/staff in LMs Limited SDF implementation



Measurable outcome	IPED strategic planning session developed
Activities/project Description	Hold/engage staff on strategic planning process Document the results and share with staff
Project Leader	D. Agyemang
Budget 2006/07	R29 000.00
Key deliverables	Strategic plan for IPED fully developed and shared with staff
Due date	End Oct
Percentage complete	100%
Budget spent	R5 000.00
Stakeholders/partners	IPED staff
Challenges	Hosting of GDS Time constraints
Measurable outcome	Ensure LED project beneficiaries take ownership
Activities/project description	Capacity building programmes introduced Workshop
Project Leader	D. Agyemang & T. Mashologu
Budget 2006/07	R250 000.00
Key deliverables	Provide on job training Provide mentorship programmes Appoint scheme managers and office administrators
Due date	End December 2006
Percentage complete	100%
Budget spent	R250 000.00
Stakeholders/partners	Irrigations scheme projects beneficiaries Kofffontein emerging farmer
Challenges	Limited funding Inadequate relevant trainers
Measurable outcome	Private partner secured to operate the Cala abattoir
Activities/project description	Establish a business model
Project Leader	D. Agyemang & T. Mashologu
Budget 2006/07	R200 000.00
Key deliverable	Private Partner secured with clear SLA ToR
Due date	End March 2007
Percentage Complete	60%
Budget spent	R200 000.00
Stakeholders/partners	Sakhiziswe LM CHDM Private partner
Challenges	To attract suitable partner
Measurable outcome	Better understanding of SMMEs
Activities/project Description	Define SMME priority areas within the context of LED Inculcate the culture of entrepreneurship Identification and categorisation of SMME businesses
Project leader	D. Agyemang & P Tokota
Budget 2006/07	R297 000.00
Key deliverables	SMME development strategy document
Due date	End March 2007
Percentage Complete	90%
Budget spent	R297 000.00
Stakeholders/partners	LMs CHDM Organised Business Emerging Businesses
Challenges	Delays in procurement processes



PERFORMANCE

Measurable outcome	Revitalisation of the irrigation schemes trigger economic development
Activities/project description	Adequate budget provision Appoint staff to manage the schemes
Project leader	D. Agyemang & M.Daweti
Budget 2006/07	R500 000.00
Key deliverables	Appoint staff and capacitate beneficiaries to run schemes economically Secure private partnership deals
Due date	End November
Percentage complete	100%
Budget spent	R 442 000.00
Stakeholders/partners	Department of Agriculture Local communities LM Private sector
Challenges	To attract private investors into the schemes Infighting among beneficiaries/communities Vandalism Capacitating beneficiaries to operate on economic principles for sustainability purposes
Measurable outcome	Develop Organisational PMS and management scorecards
Activities/Project description	Identify KPAs & KPIs from the IDP Develop departmental scorecards Develop performance contract with affected employees (middle management)
Project leader	D. Agyemang
Budget 2006/07	Operational budget
Key deliverables	An approved organisational PMS
Due date	End June 2007
Percentage complete	90%
Budget spent	Operational budget
Stakeholders/partners	Service provider Municipal staff Labour Mayoral committee members
Challenges	Cascading the implementation to other staff members.
Measurable outcome	Ensuring that all CHDM Directorate utilise the GIS
Activities/Project description Project leader	Run GIS days within the municipality highlighting areas where Directorates could benefit from GIS usage M. Mudau
Budget 2006/07	Operational budget
Key deliverables	Informed Directorates on the benefits of GIS usage
Due date	On going
Percentage complete	100%
Budget spent	Operational budget
Stakeholders/partners	Municipal staff and councilors
Challenges	Limited funding



Measurable outcome	Exit strategy for ISRDP projects
Activities/project description	Work plan for existing strategy
Project leader	D. Agyemang & T. Mashologu
Budget 2006/07	Operational budget
Key deliverables	All projects have exist and sustainable plans
Due date	Annually
Percentage complete	End June 2007
Budget spent	
Stakeholders/partners	Project beneficiaries CHDM Service provider
Challenges	Cooperation from project beneficiaries
Measurable outcome	To improve livestock production within the District Municipality
Activities/project description	Develop stock improvement programme Maintain linkages with University of Fort Hare
Project leader	D. Agyemang & M. Daweti
Budget 2006/07	
Key deliverables	Improve stock quality of the emerging farmers Emerging farmers to have suitable infrastructure for animal improvement Nguni breed purchased and introduced.
Due date	
Percentage complete	100%
Budget spent	R650 000.00
Stakeholders/partners	University of Fort Hare Commercial farmers Emerging farmers Department of Agriculture
Challenges	Rehabilitation of dilapidated infrastructure Limited finance and skills Availability of Nguni breed



Signing of the GDS agreement by various stake holders



Nursery at Ncora irrigation scheme





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