

Nkonkobe Municipality



Annual Report 2007/2008 Financial Cycle

Compiled in terms of Section 121 of the Municipal Finance
Management Act (Act 56 of 2003)

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This Chapter could not be answered, as the Audit Committee was defunct.

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ANNEXURE A

ANNUAL REPORT OF NKONKOBÉ ECONOMIC DEVELOPMENT AGENCY
INCLUDING ITS AUDITED FINANCIAL STATEMENTS FOR **2007/08** FINANCIAL
YEAR

CHAPTER

1

FOREWORD BY THE MAYOR, OVERVIEW OF THE MUNICIPALITY & EXECUTIVE SUMMARY

FOREWORD BY THE MAYOR

2007/2008 Financial Year has been a challenging year for the Nkonkobe Municipality. A huge challenge had been the political instability. It is all the more necessary to dwell in this point because in a certain sense it is the one that has resulted to underperformance of the municipality. I am dealing from this angle with tasks that the municipality must perform. I must say the task of Local Government in general and Nkonkobe Municipality in particular might be summed up in a single word, *deliver*. It is therefore apparent that we face immense challenges with poverty at the core.

In response to the daunting challenges I have already mentioned, we have witnessed the ushering in of new leadership that is EXCO, whose responsibility will be to accelerate service delivery to our communities. We have taken a range of bold and visionary initiatives designed to boost the sustainable growth and well being of the communities. We have managed to put in place the turn around strategy to ensure that we increase our revenue base and ability to collect revenue. Capacity constraints of political and administrative echelons of Nkonkobe Municipality remain a thorn in our flesh. We must inculcate to both political and administrative echelons a broad understanding of their roles and responsibilities, legislative framework as well as policies and procedures.

With regards to public participation, I can safely say Nkonkobe Municipality comply with this constitutional obligation through our community based planning and Integrated Development Plan representative forum we are able to reach out to our communities for their needs. Therefore our IDP is informed by the needs of the communities and our budget is aligned to our IDP. Cash flow remains a challenge. Intergovernmental Relations Forum is in place although some departments do not co-operate.

In 2007/08 financial year Nkonkobe Municipality faced a myriad of challenges, which include, inter alia lack of capacity, absence of administrative head, dysfunctional Audit Committee, thin revenue base, corruption and fraud and the municipality dominated by rural areas. It has five administrative units, namely Middledrift, Fort Beaufort, Alice, Seymour – Balfour and Hogsback. These administrative units lack industries. Nkonkobe Municipality therefore depends on agriculture and tourism. Economic development of Nkonkobe is hampered by inadequate infrastructure services as most roads in the municipality are in poor conditions.

In 2007/2008 financial year the municipality suspended its Municipal Manager and internal disciplinary process led to her dismissal. The matter was referred to Auditor General for investigation. The Auditor General concluded the investigation to be tabled today's council meeting. It goes without saying that Nkonkobe Municipality is in dire need of the Municipal Manager and the post must be filled urgently.

Since Nkonkobe Municipality was established as a category B municipality, it always receives disclaimers from the Auditor General. One of the reasons advanced by the Auditor General is lack of supporting documents. The question arises where are these supporting documents. Furthermore the Audit Committee, which was mandated by Council to advise and support the municipality on financial matters, is defunct. This begs for immediate attention.

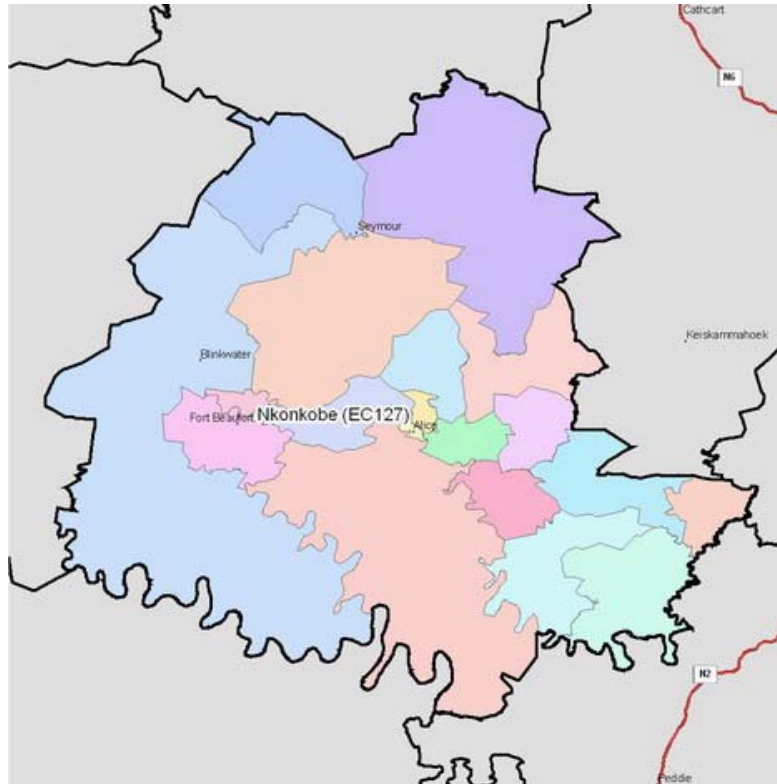
Let us work together and strive in unison to do away with homelessness, illiteracy, hunger or poverty and disease. Let us join hands for unity, peace and prosperity.

I am grateful to Councillors and Officials of Nkonkobe Municipality for the dedication that they have displayed.

CLLR A W NTSANGANI
MAYOR
NKONKOBÉ MUNICIPALITY

OVERVIEW OF THE MUNICIPALITY

Nkonkobe Local Municipality comprises the towns of Alice, Fort Beaufort Middledrift, Hogsback and Seymour and numerous peri-urban and rural settlements. It is the second largest local municipality, covering 2725 km², and constituting 16% of the surface area of the Amathole District Municipality.



POPULATION

The total estimated number of 133 438 people living in the Nkonkobe Municipality represents 8.7% of the total population of Amathole District Municipality. Of this population, about 52.0% are children and elderly, implying that a greater percentage of the population depends on the economically active group, causing the need for a proper infrastructural planning, provision of services as well job creation. Poverty has been identified as the major concern in the area as unemployment rate stands at 82.0% and only 18% employed. It is also estimated that 85.0% of the working population is earning less than R 1 500 per month and only 15,0% earning reasonable income.

Approximately 74% of people living within the Nkonkobe municipal area are poor. About 20% of the population resides in farms and scattered settlements and approximately 61% resides in villages and about 19% of the population of Nkonkobe resides in urban settlements, mostly Alice and Fort Beaufort, where the main concentration occurs.

Rapid economic development in the Nkonkobe Municipality area is restrained by inadequate infrastructural services as most roads in the municipality area are in poor conditions.

Only 14.0% have access to municipal refuse disposal services and these are mostly households in urban centres. Therefore there is an urgent need for infrastructural provision and upgrading in the entire municipal area. Nkonkobe Municipality has an average population density of 43 p/km or 0.43 persons per ha. Notice No. 22 of 2000 of the Municipal Demarcation Board which is submitted in terms of Section 21 of the Local Government Municipal Demarcation Act 1988, provides for the establishment of Nkonkobe Municipality.

The urban corners of Nkonkobe Municipality account for the biggest portion of its community. The Fort Beaufort area, which includes the central business district area and the surrounding townships of Bhofolo, Newtown, and Golf Course, as the most densely populated areas. It accounts for a population range of 3035 - 671 persons p/m²

The town of Alice houses the historic academic institutions of the University of Fort Hare and Lovedale College. These institutions have a positive effect in the area as they recruit applications as far beyond Nkonkobe Municipal boundaries, this therefore boosts the economy within the area.

In about 18 wards in the Nkonkobe Municipality area, the dominating group is Africans, which account 99.5% of the population of those respective wards. The other 3 wards have a completely different picture of the population dynamics of the communities. They are dominated by either coloured and white communities other population groups that are showing a strong presence, particularly the coloured and white communities.

Nkonkobe Local Municipality is faced with massive problems of underdevelopment, which has resulted from historic consequences of the country's politics. Unemployment and poverty levels within Nkonkobe Municipality are high and are coupled with development and services backlogs.

SOCIO ECONOMIC STATUS

The Nkonkobe Municipality is committed to the provision of social facilities to meet the needs of the communities in its area of operation. The aim of this programme is to ensure that social needs are provided at appropriate locations to serve the communities in a sustainable manner through: Health, HIV-AIDS Awareness Campaigns, Construction and Upgrading of Community facilities such as Community Halls and Sport Facilities, the provision of adequate and affordable houses for the community and Land transfers. In the last financial year, official records revealed that Nkonkobe Municipality economy is currently only able to create jobs for only 3,5 of the economically active population. This resulted to increasing numbers of indigents and unemployment levels, however with the seasonal harvesting of citrus in some areas of the municipality together with the construction of shopping centers in both Alice and Fort Beaufort the situation has to some degree improved.

EXECUTIVE SUMMARY

Vision

To efficiently implement social and economic development and create a safe and healthy environment for communities in a sustainable and participatory manner.

Mission

To serve communities in the Nkonkobe area by providing sustainable basic services and promoting social and economic development.

Municipal goals per cluster:

- Infrastructure cluster, to ensure that basic services are provided to the optimal for the creation of an enabling social and economic condition for the people of Nkonkobe Municipality.
- LED and Environment Cluster, to promote and facilitate job creation through project initiatives by communities, attract investors, promote SMME development, tourism and agricultural development by revitalizing and establishing irrigation schemes for the benefit of farmers.
- Social needs cluster, to promote, provide and maintain a safe and healthy environment
- Institution and Finance cluster, to provide institutional and financial support and ensure institutional sustainability for the realization of Nkonkobe Municipal objectives.

Council has noted with concern backlogs regarding housing developments, and as such efforts were made to remedy the situation. Intervention from the Department of Local Government, Housing and Traditional Affairs was sought for the ratification of defected slabs while some of the unblocked housing projects within the municipal area were blocked. Approval was granted for the implementation of some of the housing projects a move, which saw the implementation of the unblocked projects, these are progressing well.

Although the municipality has in the past financial years experienced a high staff turn over, some due to resignations, deaths and retirement, Council managed to recruit new candidates in such positions to ensure improved service delivery. During 2007/08 financial year finances, as one of the key development priority issues of Council were not doing well; this resulted to the adoption of a Turn Around Strategy, an effort aimed at improving Council's financial status.

With regards to electricity connections, the number of households not yet connected continues to escalate due to new settlements and extensions, however plans for electrification of these areas have already been proposed except that the timelines are not immediate. It is a going that some communities still exploit the indigent policy for free basic services, particularly for the Free Basic Electricity.

Prior the end of the financial year under review, Council through the assistance of Ward Committees and CDW's visited communities in their respective wards to encourage communities to deregister or report those who continue to falsely claim the subsidy for free basic electricity as this deprives the poor. The purpose of the strict measures is to ensure that the destitute that meet the requirements of the Indigent policy do benefit.

Despite the myriad challenges encountered by Nkonkobe Local Municipality, the municipality still continued to focus on its vision. This means that Council strives to ensure that the basic needs of Nkonkobe local communities are a priority.

CHAPTER

2 BACKGROUND ON SERVICES PROVIDED BY THE MUNICIPALITY

For Nkonkobe Local Municipality, the Integrated Development Plan (IDP) process played a key role in aligning budgets to strategies and programs of departments in order of priority. The Integrated Development Plan (IDP) is a plan of how the Municipality will spend its money for the next five years, on what, and where. It is a plan to help Nkonkobe Municipality set its budget priorities, comprising of inputs from the communities. The IDP outlined key areas where we must intervene and focus our resources in order to achieve this goal. This process assisted the municipality to acknowledge the realities and deal with the priorities. The municipality therefore, has in the previous financial year carried out a number of programmes and projects as reflected in its IDP with the financial muscle it had. In this chapter Nkonkobe municipality gives account of its achievements and reports such performance as follows:

PERFORMANCE HIGHLIGHTS

Electricity

Repair work was done on 198 Street Lights at Newtown and Fort Beaufort Town at a cost of R30, 162.00. Twenty-one (21) consumers who applied for electricity in Fort Beaufort area were all connected at a cost of R46 200.

Since Nkonkobe Municipality provides electricity in the Fort Beaufort only (all other areas are directly serviced by ESKOM), most of the electrical work by the municipality is done at Fort Beaufort. Mainly the municipality's electrical section deals with the maintenance of electrical reticulation and consumer connections, this includes servicing of sub station. The total number of the substations that municipality is servicing is 142. Substations are serviced on an annual basis. The amount spent in maintaining electrical reticulation and servicing substations in the Fort Beaufort area is 300 000.

Maintenance work that was done from July 2007 to June 2008 includes:

- The installation of aerial bundle conductor to replace a damaged transformer that was damaged due to earth mat that was stolen at Eskom's sub-station,
- Fitting underground HV cable joint at Caleb Street, Mbewu Street, Cape College, Santa Hospital and Winterberg Agricultural School.

Challenges:

The main challenge is the old electrical reticulation, which needs to be upgraded. The municipality is trying to access funds to upgrade the electricity reticulation in Fort Beaufort and also to prepare the maintenance plan.

Provision of Free Basic Services

Refuse Removal

This service is provided in the form of subsidy to every indigent customer registered with the municipality except the rural areas where the service is not rendered. 1666 indigent customers registered for the period under review and the following are the towns to which the service is rendered:

- Fort Beaufort
- Alice
- Middeldrift
- Seymour and
- Hogback

Electricity

The service is provided by way of free coupons of 50kw per customer per month as stipulated in the Credit Control policy of the municipality and the qualifying customers are those classified by the policy. During the year under review the municipality managed to add more than 900 households who never benefited from the program and that has increased the number to 12 621.

Nkonkobe Municipality has signed a Service Level Agreement with ESKOM to bill the municipality on the free 50kw units provided to the consumers outside the service area of the municipality in as far as the electricity distribution is concerned. The following are the areas where Eskom is providing these coupons on behalf of the municipality to the following towns.

- Alice
- Middeldrift
- Seymour
- Hogsback

In the Fort Beaufort area the municipality provides this service directly to Fort Beaufort Residents. The number of customers per service is as follows:

Service	Number of Households
Electricity	12 621
Refuse Removal	1666

Roads and Civil Works

The roads section is mainly dealing with blading of gravel roads as well as cleaning of storm water drainage and tar patching. Challenges in this section revolve around a shortage in equipment e.g. one Grader, one Bomac and one TLB.

From July 2007 up to June 2008 this section graded about 165,5km of road. This includes blading of roads in all rural villages. A total length of 2,5km tar patching was also done. The TLB was engaged in 35 tasks including among them the leveling of platform for Middledrift Block yard, digging trenches for the construction of stormwater drainage at Middledrift and graves digging.

Land and Housing Administration

Regarding land use management during the financial year under review, Nkonkobe Municipality received 13 applications for the change of land use and these were all approved. Of these applications ten were minor submissions, two for rezoning and one for consent use. One application for change of land use submitted for Alice area is waiting for further approval by Land Use Planning Board at Bhisho.

Two settlement planning projects namely - Hertzog and Msobomvu were identified during 2007/08 and these are implemented by ADM on behalf of Nkonkobe Municipality. The Settlement Planning for Hertzog is progressing well whereas for Msobomvu project the service provider: which is Sullivan Fadana & Associate discovered that Msobomvu was planned and surveyed during the former Ciskei Government. ADM is still working as to how funds that were allocated to Msobomvu for planning & survey will be utilized given the fact that Msobomvu has already been planned & surveyed. These funds are in ADM coffers and no amount was given to Nkonkobe Municipality.

Area based planning

The service provider that is Khula Development Facilitators appointed by Amathole region for Land Reform Office is still engaged in the exercise of compiling a document that will guide the municipality in all land reform applications.

Housing development

The municipality is currently implementing the unblocked projects e.g. Alice Golf Course, Fort Beaufort Golf Course, Mpolweni, KuNtselamanzi and Seymour Ext. 6. Alice Golf Course and Alice Ku-Ntselamanzi and Seymour Ext. 6 are progressing well. Fort Beaufort Golf Course is complete with the exception of two units, which are to be reallocated to industrial site at Gomma Gomma. The number of houses that are being constructed in the above projects are as follows:

- Alice Golf Course : 593 units
- Alice KuNtselamanzi : 44 units
- Seymour Ext. 6 : 87 units

As for Mpolweni a technical report has been submitted to the Provincial Dept. of Housing Technical Evaluation Team for approval.

Further 5 additional projects were identified and applications were submitted to Provincial Dept. of Housing for approval. These are:

- Bhofolo Phase 2 : 1000 units,
- Lower Blinkwater : 1 500 units,
- Daweti : 260 units,
- Joji : 300 units and
- Khayelitsha (emaplangeni Alice): 260 units.

Nkonkobe municipality has requested the Provincial Department of Housing to proceed with procurement process for these newly approved projects. Nkonkobe Municipality is still waiting for a report from the Provincial Dept. of Housing around Procurement processes for these newly approved projects so that they can be implemented.

Financial sustainability

Due to the lack of income streams the municipality did not have its own financial reserves to undertake its capital projects and the daily operations were also threatened including the paying of creditors. As a result of this, during the month of May the municipality requested for a temporal over draft R3 million only for 3 month to stabilize the situation.

The Nkonkobe Municipality is still grant dependant and in the year in question the collection of revenue was not as desired R31 284 282 was collected and that has resulted to the bad debts amounting to R52, 083, 928.

As an effort to improve revenue collection Council took a resolution at a turn- around strategy workshop on Revenue Collection, which will be implemented, in the financial year 2008/09.

As can be seen from the Annual Financial Statements for the year ending 30 June 2008 under the section that provides explanatory notes that the Nkonkobe Municipality was faced with unauthorized expenditure of R6 986 952. This was mainly made up by the Nkonkobe Municipality losing a litigation case against the Rental Company Trust of R1 510 883 excluding interest. Other payments were those of accumulated audit fees R1 047 754 as well as SARS Skills levies that was never paid by the former disestablished municipalities.

The Nkonkobe Municipality also paid 3 months Salary Bill on behalf of ADM who is the Water Service Authority however the funds were only recovered after year-end. This was also the same situation with the Municipal Entity NEDA. The total salary bill for both ADM and NEDA was R586 214.

Disaster Management

The Disaster Management Advisory Forum meetings were held quarterly. The meetings were held as follows:

- 26 September 2007 in Happy Rest hall Alice.
- 06 March 2008 in Alice town hall.
- 24 June 2008 in Alice Council Chamber

The above meetings were organized by the Nkonkobe Disaster Management Center.

The Disaster Management Framework Workshop was held at Fort Beaufort on the 13th July 2007.

A Disaster Management Workshop for farmers and communities was held on the 15th October 2007 at Fort Beaufort town hall. Attendees were from all Government Departments, Amathole District Municipality, Nkonkobe Municipality, Working on fire, Farmers Associations from both Nkonkobe Municipal area and the Amathole District Municipality and communities at large. The Department of Agriculture addressed the purpose of the day based on the 2006 floods and the recent veld fires that damaged a number of farms in the Amathole District Municipal area.

A Disaster Management Overview Workshop for teachers was held on the 07 May 2008 at Fort Beaufort. The schools will participate in International Strategy for Disaster Risk Reductions Competitions.

A Disaster Management Workshop for stakeholders was held at Cintsa on the 19 and 20 May 2008. The purpose of this workshop was to address challenges experienced in participating in various disaster management activities, the roles and responsibilities of stakeholders and the Legislative Framework.

A Disaster Management Seminar for traditional leaders was held in Mpekweni on the 15 and 16 April 2008.

Refresher training for Fire Fighters was done on the 26th July 2007 and was held at Disaster Management Centre at Fort Beaufort. Fire Fighters attended the training from Nkonkobe Municipality and its volunteers.

The Amathole District Municipality conducted a three days training on Fire Protection Association on Wild Fire Suppression Prototeam on the 09/16/23 July 2008 in Mpofu Training Centre. Nkonkobe Municipality Disaster Management, Department of Agriculture, Department of Water Affairs and Forestry, South African Police Service, and Ward Councillors, were also engaged in the formation and training of this Fire Protection Association.

A Disaster Information Day was held on the 29 October 2007 in Cathcart Valley location Seymour. The Municipality LED Department, Disaster Management, Social Development, Department of SASSA, and Department of Agriculture arranged this Information Day for communities of this village, which were also affected by the incident of 03 March 2007.

The Amathole District Municipality Disaster Management, Municipal Health Service, Community Safety Forum together with the Department of Transport conducted a disaster Risk Management Awareness Campaign at Sivuyisiwe Primary School in Alice on the 26th August 2008. Attendees were communities from Lloyd, Phumlani location, learners from Sivuyisiwe Primary, Siphumezulwazi Secondary schools, teachers from both schools, Ward Councillor, PR Councillor, officials from Nkonkobe Municipality and Ward Committees.

The purpose of the day was to create community awareness on different types of disasters and disaster risks, how disaster risk can be prevented and reduced and where to get assistance if these disaster incidents occur.

Repairs, Reconstruction and Rehabilitation

Distribution of building materials was done to victims of disaster Incidents as reflected in the tables below:

Incident	Area	Villages	No. of villages	No. of families
25 /12/ 2006	Middledrift	Qanda- one (1) family, Saki - Six (6) families, Ngwenya - four (4) families, Sityi- two (2) families, Mbizana- one (1) family, Njwaxa – one (1) family, Gqadushe-three (3) families, Zalaze-two (2) families, Lower Regu- nine (9) families	9	29
	Fort Beaufort	Hillside - twelve (12) families, Mlalandle- twelve (12) families, Lower Blinkwater- Four (4) families, New Tinis- one (1) family, Wezo/Skolweni- six (6) families, Nobhanda -two (2) families, Tyatyora -one (1) family, Ntoleni -four (4) families, Picardy farm -one (1) family	9	42
	Seymour	Ekuphumleni- three (3) families, Elundini- thirteen (13) families, Elukhanyisweni- eleven (11) families	3	37
03/03/2007	Middledrift	Ngwenya- four (4) families, Qanda- one (1) family, Sityi-two (2) family, Mbizana- one (1) family, Njwaxa- one (1) family, Gqadushe- three (3) families, Lower Regu- nine (9) families	7	21
	Alice	Khayamnandi-four (4) families, Gcato- one (1) family, Hala-three (3) families, Tyhali-one (1) family	4	9

Distribution of Backlogs Vouchers -1998/1999 Disaster Incidents

Incident	Area	Villages	No. of villages	No. of families
	Middledrift	Mdlankomo- eight families, James Mama- three families, Qamdobowa- two families, Falkona - four families, Ngqele- two families, Xhukwana- sixty-three families, Mkhobeni- two families, Ngcwazi Zibi- three families, Annshaw- seventeen families, Saki- eighteen families, Zigodlo- twenty three -families, Perksdale Farm B- twenty two families, Cwaru -three families, Ngwenya-nine families, Khulile -Twenty-three families	15	182
	Alice	Khayamnandi- seventeen (17) families, Mavuso- forty seven (47) families, Gubura-seven (7) families, Memela –seven (7) families, Bergplaas- seven (7) families, Lower Gqumashe- sixteen (16) families, Ntselamanzi- five (5) families, Roxeni- two (2) families, Gaga/Mabheleni- two (2) families, Phumlani-thirteen (13) families, Sheshegu /Skolweni-fifteen (15), Sheshegu/Khwali- four (4) families, Sheshegu Mpozisa-two (2) families, Tyhali/ Jonini-three- (3) families, Tyhali Jojozi-one (1) family, Lower Ncera-three (3) families, Makhuzeni-seven (7) families, Kwezana-one (1) family, Binfield-one (1) family, Msobomvu- one (1) family, Bergplaas- one(1) family, Upper Gqumashe – ten (10) families, Dyamala fourteen (14) families, Gaga/Ngobe-one (1) family, Khayelitsha-one (1) family, Lower Ncera six (6) families, Makhuzeni twelve (12) families, Kwezana-one (1) family, Hopefield- four (4) families, Melani- one (1) family, Howell- one (1) family, Lloyd-two (2) families, Upper Ncera -one (1) family, Ntselamanzi Township one (1) family, Mqguba-one (1) family, Krwakrwa-two (2), Mc Falan -one (1) family, Kwezana- three (3), Khayelitsha- four (4)	39	229
	Fort Beaufort	Ndaba - one (1) family, Nobanda-eight (8) families, Rwantsana-three (3) families	3	12

A Disaster Management Planning Session was held on the 28 November 2007 at the Disaster Management Centre in Fort Beaufort. The purpose of this session was to ensure that all stakeholders compile integrated and relevant disaster risk management plans. The following stakeholders submitted their Disaster Management plans:

- South African Police Service, Alice and Fort Beaufort
- Department of Agriculture
- Department of Social Development.
- Department of Roads and Transport
- Nkonkobe Municipality Traffic Section
- Tower Hospital
- Provincial Hospital
- Victoria Hospital
- Winter berg Santa Hospital
- University of Fort Hare
- Metro Emergency Service

The Amathole District Municipality is finalizing these Disaster Management plans and will be tested before implementation.

Risk Assessment

The Amathole District Municipality appointed Abongi Bemvelo Environmental Management to conduct risk assessment for the Amathole District Municipality and was completed on the 6th October 2006. Report has been distributed to all stakeholders for comments.

Response and Recovery

Disaster damage assessment was done to victims of fire and some of the victims were supplied with clothing and blankets donated by the Amathole District Municipality. The report tabled below provides details of such as follows:

TOWN	VILLAGE	DATE OF INCIDENT	FAMILY NAME	NUMBER OF VICTIMS
Middledrift	Zigodlo	20 November 2007	Skameni Noncekelelo	Eight (8)
Balfour	Mandela Park	08 November 2007	Dideka Duma (homeless)	Three (3)
Alice	Mac fallen	20 December 2007	Tyilelwa Makuleni (homeless)	One (1)
Alice	Kuntselamanzi Township	17 December 2007	Mandi Ncata	One (1)
Alice	Hillcrest	19 November 2007	Amanda Jemaar (Homeless)	Six (6)
Alice	Ntselamanzi-	18 February 2008	Papu Thobeka	Five (5)

	Greenfields		(Homeless)	
Alice	Ganda	23 June 2008	Nkosazana Tyibilika	Four (4)
Middledrift	Tyutyuza	04 July 2008	Papa Thanduxolo [homeless]	One (1)
Middledrift	Tyutyuza	14 July 2008	Elliot Gola	Three (3)
Alice	Ntselamanzi	20 July 2008	Zosela Thabo [homeless]	One (1)
Alice	Ntselamanzi	18 February 2008	Papu Thobeka (homeless)	Five (5)

Waste management

Cleansing Services

Cleansing services provided are categorized as follows:

- Residential (domestic) waste removal.
- Street cleaning (litter picking and street sweeping).
- Provision and servicing of street bins
- Garden waste removal.
- Sundry waste removal services including removal of illegal dumps, removal of builders' rubble, waste removal from special events.

Generally the towns and townships of Nkonkobe municipality are provided with scheduled cleansing services. The rural villages are not provided with cleansing services and residents are disposing their own waste on site or by burning it. Per capita waste generation, rates in these communities are very low and settlement densities and stretched are generally such that the environmental impacts associated with on the site, disposal are not yet considered significant.

Waste management efforts in these communities are focused on education and awareness in respect of minimization and proper control on site disposal practice.

Distribution of formal and informal housing in urban centres:

- % Formal : 69.5%
- % Informal : 30.5%

Distribution of population by monthly household income group:

- Less than R1 500: 85%
- Less than R1 500-R3 500: 8%
- Less than R3 500-R11 000: 6%
- Greater than R11 000: 1%

The quantity of domestic waste generated within communities increases with increasing levels of households and affluence. Waste generated in the Nkonkobe Municipality is estimated as follows (2003/04):

- Domestic: 6340 tons per annum
- Commercial: 2 700 tons per annum
- Rubble: 3 500 tons per annum
- Rural domestic: 2 140 tons per annum

Total: 16 680 tons per annum

?: 5.2% tons per annum

Projected waste generation (tons per annum) 2006/2007: 17 890 Tons

The above generation rates are based on a waste stream analysis completed by consultants, Wright-Pierce in East London in 1999.

Challenges

- Poor infrastructure
- Lack of resources e.g. Personnel, Equipment and Finances
- Non Enforcement of By-laws e.g. Nuisance

Backlog

An estimated four thousand five hundred (4 500) new households has not yet been serviced.

Major highlights

- Four cleaning campaigns were held in all admin units and 195 jobs were created
- 110 refuse drums have been installed in all our admin units i.e.
 - 40 – Fort Beaufort
 - 40 – Alice
 - 10 – Middledrift
 - 10 – Seymour
 - 5 - Debe Nek
 - 5 - Hogsback

Primary Health Care

Primary Health Care is the function of the Department of Health; Nkonkobe municipality is doing this function on an agency basis. A Service Level Agreement was signed between Nkonkobe Municipality and the Eastern Cape Department of Health for the 07 /08 financial year and the Department of Health subsidized this function with 80 % amounting to R2 416 695. According to the 2006 mid year estimates, population serviced by the five (5) clinics in Fort Beaufort Unit was 30 522.

Clinics rendering Primary Health Care are as follows:

Name of clinic	Area	Population
Thozamile Madakana	Bhofolo Township - Mbewu Street	9 114
Lulama Kama	Bhofolo Township - Mbewu Street	6 150
C.C. Lloyd	Campbell Street	4 411
Newtown	Salvia Street Newtown	4 336
Hillside	Magaleni / Hillside Location	6 511

Performance Highlights

Services rendered for the period 07/ 2007 – 06/ 2008

	Thozamile Madakana	Lulama Kama	C.C. Lloyd	Newtown	Hillside
Minor Ailments	11 546	2 877	3 945	5 766	6 993
Immunization	1 263	884	704	499	804
Pregnant Women	978	643	498	588	309
Family Planning	2 766	997	779	497	562
Sexually Transmitted Infections	1 058	743	856	361	490
TB.	2 543	1 533	943	1 438	994
Voluntary Counselling & Testing	871	490	518	627	525
Prevention of Mother to Child Transmission	3 408	1 228	983	859	659
Chronics	12 773	4 943	3 732	1 976	1 431
Mental Health	764	321	266	213	206
Referrals to Doctor	1 588	1 067	941	1 662	952

- TB, HIV/AIDS are the leading diseases in this area, contributing factors being high rate of unemployment, poverty and poor socio economy.
- Diarrhea is seasonal and is very common in winter during orange season.

- Chronic Ailments i.e. High blood pressure, Diabetes, Asthma, and Epilepsy are escalating.

Outreach programme for disabled patients

Specialists from East London extended this programme to Nkonkobe Local Service Area [Victoria Hospital] whereby clinics were expected to submit 5 patients to be assessed monthly by these doctors for walking devices. Below is the list of devices received for patients serviced by 5 municipal clinics in Fort Beaufort for the period 2007 /2008.

- 20 wheelchairs
- 10 specialized shoes
- 12 walking aids
- 3 artificial legs
- 8 crutches

Eye Clinic Outreach by the Blindness Association

On the 11 July 2007 an Eye Blindness Association from Johannesburg came to Fort Beaufort Town hall to offer free eye care screening and affordable spectacles. 93 clients were screened, 54 received spectacles and 3 clients were referred to Somerset Hospital for surgery.

Training of Community Health care workers (CHW) on Voluntary Counselling and Testing (VCT) and Prevention of Mother to Child Transmission (PMTCT)

The Dept. of Health appointed 7 CHW on stipend and allocated 7 of them in each clinic. The purpose of this was to improve health services in the form of health education, counseling, tracing of treatment defaulters, promotion and taking care of the bed-ridden patients at their homes.

On the 23 – 27 July 2008 these care workers were trained on above-mentioned HIV/AIDS programmes to encourage people to test and know their status and also how HIV positive pregnant mothers can prevent infecting their unborn babies. The care workers are now able to do mass as well as individual counseling and also emphasize that entry to ARV treatment and Nevirapine tablet is the status.

Revival of Nkonkobe Local Aids Council

The above- mentioned was formed and launched in 2002, but due to the fact that there is no coordinator to fast track it, it could not function properly.

On the 22 August 2007 a meeting was held with all the stakeholders to revive this council and new committee was elected. Again on the 12 September 2007 a follow up meeting was held to identify programmes to work according to the year plan. An agreement was also taken that a letter must be written to the Eastern Cape Aids Council to request the appointment of a coordinator for the Nkonkobe council.

Formation and revival of Clinic Committees and challenges met

The Department of Health expects that each Health Care Facility to have a functional clinic committee to ensure sound and effective management of clinics. The biggest challenge is that there is high rate of unemployment; people are always on the lookout for job opportunities, therefore if there is no stipend or any form of payment, people become less interested. The absence of these committees makes things difficult for staff members as the communities cannot understand issues like shortage of staff, medicines and therefore channel their anger to the poor nurses.

Thozamile Madakana and Lulama Kama clinics managed to revive clinic committees. Newtown community also elected members to serve in the clinic committee, but later withdrew their names when they found out that they would not get paid.

The problem of unwillingness to form clinic committee came after the payment of stipends to volunteers that are serving in the clinics. The involvement of councilors did not make any difference for both revival and formation, as the membership to the clinic committee is on voluntary basis.

Activities for the Period July 2007 / 2008

Polio campaign

Polio is an immunization administered to all children below 5 years to prevent a disease called Poliomyelitis. This campaign was conducted on the 23rd – 27th July 2007. 100 % coverage was achieved for all children below the age of 5 years for the Nkonkobe area.

Breast-feeding awareness day

Every year globally on the 01st – 07th August the World / UNICEF is observing Breastfeeding week. These organizations recommends that children be breastfed exclusively for the first 6 months of life and then continue Breastfed with adequate complementary food up to 2 years and beyond. It is from the above –mentioned statement that a successful breastfeeding awareness day was held at Thozamile Madakana clinic in a form of Baby Competition during 2007/08 financial year. All mothers and expecting mothers were therefore encouraged to breast feed to ensure the survival and development of children and also to recognize that every child has the inherent right to life.

HIV/AIDS Awareness Campaigns

A LONG WALK TO HIV /AIDS Awareness Campaign initiated by a youth named Siyabulela Peter from Lukhanji Municipality was conducted during the month of August 2007. The youth arrived at Middledrift on the 20th August 2007 and stayed over for three days. Support groups, Home Based and People Living with HIV/AIDS Cares joined the walk. Together they all visited schools, government departments, hospices, and prisons to educate and debate around HIV/AIDS related issues.

The walk again continued from Middledrift to Alice with no transport used where they spent four days in Alice attending events and church gatherings to educate people more about HIV/AIDS. On the 28th August the team arrived in Fort Beaufort where a big welcoming was hosted at the town Hall, all support groups were met and ARV sites were also visited.

World AIDS day

The municipality in partnership with the Department of Health hosted a big event on the 5th December 2007 at Seymour Sports grounds. School bags with stationery were handed over to children who are orphans from HIV/AIDS related illnesses.

Condom awareness day

The above-mentioned event was successfully held on the 22nd February 2008 at Mdeni Community Hall, in Middledrift. The main objective was to enforce the importance of condom usage and also encourage early voluntary counseling and testing.

Candle Light Memorial Service - was held on the 29th May 2008 at Kolomane Community Hall.

Cancer awareness campaigns

During the period under review (July 2007 /2008) three cancer awareness campaigns were held in all the Fort Beaufort clinics, namely:

- Thozamile Madakana clinic on the 4 /10 /2007
- Hillside clinic on the 22/2/2008
- Newtown clinic on the 17 /04 2008

These campaigns were conducted in a form of cervical screening test to women above 25 years. The total number of women who did pap smear [a test performed to women for early detection of cancer of the cervix] was 269.

Challenges faced by Primary Health Care

Staff Turnover

For 2007/ 2008 this section experienced high resignation of professional nurses due to poor working conditions including, abnormally high workload, disparities in salary scales with those nurses working for the Dept. of Health and uncertainty about their future (provincialisation process)

Unavailability of transport

For the past ten years this section has never been allocated transport to operate its day-to-day duties. It only relied on the old mobile vehicle that was donated by the National Dept. of Health and Development in 1991 .The condition of this vehicle is so bad and as such is always taken out of road because its not roadworthy. Without transport it becomes difficult to continue with daily routine such as:

- ❑ Daily collection of specimens from clinics is delayed.
- ❑ Delivery of medicines to the clinics is also affected.
- ❑ Staff is unable to attend meetings and workshops.
- ❑ Clinic supervision is not performed as expected.
- ❑ Delay in the submission of monthly statistics to L.S.A. office.

Poor Security Measures

Due to poor security measures there have been so many burglaries occurring at the clinics, the target being milk formula for babies, cleaning material and electric equipment. These burglaries were always reported to police, given case numbers but no feedback from police as to the outcomes of those cases. Staff at clinics is not safe as they are always prone to attacks either by angry community members or psychiatric patients.

Poor maintenance of buildings and grounds

Buildings, especially roofs and floors are in a very hazardous state both to staff and patients. This also applies to the grounds, as there is no one to maintain the clinic grounds.

Clinic statistics overview

NAME OF CLINIC	ADULTS	UNDER 5 CHILDREN
C.C. Lloyd	16 478	1 226
Newtown	10 118	1 543
Hillside	13 792	1 374
Thozamile Madakana	22 449	2 965

Traffic and Parking

In terms of Constitution of the Republic of South Africa, 1996.Traffic and Parking is the function of the Local Municipality is rendering this service. This function is generating income. Although we are performing this function it has got a number of challenges.

One of the challenges faced with this section is the corruption resulted to the following:

1. Some Traffic Officers being arrested.
2. All our files being taken by Investigating Unit
3. Traffic Sections being closed temporarily

Local Economic Development

During the financial year under review both the Department of Social Development and Department of Agriculture funded all agricultural projects appearing in the IDP. There was no funding for the implementation of community projects identified through Community Based programme due to the financial status of the municipality.

Tourism

Challenges

Visitors Information Centers built in the following areas: Balfour, Alice and Hogsback using funds from DEAT are at present not functional due to lack of financial resources to pay volunteer stipend, equipment and operating plan. The Magoma route was established through funding from the ADM and a partnership project for the resuscitation of Heritage sites.

Special Programmes Unit (SPU)

The SPU facilitated the following activities during the year under review.

- Women's Month celebrations were held on the 31 August 2007 in Cape College Hall, Fort Beaufort.
- 16 Days of Actives Against women violence and child abuse was in Fort Beaufort on 28 November 2007

The Nkonkobe Municipality in conjunction with ADM marched to the Fort Beaufort magistrate offices on the 28 November 2007 at 10h00. The purpose of the march was to petition the Senior Magistrate on the high rate of violence against women in Fort Beaufort area, to pose stiff judgement on rape charges and to grant no bail against rapist and murderers.

There was a build up programme on the 26 November 2007 of door-to-door campaign in Ku-Ntselamanzi, Golf Course new houses and Hillcrest, where the officials and Councillors of Nkonkobe Municipality and ADM were doing awareness on no violence against women and children abuse.

- Disabled Month (International day for disabled people).

Nkonkobe Municipality hosted Miss Confidence on the 07 December 2007 in Fort Beaufort, Town Hall. The purpose of the function was to raise awareness and placing shaper focus and building respect and confidence to people with disabilities. The prizes were awarded during the opening of Council in Alice TRC Hall in January 2008.

- Nkonkobe Youth Council, Nkonkobe Disabled Forum and Nkonkobe Children advisory Forum.

On June 2007 the office the SPU and Youth Advisory Office embarked on a programme of establishing the Nkonkobe Ward Youth Forums in all wards of Nkonkobe Municipality. That process will culminate to Nkonkobe Youth Council. And also we were busy in a programme of establishing and reviving the Nkonkobe Disabled Forum and Nkonkobe Children advisory Forum.

- Projects (Europhonic and Nomzamo Disabled Centre project).

These projects are in Balfour area, and training in Bookkeeping for Nomzamo Disabled centre was done by the Department of Labour. This project is mainly for bakery and the municipality promised to buy equipment for the project. The project was not operating because of bakery equipment. The Europhonic project was done for the youth of Balfour and it was funded by DEDEA. The role of the municipality in this project was minimal. Meeting with Project Company and DEDEA was convened to get clear report about the project but was unsuccessful.

- Mayors Cup Tournament 2007/ 2008

The tournament was held on 24 September 2007 in Fort Hare University, Alice. The budget that was allocated Mayors Cup Tournament for 2007/08 financial years was R88 000. 00. The achievements for 2007/08 mayors cup were; new sporting codes, prizes were increased and the standard of play and competition was high.

Public Participation

Section 4 of the Municipal Systems Act states clearly that Council has the duty to encourage the involvement of the community and to consult the community on the level, quality and range of services and the delivery options. Nkonkobe Municipality is using the following tools to enhance public participation:

1. Ward Committees

Council took a resolution in 2006 that ward Committee's term of office should be two and a half years so as to enable effective public participation. Ward Committees are playing a huge role in the municipality's IDP and budget processes, although it is sometimes difficult to implement their needs due to financial constraints, this also poses difficulty for them to perform as required. As payment of ward committees has not been legalized and because of our financial status, the municipality is providing airtime of R50.00 monthly and further provides transport or transport allowance when they attend meetings. Induction workshops and trainings are conducted for ward committees for capacity purposes.

Challenges

- Lack of funding that results in ward committees losing interest in participating in Council affairs.
- Compensation being given to ward committees is not sufficient to enable them to function properly.

2. Community Development Workers

The Department of Local Government and Traditional Affairs appointed Community Development Workers to assist the municipalities in enhancing public participation by ensuring that communities are consulted and their problems are communicated through all government departments. 15 additional CDWs were appointed during the year under review. This means that Nkonkobe Municipality has got one CDW per ward. The CDWs were still under training.

Standing Rules of Council and Code of Conduct for Councillors

The Standing Rules of Council were reviewed in a workshop held on November 2007 at Katberg with the assistance of Mr Herlu Smith from the Eastern Cape Provincial Legislature. Council adopted the reviewed Standing Rules on 04 December 2007.

Municipal Systems Act, Schedule 1 Sub 2(a) states that "a Councillor must perform the functions of office in good faith, honestly and in a transparent manner and Sub 2 (b) A Councillor must at all times act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised". Chapter 15 of Standing Rules of Council states clearly that; "if a Councillor fails to attend a meeting, arrives after the scheduled time or leaves a meeting without approval, such councillor shall be fined an amount of R200.00. A number of councillors and officials were charged for contravening the above during the year under review

Challenges

Although the above chapter of the Standing Rules is implemented some Councillors still do not honour municipal Council meetings.

Capacity Building for Councillors

Chapter 4 of the Municipal Systems Act requires the municipalities to capacitate Councillors so as to ensure that they are fully equipped in performing their functions and be in a better position of analysing the systems and procedures of municipalities. During 07/08 financial year, Councillors were capacitated on the following programmes:

- Project management
- Executive Leadership
- Municipal Law & Admin

Project Management

Project Management was identified by Councillors within 07/08 WSP as one of the programmes that will assist Councillors in managing projects within the municipal wards. 21 Ward Councillors and 9 officials were capacitated on Project Management. The total amount spent on the programme was R170 000.

Executive Leadership

This programme was initiated by SALGA for Councillors and staff members within the office of the Speakers. Two (2) Councillors and One (1) official are currently on the programme. The municipality is responsible only for accommodation and transport costs; tuition fees are borne by SALGA.

Municipal Law & Admin

This programme was also initiated by SALGA. Four (4) Councillors are currently on this programme.

CHAPTER

3 HUMAN RESOURCE AND OTHER ORGANIZATIONAL MANAGEMENT

The institutional structure of the Municipality consist of two sections namely the political structure and an administrative structure with an administrative structure being accountable to the political structure.

The centre of the political structure is Council, which operates through a number of committees. The following committees and standing committees assist the Council in performing its responsibilities:

- Corporate Services
- Budget and Treasury
- Engineering
- Community / Protection Services
- Economic Development & Tourism
- Sport, Arts & Culture
- Rules Committee
- Audit Committee

These committees are established in terms of Section 79 and 80 of the Local Government Municipal Structures Act 117 of 1998 [as amended]

There are five departments that are performing the various functions and assisting the committees in carrying out their mandate.

EXECUTIVE COMMITTEE

The Municipality has an Executive Committee system, which consists of the Mayor and six Executive Committee Members, who serve as Chairpersons of the Standing Committees.

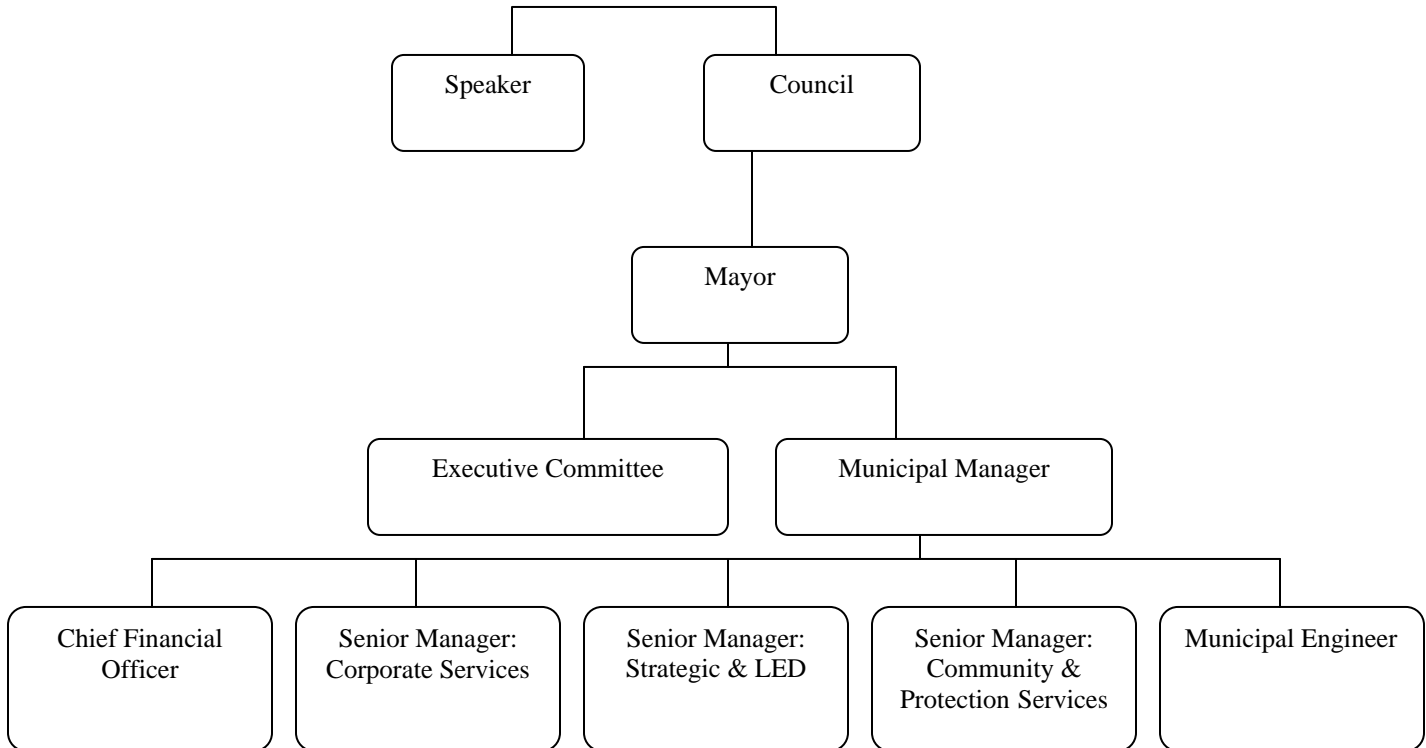
In total, the Municipality has 41 Councillors (21 Ward Councillors and 20 Proportional Representation Councillors). During the year under review, 15 Council meetings, 16 Executive Committee meetings and 37 Standing Committee meetings were held.

ADMINISTRATION

The Acting Municipal Manager is heading the administration, which comprise of the following Departments:

- Finance Department
- Corporate Services Department
- Local Economic Development and Strategic Planning Department
- Community Services Department
- Engineering Services Department

The following is the compressed structure of the municipality



Staff Component

The Nkonkobe Municipality has reviewed its structure for the financial year 07/08. The review of the structure was based on the fact that the institution had to ensure that the structure meets its developmental objectives and is in line with its powers and functions.

The Municipality has an overall staff complement of 314 and funded posts broken down as follows:

1. First category

BREAKDOWN OF POSTS PER DEPARTMENT AND DIVISION			
DEPARTMENT	NUMBER OF POSTS PER DIVISION	TOTAL	FILLED
Office of the Mayor	Executive Support Services	3	2
Office of the Municipal Manager	Municipal Manager	1	1
	Executive Secretary	1	1
Office of the speaker	Manager – Speakers office	1	1
	Executive Secretary	1	1
	TOTAL	7	6

Corporate Services / Human Resources & Administration	Senior Manager: Corporate Services	1	1
	Secretary to the Senior Manager	1	1
	Division: Human Resources	6	4
	Division: Committee Section	8	6
	Division: Fleet	8	8
	Division: Public Relations	2	1
	Division: Administration	23	22
	TOTAL	49	43

Budget & Treasury Office / Finance	Chief Financial Officer (C.F.O)	1	1
	Secretary to the C.F.O	1	1
	Division : BTO & IT	2	1
	Division: Procurement	4	3
	Division: Revenue Collection	14	11
	Division: Expenditure	7	5
	TOTAL	29	22

Engineering Services	Municipal Engineer	1	1
	Secretary to the Municipal Engineer	1	1
	Division: Electricity	14	14
	Division: Roads	21	13
	Division: Land and Housing	13	6
	TOTAL	50	35

Community Services	Senior Manager: Community Services	1	1
	Secretary to the Senior Manager:	1	1
	Cleansing Manager	1	0
	Auxiliary Manager	1	1
	Division: Primary Health	20	15
	Division: Libraries	7	6
	Division: Protection	28	27
	Traffic and Natis	10	6
	Division: Cleansing & Parks	90	79
	Division: Pound	3	0
Division: Fire fighting & Disaster	8	0	
TOTAL	170	137	

Strategic Planning	Senior Manager Strategic Planning	1	1
	Secretary to Senior Manager	1	1
	Division: Local Economic Development	4	1
	Division: IDP	3	0
TOTAL	9	2	
GRAND TOTAL	314	245	

2. Second category

Employment Category	BREAKDOWN OF POSTS PER RACE								TOTAL
	AFRICAN		COLOURED		INDIANS		WHITE		
	M	F	M	F	M	F	M	F	
Legislators	19	20	1	0	0	0	1	0	41
Directors and Corporate Managers	6	5	0	0	0	0	5	0	16
Professionals	2	7	0	0	0	0	0	0	9
Community and Personal Service Workers	26	3	1	0	0	0	0	0	30
Technicians and Trade Workers	5	2	3	0	0	0	3	0	13
Clerical & Admin	16	31	1	6	0	0	0	2	56
Machine Operators / Drivers	18	0	1	0	0	0	0	0	19
Elementary Occupations	59	36	5	2	0	0	0	0	102
TOTAL	148	104	12	8	0	0	8	2	286

Of the above staff complement the positions that have been filled are as follows:

	RACE								
	AFRICAN		COLOURED		INDIANS		WHITE		TOTAL
Employment Category	M	F	M	F	M	F	M	F	
Legislators									
Directors and Corporate Managers	1	1	0	0	0	0	1	0	3
Professionals	0	0	0	0	0	0	0	0	0
Community and Personal Service Workers	0	0	0	0	0	0	0	0	0
Technicians and Trade Workers	1	0	0	0	0	0	0	0	1
Clerical & Admin	1	4	0	0	0	0	0		5
Machine Operators / Drivers	0	0	0	0	0	0	0	0	0
Elementary Occupations	1	0	0	0	0	0	0	0	1
TOTAL	4	5	0	0	0	0	1	0	10

It is with great regret that the employees within the following occupational categories are no longer part of the institution due to deaths, resignation and also a joyful one to those employees who have dedicated their services for the institution up to retirement stage.

	MEDICAL GROUND		RESIGNED		RETIRED		DEATH		TOTAL
	M	F	M	F	M	F	M	F	
Employment Category									
Legislators									
Directors and Corporate Managers			2	2					4
Professionals			1	3					4
Community and Personal Service Workers									
Technicians and Trade Workers									
Clerical & Admin				1					1
Machine Operators / Drivers							1	1	2
Elementary Occupations					6	4	1		11
TOTAL			3	6	6	4	2	1	22

Employment Equity

The employment equity plan intends to achieve equity at the workplace, making the municipal workforce more representative and ensuring fair and equitable employment practices for all employees. It is further intended to create an organizational culture that is non – discriminatory and to give effect to all labour legislation in particular Employment Equity Act and Skills Development Act. Council has adopted an Employment Equity Plan in 2003, which was not fully operational due to institutional processes and procedures.

As evident in the above report of recruitment, the Council has taken upon itself to ensure that the objectives of employment equity are implemented in ensuring that those under representation of disadvantaged groups are addressed. The process of reviewing Employment Equity Plan is underway with the appointment of the service provider to perform such function. Furthermore, the organizational audit has been undertaken to identify barriers in employment policies, practices and procedures and the working environment, which will enhance process of reviewing its current policies. Certain policies have been reviewed such as the employee provisioning policy in ensuring that the objectives of the Employment Equity Act 55 of 1998.

Skills Development Plan.

The Skills Development Act of 1998 required employers to plan and implement learning programmes that will enable employees to acquire skills that will enhance their performance. The type of training intervention that is needed is derived from the IDP Objectives and critical skills within the sector so as to ensure that quality service is rendered to communities in a most effective manner.

The Municipality has compiled, adopted and implemented the Workplace Skills Plan for the Financial Year 07/08. The plan involves the following:

- To develop, implement and report on the Workplace Skills Plan of the organization.
- To equip employees and council with necessary skills and knowledge for effective and efficient service delivery.
- To organize Adult Basic Education and Training for employees that want to improve their educational status in line with National Skills Development Strategy.

It has also complied with all the guidelines and regulations from the LGSETA.

The table below stipulates the beneficiaries or employees within occupational categories that have received training for the financial year 07/08:

	DESCRIPTION BY RACE								TOTAL
	AFRICAN		COLOURED		INDIANS		WHITE		
Employment Category	M	F	M	F	M	F	M	F	
Legislators	8	13					1		22
Directors and Corporate Managers	5	6					3		14
Professionals	3	1						1	5
Community and Personal Service Workers	9								9
Technicians and Trade Workers									
Clerical & Admin	6	11		1			1	3	22
Machine Operators / Drivers									
Elementary Occupations									
TOTAL	31	31		1			5	4	72

Breakdown of received training or workshops attended:

DETAILED DESCRIPTION OF TRAINING INTERVENTIONS			
NO.	TRAINING COURSES	NO. OF CLLRS	NO. OF OFFICIALS
1.	In house Disciplinary Enquiry	0	15
2.	Advanced Practical Labour Law	1	1
3.	Certificate Programme in Management and Development	0	2
4.	Project Management	21	9
5.	Training of Security Personnel	0	8

Learnership and Internships

Currently the Municipality has not implemented any learnership programme but has received assistance from Buffalo City Municipality through LGSETA for enrolment of employed learners in Electrical Learnership at NQF Level 2.

With regards to internship, the Municipality has employed two financial interns for the duration of two years.

Job Evaluation

The municipality completed the phase one of the Job Description process where all categories of employees filled their job description in terms of what they were doing. These job descriptions were sent to the Job Evaluation Task Team, which is based in Amathole District Municipality, East London. After the completion of evaluation the municipality received the Final Outcome Report with Task Grades and where some of the post titles were changed. A person from the Job Evaluation Team came to present the outcome report to the employees. It was indicated that where an employee is not satisfied about the grading an appeal should be lodged or a regrading be requested.

No appeals have been lodged, only regrading requested by the employees of their job description, which were forwarded to the Job Evaluation Unit. The Municipality is still waiting for the response on job description submitted for regrading. The Municipality is also waiting for the salary grading of the new Task Grades.

Employee Assistance Programme [EAP]

With the assistance of the District, the Municipality has one employee trained on Employee Assistance Programme. The programme has been faced with tremendous challenges ranging from lack of commitment from the institution and lack of knowledge from employees. The policy is being compiled that will assist smooth running the programme within the institution. There is slow progress on the programme and awareness needs to be done as well as the EAP Policy to be adopted.

Disciplinary Information during 2007 / 2008 Financial Year

Occupational Category	Race	Gender	Offence	No. of offenders	Sanction
Directors & Corporate Managers	B	F	Non-compliance with MFMA, Dishonesty, Insubordination and abuse of power	1	Dismissal
Community and Personal Service Workers	B	M	Contravening of Schedule 2 Code of Conduct for Municipal Employees	1	Final Written Warning
Community and Personal Service Workers	B	M	Theft	1	Dismissal
Clerical & Admin	B	F	Dishonesty	1	Final Written Warning, Demotion

DISPUTES REFERRED TO THE BARGAINING COUNCIL

Two disputes have been referred regarding unfair dismissal and unfair labour practice.

Disclosure Concerning Councilors and Senior Officials

Description	Mayor	Speaker	Other Councilors	Municipal Manager	CFO	Other Senior Manager	TOTAL
Salaries and Wages	R 475 860 .00	R 387 476.00	R6 922 858.00	R 502 166.00	R 553 204.00	R 1 119 938. 00	
Normal Overtime							
Contribution Pensions							
Medical Aid							
Other							
Allowances							
Travel and Motor Car							
Accommodation							
Subsistence							
Housing Benefits and Allowances							
Loans and Advances							
Other Benefits and Allowances							
Cell phone Allowance,							
Acting Allowance & Leave Granted							
Arrears Owed to Municipality							

NB: From the above table only salary packages referred to as it is all inclusive meaning that each person has to structure his /her own package

CHAPTER

4 AUDITED FINANCIAL INFORMATION AND RELATED FINANCIAL INFORMATION

Audited financial statements and related financial information

The Annual Un-Audited Financial Statement of Nkonkobe Municipality are attached hereto. This was submitted to the office of the Auditor General on the 29 August 2008 as required by section 126(1) of the Municipal Finance Management Act 56 of 2003.

Financial Overview

Financial and operating statistics

Year Ended 30 June 2008	2007	2008
Funds and Reserves	15,836,865	16,582,295
Long-term Liabilities	1,222,116	4476,150
Investments	10,346,733	13,860,543
Net Current Assets	(15,225,297)	(11,198,512)
Debtors/Accounts Receivables	11,393,037	9,683,562
Cash and Short term Investments	1,774,328	1,597,499
Bank (<i>overdraft</i>)	4,620,553	-
Total Income	60,324,858	71,504,356
Operating Expenses	63,044,428	76,436,307
Operating Surplus/Deficit	(26,733,480)	(31,665,431)

The most contributor of income in the above schedule is Grant Income being 56,23% of the total income (2007/2008 financial year) and that is very serious concern that need to be addressed with urgent efforts.

The Nkonkobe Municipality is still grant dependant and in the year in question the collection of revenue was not as desired and that has resulted to the of bad debts amounting to R52, 083, 928.

Enormous challenges were confronted during the year under review; however, some of the major ones are highlighted on the table below:

Nature of Challenge	Problem Experienced	Mitigating Measure
Dependency on external funding	Due to the lack of income streams. The municipality did not have its own financial reserves to undertake its capital projects and the daily operations were also threatened including the paying of creditors. As a result of this, during the month of May the municipality requested for a temporally over draft only for 3 month to stabilize the situation.	The municipality endeavor to develop income-generating initiatives.
Debt Collection / Revenue Collection	<p>The capacity in collecting and managing the debtor off all customers per category was lacing during the year in question. Both human and physical resources desired could not be obtained. The Revenue Division has only one employed debt collector assisted by other debtors clerks of which experienced difficulties emanating from one range of problems to another being:</p> <ul style="list-style-type: none"> • No integrated blocking systems. • No uniform strategy of collection in all areas, e.g. the blocking of electricity was only done in Fort Beaufort area where the municipality has the license of rendering electricity and in other areas depended only on the issuing of legal notices with not full follow up. • No proper training took place in relation to collection than the management of accounts. 	Issuing of legal notices. Council took a resolution of the turn around strategy on collection to be implemented in the financial year 2008/2009

Grant Details	Amount Received and spent each quarter							
	Quarter: Sept 07		Quarter: Dec 07		Quarter: Mar 08		Quarter: Jun 08	
	Rec.	Exp	Rec.	Exp	Rec.	Exp	Rec.	Exp
Equitable Share	R11 384 586	R8 538 439	R 8 538 440	R8 538 439	R14 230 733	R8 538 439	R 0	R8 538 439
MIG	R 0	R 0	R 1 911 554	R 0	R 4 319 379	R 0	R 0	R 0
MSIG	R 0	R 0	R 367 000	R 183 500	R 367 000	R 367 000	R 0	R 183 500
FMG	R 0	R 0	R 500 000	R 240 000	R	R 172 000	R 0	R 200 871



Nkonkobe Municipality



**Annual Financial Statements
2007/2008**

EC 127



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REPORT OF THE AUDITOR GENERAL

REPORT OF THE AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE

The Audit Committee was appointed during the financial year 2006/07. The primary objective of the Audit Committee is to advise the municipal Council as outlined in section 166 of the Municipal Finance Management Act.

During the year in question the Audit Committee was dysfunctional (**there were no meetings at all**) and there is no report and the comments on the Financial Statements and the Audit Report.

CHAPTER

5 FUNCTIONAL AREA SERVICE DELIVERY REPORTING

This section of the report deals with information on the financial and non-financial performance of the various functions performed by the Nkonkobe Municipality and the Nkonkobe Economic Development Agency. Each function is reported on in the following structure:

- Overview
- Description of the new activity
- Analysis of the function and
- Key performance area

Nkonkobe Municipality performs a certain number of functions within its area with other functions shared between the Municipality and the Amathole District Municipality. The Nkonkobe Municipality's projects for the past financial year are reported through the following clusters:

INSTITUTION AND FINANCE CLUSTER

The key focus areas in this cluster include institutional issues such as administration, procurement, human resources, budget and treasury, communications and community participation.

Key issues for 08/09

Priority Areas & Objectives within Institution & Finance Cluster

- Capacity Building
- Performance Management System
- Institutional Reparations
- Policies & By Laws
- Annual Financial Statements (AFS)
- Financial Controls
- Revenue management
- Fleet Management
- Community based planning
- Communication
- Information Technology
- Integrated Telephone System

Policies and By-Laws

The following policies were reviewed and adopted by Council during the financial year under review, after consultation with all stakeholders within the institution:

- Cell phone Policy for Councillors and Officials; Employee Provisioning Policy; Dress Code Policy and Fleet Management Policy.

Council held a workshop at Katberg where policies / by laws were discussed, namely Property Rates, Liquor Trading Hours and Rural Community Halls and after consultation with all stakeholders they were adopted by Council subject to public consultation. The road shows were held to get input from the communities. At the end of the financial year all three policies were pending adoption by Council.

The Council approved the following Circulars:

- Alcohol and substance Abuse Circular; Smoking Circular and Sexual Harassment in the Workplace Circular

Fourteen By Law's were developed and approved in the previous financial year and were promulgated. 27 Peace Officers were trained to assist the Council to implement and enforce the By laws but 6 are still awaiting their certificates. The challenge so far is on the enforcement of the by-laws as the implementation has not yet taken place.

Integrated Telephone System

The new telephone system for the Nkonkobe Municipality has been in place as of 2007 - 2008. The strategy was to improve the telephone system and usage thereof in all the cluster areas with one operator for the total area. The indicator and planning session was to have a New PBXK Telephone system that links all towns to one operator in Fort Beaufort. The shortfall was technology and funds to link all clusters.

Integrated telephone system link to one system at HQ (Fort Beaufort). R300 000.00 was spent on this project. On the second phase the Community Service Department was linked to the main system in Fort Beaufort.

Electronic Mun Admin System

The Electronic Mun Admin System was installed in the previous financial years but it is under-utilised. Although the staff was trained on the system, ongoing training is needed as most of those trained have since left the institution. The challenge to provide ongoing training is human resources capacity within the department.

Institutional Reparatations

The objective was to maintain the existing municipal buildings in the Nkonkobe Municipality area as listed in the asset register. During the year under review new offices were built and an amount of R250 000 was spent. For maintenance of other municipal buildings there was a shortfall of funding and staff as only the amount of R400 000 was budgeted for maintaining all municipal buildings and houses in all the 5 units.

Institutional Fleet Management

The Fleet section plays a pivotal role in assisting the service delivery, as it has to provide and maintain technical equipment of the service departments, mainly Engineering, Refuse Removal & Fire Services.

Council has resolved that twenty-one obsolete vehicles, which are no longer suitable to be used for the rendering of basic services be declared redundant and be disposed of. Council approved sourcing of a capital loan amounting to R4 million to procure new fleet and equipment for sustainable service delivery.

Council has also approved the installation of tracking systems in all municipal vehicles to ensure proper management and prevention of vehicle abuse by officials. The disposal of outdated and uneconomical vehicles is being arranged by the Council Procurement Section who will see to it that disposal is done in terms of the requirements of the Municipal Finance Management Act.

Institutional Clocking System

The Council observed with concern that the attendance and absenteeism of staff members is escalating. A resolution was taken when approving the budget for 07 /08 that the clocking system should be installed. The project could not be implemented due to lack of funding. By the end of the financial year under review quotation were requested from relevant services providers and the institution was waiting for the response thereof.

Communication

Newsletter

Council has by year 2006 endorsed the revival of its newsletter, UmhlaliNews with its intention to provide up-to-date information to communities on matters that council seeks to communicate through. The frequency of the publication as resolved by council is once per quarter, circulation covering all Nkonkobe Municipal areas.

Two (2) publications were produced during 07/08 financial year. Due to language barriers and literacy levels within the Nkonkobe Municipal area, the publication is printed in both Xhosa and English to reach all social groups within the communities.

Council is at present challenged in meeting the publication deadlines as a result publications are delayed. The main contributing factor on the latter is due to the Public Relations Unit not being fully fledged.

Local Communicator's Forum

The Local Communicators Forum (LCF) is an initiative and a resolution taken in June 2002, at the Communication Conference held in Tshwane. The Conference was hosted by South African Local Government (SALGA) and supported by the Department of Provincial and Local Government (DPLG) and Government Communications and Information Systems (GCIS). The main purpose for the establishment of the LCF was to close the information gap between the municipality and its communities and to ensure the co-ordination of a local level information management system advising the council and government on issues affecting the communication environment at local level.

Although the structure was successfully launched, the forums are not meeting as scheduled due to lack of commitment by the Ward Committees and the unavailability of budget. During the financial year under discussion, the Forum met only twice.

Inter Governmental Relations Forum

During 07/08 financial year the Intergovernmental Relations Forum held two (2) meetings. These were scheduled at quarterly intervals, and attended by Heads of Departments within the public and private sector, parastatals and government departments. The structure exists to ensure coordination of government programmes and cooperative governance. Only departments within the municipal jurisdiction form part of the forum.

In the last financial year the IGR encountered challenges as scheduled meetings did not materialized and were not prioritized by its members. This resulted in two of its meetings having to be adjourned. This pose difficulty to the municipality as a result programmes are not entirely well coordinated to avoid duplication of government resources. Another common factor that the forum is confronted with is inconsistency of members in the attendance of meetings; different representatives on a regular basis represent some departments. Lastly, in some instances, junior officials who are not decision-making bodies represent departments.

FUNCTION	EXECUTIVE AND COUNCIL	
SUB FUNCTION	N/A	
REPORTING LEVEL	DETAIL	
Overview	<p>Nkonkobe Municipality is a category B municipality with a collective executive system combined with a ward participatory system. It comprises of the following five administrative units:</p> <ul style="list-style-type: none"> - Alice - Fort Beaufort - Balfour / Seymour - Hogsback - Middledrift 	
Description of the Activity	<p>The mandate of the municipality is to take decisions, which must seek to achieve the integrated, sustainable and equitable social and economic development of the Nkonkobe municipal area as a whole; promote infrastructure development and services for the whole municipality; equitable distribution of resources between communities to ensure appropriate levels of municipal services within the area and build internal capacity to enable it to perform its functions and exercise its powers.</p> <p><i>Nkonkobe Municipality has six standing Committees which assists both EXCO and Council namely:</i></p> <ul style="list-style-type: none"> • Engineering Services Standing Committee • Human Resource and Administration Standing Committee • Economic Development and Tourism Standing Committee • Community Services Standing Committee • Finance Standing Committee • Sport, Arts and Culture Standing Committee 	
Analysis of the Function	Statistical Information	TARGET
	1.	Councilor Details:
		Total Number of Councillors 41
	2.	Number of Councillors in EXCO 7
		Ward Details:
	3.	Total number of Wards 21
	Number and Type of Council and Committee meetings:	

		NO. OF MEETINGS	
		Ordinary	Special
	Council	6	9 = 15
	Executive Committee	6	9 = 15
	Standing Committees:		
	Community Services	4	1 = 5
	Economic Development & Tourism	3	2 = 5
	Engineering Services	5	2 = 7
	Finance	6	3 = 9
	HR & Admin	5	3 = 8
	Sport, Arts & Culture	2	1 = 3
	Ward Committees	5	2 = 7

Schedule I Subsection 3 of the Municipal Systems Act, mandates Councillors to attend each meeting of the municipal council and of a committee of which the Councillor is a member, except when a Councillor comply with Section 3 (a) or 3(b). All councilors who did not comply with the above were fined an amount of R200.00 in terms of the Uniform Standard Procedures regarding the Code of Conduct, Section 4 per meeting where an apology was not submitted or was not accepted or leave of absence was not granted. The implementation of the Code of Conduct for Councillors has not yet cascaded down to other Committees of Council.

Function: Finance and Administration			
Sub Function: Finance			
Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the finance function of the municipality. The Budget and Treasury Office has a clear and achievable mandate that is to provide a comprehensive financial management services to Council and other departments of council. The Budget and Treasury Office supports the Intergrated Development Plan of Nkonkobe Municipality by striving to provide a stable and sustainable financial environment which council can deliver services to all communities the jurisdiction of Nkonkobe Municipality. The BTO consists of the following. 1. Budget and Financial Planning. 2. Revenue Management. 3. Expenditure Management and 4. Supply Chain Management.		
Description of the Activity:	<p>The function of finance within the municipality is administered as follows and includes: Strategic financial management and reporting internally and externally for all stakeholders. These services extend to include accounting for all funds received, but do not take account of legislative decision making within the jurisdiction of national government.</p> <p><i>The municipality has a mandate to: Collect all revenue due to the municipality.</i></p> <p><i>The strategic objectives of this function are to:</i> Ensure maximum collection of debt on municipal services Ensure all gazetted funds are received Assist in identifying any other possible sources of revenue Facilitate applications for additional funding Report on movement on all funds received Manage the entire revenue process & reporting thereof Compile and have approved budget 1 month before the start of the new financial year, with all funding pockets available clearly identified to guide budgeting expenditure processes Ensure strategic alignment of funding with the challenges of the organization Ensure all expenditure is in line with the approved procurement processes Adherence to all legislative requirements Provide monthly reconciled cash book to bank statement to assist with cash flow forecasts Provide ongoing detailed expenditure and income analysis of all projects identified for current year as well as for work in progress on old projects Prepare financial statements within 2 months of the financial year end Facilitate the annual external audit</p>		
Analysis of the Function:	<i>Statistical Information 2007/2008</i> Debtor billings: number and value of monthly billings:	Total	

1	Electricity		
	July		345,573.23
	August		378,878.78
	September		301,692.00
	October		277,953.53
	November		392,152.06
	December		255,222.83
	January		4,855,159.15
	February		253,840.73
	March		277,771.02
	April		840,347.57
	May		399,425.24
	June		3133262.82
			11,711,278.96
	Refuse		
	July		109,602.56
	August		109,751.44
	September		109,677.00
	October		109,318.76
	November		109,481.60
	December		109,965.46
	January		109,988.72
	February		115,456.95
	March		117,171.44
	April		117,694.85
	May		118,419.46
	June		119,195.24
			1,355,723.48
2	Debtor collections: value of amount received and interest:	<i>R (000s)</i>	<i>R (000s)</i>

Electricity		
July		625,818.00
August		946,141.06
September		682,811.90
October		428,099.07
November		754,596.77
December		765,566.87
January		5,589,871.40
February		-3,570,389.78
March		750,242.92
April		1,230,638.41
May		783,100.53
June		1,226,331.85
		10,212,829.00
Refuse		
July		173,271.00
August		276,926.72
September		313,769.00
October		0.00
November		174,212.42
December		173,897.00
January		346,394.00
February		173,197.00
March		283,787.62
April		173,197.00
May		211,717.00
June		267,517.36
		2,567,886.12
3 Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days:		<i>R (000s)</i>

Function: Refuse, Electricity, and Property Rates			
	0 - 30 Days		1,832,286.87
	30 - 60 Days		1,235,870.79
	60 - 90 Days		1,606,063.06
	90 - 120		57,962,026.00
4	Write off of debts: number and value of debts written off: - Total debts written off each month across debtors by function (e.g.: electricity, refuse, etc)		R (000s) 4,340,327.33
5	Property rates (Residential): - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year		R (000s) 9,069,039.00
Reporting Level	Detail		9,069,039.00
6	Property rates (Commercial): INCLUDED ABOVE - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year		
7	Regional Service Council (RSC) levies: - Number and value of returns - Total Establishment levy - Total Services levy - Levies collected for the current year		N/A N/A N/A N/A
8	Property valuation: - Year of last valuation - Regularity of valuation		1994 and 2004
9	Indigent Policy: - Quantity (number of households affected) - Quantum (total value across municipality)		12840 1097219
10	Creditor Payments:		
11	Credit Rating:		
12	External Loans: - Total loans received and paid during the year	R (000s) received	R (000s) <paid>
	8237	-	9,157,370
	10545	-	3,098,597
	0001B	-	50,934.11
	0002A	-	50,934.11
	0003T	-	50,934.11
	0004S	-	48,263.76
	0005L	-	48,263.76
	0006K	-	51,374.10

	0007J	-	50,959.11
	0008H	-	64,457.70
	0009E	-	179,219.73
	00010A	-	116,111.16
	00011T	-	36,737.27
	00012S	-	470,127.78
	00013L	-	10,982.56
			13,485,266.26
	13 Delayed and Default Payments:		
	List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature		none
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Financial Statements and Financial Statements	To produce Annual Financial Statement on time and to have qualified Audit Report.	1	1
Financial Controls	To have efficient and effective system for improved financial reporting and budget control	65%	70%
Revenue Management	To have improved Revenue Management of council by and debt collection rate on the monthly billed	70%	58%

Function:	Finance and Administration
Sub Function:	Other Administration (Supply Chain Management)

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to overall procurement functions of the municipality including costs associated with orders, tenders, contract management and stores.		
Description of the Activity:	The function of procurement within the municipality is administered as follows and includes:		
	The procurement function is situated within Budget and Treasury Office. The Procurement Section deals with all the activities related to procuring goods and services within the municipality. The municipality adopted its new Supply Chain Management Policy as per the guidelines of National Treasury setting out empowerment goals to support Historically Disadvantaged Individuals and to fulfill the primary objective of section 217 of the Constitution of the Republic of South Africa.		
	The strategic objectives of this function are to:		
	The strategic objectives of this function are to:		
	Provide support to HDI-owned companies		
	Ensure compliance with Nkonkobe Municipality's SCM Policy, Municipal Finance Management Act, National Treasury Regulations on Supply Chain Management Model, the Constitution of the Republic of South Africa, PPPFA and BBEEE act		
	Advantage HDI-owned companies when awarding contracts		
	Report deviations / irregularities when goods / services are procured incorrectly		
Analysis of the Function:	<i>The key issues for 2007/2008</i>		
	The review of old Procurement Policy to be in line with the provisions of the Municipal Finance Management Act, to improve contract management and assessing suppliers performance		
	1 Details of tender / procurement activities:		
	- Total number of times that tender committee met during year	0	
	- Total number of tenders considered	0	
- Total number of tenders approved	0		
- Average time taken from tender advertisement to award of tender	0		
2 Details of tender committee:			
The tender bid committees is categorized in terms of section 30, 31 and 32 of the Nkonkobe Municipal Supply Chain Management Policy being:			
(a) Bid Specification Committee			

Report on Appointments	<p>Mr E Britz - Chairperson Mr T Mxoli Mrs M Moss Mr A Botha Mrs Y Dakuse</p>		
	<p>(b) Bid Evaluation Committee</p> <p>Mr E Britz - Chairperson Mr T Mxoli Mrs M Moss Mr A Botha Mrs Y Dakuse</p>		
	<p>© Bid Adjudication Committee</p> <p>Mr LD Hanabe - Chairperson Mr JM Mboti Mr XC Badi Mrs U Malinzi</p>		
	<p>During the year under review there were no contracts awarded nor concluded in relation to the priority projects contained in the IDP adopted by council because of non-functionality of bid committees. All the projects are currently being implemented in 2008/09 and their progress report will appear in 2008/09 Annual Report.</p>		

FUNCTION: ENGINEERING SERVICES DEPARTMENT

Function : Housing development

Sub function : N/A

Reporting level	Details
Overview	Provisioning of adequate and affordable housing for all residents of Nkonkobe Municipality
Description of activities	<ul style="list-style-type: none"> - Identification of suitable land for housing development (new projects) - Reconstruction of defective slabs (unblocked projects) - Construction of top structures <p>Provisioning of adequate and affordable housing for all residents of Nkonkobe. This includes:</p> <ul style="list-style-type: none"> - Identification of suitable land for housing development - Facilitate housing administration - Update housing register - Access available housing programmes e.g. Rural, community residential unit, social housing - Identify and allocate land for middle income housing development
	<p>Strategic objective</p> <p>Provide formal housing for both low and middle income groups for all the residents of Nkonkobe Municipality – urban and rural</p>
	<p>Key issues for 2007/08</p> <p>Need to focus more in developing middle income housing and rental stock for the same income group</p>

	application <ul style="list-style-type: none"> - Consolidate a report - Prepare agenda items to the Council for approval - Inform applicant if application approved / not approved 		
Analysis of the function	Statistical information	N0. of facilities	N0. of users
1.	Personnel cost <ul style="list-style-type: none"> - Acting Municipal Engineer 	1	

FUNCTION: ELECTRICITY

SUB-FUNCTION – ELECTRICITY AND STREET LIGHTING

Reporting level	Details	Total	
Overview	The main concentration of this section is the maintenance of electricity reticulation and connection to consumers. The municipality supplies only Fort Beaufort town with electricity and Eskom applies other areas. The municipality is just assisting Eskom with maintenance in other areas.		
Description of activities	Function <ul style="list-style-type: none"> - Operation and maintenance of electrical network. - Provision of Free Basic Electricity. - Installation of electricity in key areas. 		
	Strategic objective <ul style="list-style-type: none"> - To ensure that the existing backlog of % outside of Fort Beaufort is reduced by 20% in 2010 		
	Key Issues for 2007/2008 <ul style="list-style-type: none"> - Reduce backlog of electricity services especially in rural areas. 		

Analysis of the function	Statistical information	No. of facilities	No. of users
1	Personnel costs - Municipal Engineer - Manager electrical services - Senior electricians - Electrician - Electrical assistants - Technical clerk	Vacant 1 2 2 8 1	
	Total	14	
2	Total quantity and cost of bulk electricity purchases in Kilowatts hours and rands by category of consumers - Residential - Commercial - Industrial - Mining - Agriculture - Other		
	Total quantity and receipt		

FUNCTION: ROADS AND CIVIL WORKS

SUB-FUNCTION: ROADS AND CIVIL WORKS

Reporting level	Detail
Overview	Provision and maintenance of roads
Description of activities	Function - Assess conditions of access and internal municipal roads and implement a maintenance plan - Apply for funding to extend municipal roads network - Purchase of heavy roads construction equipment - To extend and improve storm water drainage in all areas
	Strategy objective To extend and improve the road network, including maintenance and rebuilding of existing roads

		Key issues for 2007/08	
		Poor condition of existing road network (only 198.2km of roads are paved) inaccessibility of roads to some rural areas	
Analysis of the function	Statistical information	N0. of facilities	N0. of users
1.	Personnel costs		
	- Municipal Engineer	Vacant	
	- Manager Civil Works	Vacant	
	- Foreman	1	
	- Driver / Operator	1	
	- General Assistants	6	
	TOTAL	15	

FUNCTION: COMMUNITY SERVICES

FUNCTION	: PRIMARY HEALTH CARE
SUB-FUNCTION: CLINICS	

Reporting level	Details	Total	
Overview	<ul style="list-style-type: none"> To facilitate provision of health services including primitive, preventative and primary level (minor ailment) To provide material and reproductive health services, including family planning and termination of pregnancy counseling Provide HIV/AIDS control programmes and sexually transmitted diseases. Provide tuberculosis control. 	2656974	2218468
Description of activities	<ul style="list-style-type: none"> Treatment of minor ailments, physical examination and screening of pregnant mothers Productive Health Post Natal Well baby clinic Integrated management 		

	<ul style="list-style-type: none"> • Management on prevention of Sexually Transmitted Infections • Prevention of HIV/AIDS • Issuing of chronic and mental illness medication • Prevention of mother to child transmission 		
	<p>Strategic objective of this function</p> <ul style="list-style-type: none"> • To render primary health care services • To support HIV/AIDS victims • To strengthen outreach programmes to areas, which are far from the clinic through community health workers, NGO's and volunteers 		
	<p>KEY ISSUES 2007/2008</p> <ul style="list-style-type: none"> • Staff recruitment • Enter into Service Level Agreement • Staff training • Support HIV/AIDS victims • HIV/AIDS awareness campaigns • Promote voluntary counselling and testing 		
Analysis of the function	Statistical Information	No. of staff and facilities	No. of users
Personnel	<ul style="list-style-type: none"> • Part-time Doctor • Chief Professional Nurse • Professional Nurses • Community Health Workers • Driver • Cleaners 	1 1 7 3 1 5	
	Total	18	
Infrastructure	<ul style="list-style-type: none"> • Clinics 	5	

FUNCTION : WASTE MANAGEMENT**SUB FUNCTION : REFUSE REMOVAL**

Reporting level	Details	Allocation	Amount spent
Overview	Includes refuse removal, solid waste disposal and street cleaning	1 361 629	5 210 049
Description of the activity	<p>Function</p> <ul style="list-style-type: none"> • Domestic refuse removal • Commercial refuse removal • Garden refuse removal • Street cleaning • Waste transfer • Fleet management • Purchase of refuse vehicle to improve service delivery • Dealing with illegal waste 		
	<p>The strategic objective</p> <ul style="list-style-type: none"> • To ensure that all eligible residents have access to safe, clean and legal waste services 		
	<p>Key issues 2007/08</p> <ul style="list-style-type: none"> • Clean up campaigns • Installation of refuse bins • Participate in the cleanest Municipality competition by ADM 		
Analysis of the function	<p>Statistical information</p> <p>Personnel</p> <ul style="list-style-type: none"> • Supervisors • General Assistants • Volunteers <p>- Number of households regular refuse removal Services</p>	<p>No</p> <p>5</p> <p>75</p> <p>195</p>	Cost

	- Removed by Municipality at least once a week		
Key successes	<ul style="list-style-type: none"> • Cleaning campaigns were held in all our towns and townships • 195 Volunteers were recruited for cleaning campaign • 100 refuse bins have been installed • By-law adopted by Council 	195	R375 000 R13 680.00
Key problems and challenges	<ul style="list-style-type: none"> • Shortage of staff • Lack of funds • Shortage of tools and equipment • Co-operation of directorates giving support • Lack of proper management of solid waste sites • Lack of commitment by workers • Illegal dumping of waste 		

FUNCTION: PARKS AND GARDENS

SUB FUNCTION:

Reporting level	Details	Allocation	Amount spent
Description of the activity	<ul style="list-style-type: none"> • Identify and establish parks, recreation and garden facilities • Improve land scaping • Beautify our towns • Promote clean, green and health environment • Grass cutting 	R385 000	NIL
	<p>Strategic objectives</p> <ul style="list-style-type: none"> • To improve and increase the number of parks, garden and recreation 		

	facilities		
	Key issues for 2007/08 <ul style="list-style-type: none"> • Grass cutting • Identify parks and garden 		
Analysis of the function	Statistical Information	No. of facilities & staff	No. of users
Personnel	<ul style="list-style-type: none"> • Supervisor • Lawn Mower Operators 	1 9	
Equipment	<ul style="list-style-type: none"> • Weed Eaters • Tractors • Mowers • Kudus • Bush cutters 	15 2 2 2 2	
Facilities	<ul style="list-style-type: none"> • Parks • Gardens • Sport fields 	4 2 5	
Progress made	Service	Allocation	Amount spent
	<ul style="list-style-type: none"> • One sport field have been refurbished • Grass cutting has been done 		15 000
Challenges	<ul style="list-style-type: none"> • Maintenance of sport fields • Rural areas sport facilities • Applying for funding 		
Key successes	<ul style="list-style-type: none"> • Business plan for funding has been done and submitted to DPLG for approval • Parks have been identified in Alice and Fort Beaufort • Park in Alice already fenced • 20 weed eaters have been bought 		
Key problems and challenges	<ul style="list-style-type: none"> • Shortage of staff • Shortage of tools and equipment • Lack of funds 		

FUNCTION: SPORT, ARTS & CULTURE

SUB FUNCTION:

Reporting level	Details	Total	
Overview	<ul style="list-style-type: none"> To encourage and co-ordinate the participation in sport, arts & culture activities 		
Description of the activity	<ul style="list-style-type: none"> Mayor's Cup tournament Festivals Paintings Competitions Workshops 		
	<p>Strategic objectives</p> <ul style="list-style-type: none"> To enhance participation of all Nkonkobe residents in sport, arts and culture 		
	<p>Key issues for 2007/08</p> <ul style="list-style-type: none"> Mayor's Cup Tournament Culture 		
Progress made	<ul style="list-style-type: none"> Mayor's Cup held, the following sporting codes took part in the tournament: <ul style="list-style-type: none"> - Rugby - Soccer - Netball - Cricket - Boxing - Marathon 10 km - Baseball 	7 sport codes	88 890
Key challenges for 2007/08	<ul style="list-style-type: none"> Lack of funds More participation by sporting codes Weak sport council Shortage of sport facilities Support from elderly people 		

FUNCTION : PROTECTION / EMERGENCY SERVICES

SUB FUNCTION : DISASTER MANAGEMENT

Reporting level	Details	Total	
Priorities for 2007/08	<ul style="list-style-type: none"> • Conduct risk and vulnerability assessments on <ul style="list-style-type: none"> - Tornados - Floods - Veld fires - Road accidents 		
	Key issues for 2007/08 <ul style="list-style-type: none"> • Disaster assessment • Distribution of building material 		
Analysis of the function	Statistical Information	No. of staff/facilities	No. of users
Personnel	<ul style="list-style-type: none"> • Volunteers • Manager 	10 1	
Facilities	<ul style="list-style-type: none"> • Disaster management centre • Furniture 	1	
Progress made	Service	Allocation	Amount spent
	<ul style="list-style-type: none"> • Distribution of material • Distribution of clothes • Review of disaster management plans and disaster relief rehabilitation and construction • Conduct training and awareness on prevention and management of disaster • Provide basic relief for homeless due to fires • Support the vulnerable communities by disaster by means of: <ul style="list-style-type: none"> - Food parcels - Clothing and blankets 		

	<ul style="list-style-type: none"> - Building material - Compensation by means of vouchers - Training communities with building skills 		
	<p>Strategic objective</p> <ul style="list-style-type: none"> • To co-ordinate and manage local disasters that occur/might occur within the municipality 		
Key successes for 2007/08	<ul style="list-style-type: none"> • Meetings of disaster Management Advisory Forum were held • Assist in reconstruction of disaster damaged homes • Disaster management centre is operational • Training conducted • The centre provided basic relief 		
Key problems and challenges	<ul style="list-style-type: none"> • Lack of funds • Shortage of staff • Lack of equipment 		

FUNCTION : PROTECTION / EMERGENCY SERVICES

SUB-FUNCTION: FIRE EMERGENCY SERVICES

Reporting level	Details	Total	
Strategies and objectives	<ul style="list-style-type: none"> • To specialize fire fighting services for incidents, veld and forest fires • Recruit volunteers for fire fighting • Prepare and maintain fire breaks • Develop and apply veld and forest fire 		

	<ul style="list-style-type: none"> management • Conduct fire awareness to communities 		
Key successes for 2006/07	<ul style="list-style-type: none"> • Training of volunteers done • Workshops on fire held • Fire incidents have attended to 		
Key problems and challenges	<ul style="list-style-type: none"> • No permanent staff for this function • Lack of funds • Lack of equipment • Law enforcement • Lack of infrastructure 		

FUNCTION : PROTECTION / EMERGENCY SERVICES

SUB FUNCTION : TRAFFIC AND LAW ENFORCEMENT

Reporting level	Details	Total	
Analysis of the function	<ul style="list-style-type: none"> • Testing centres • Chief Traffic Officers • Traffic Officer • Natis Clerk • Casual worker 	1 1 1 4 0	
Priorities 2007/08	<ul style="list-style-type: none"> • Law enforcement • Testing learners licences • Testing drivers licences • Educational programmes on road safety • Upgrading Alice testing centre 		
Key successes 2007/08	<ul style="list-style-type: none"> • Applicants for learners licences tested • Applicants for drivers licences tested • Registration and licensing of vehicle • Meeting of transport forums held 		
Key problems and challenges	<ul style="list-style-type: none"> • Shortage of staff • Establishment of 		

	roadworthy centre <ul style="list-style-type: none"> • Corruption • Upgrading of testing centres • Suspension of traffic officers • Provision of an effective law enforcement program and traffic safety campaigns as a means to reduce traffic accidents and crime within Nkonkobe municipality • Stray animals 		
--	---	--	--

FUNCTION : PROTECTION / EMERGENCY SERVICES

SUB-FUNCTION : SAFETY AND SECURITY

Reporting level	Details	Total	
Priorities 2007/08	<ul style="list-style-type: none"> • Protect custodian of the municipal assets • Investigate practices of corruption • Secure and ensure proper flow of the municipal operating assets such as petrol filling station, fleet and proper service provision • Guard against theft and vandalism on municipal property • Secure municipal personnel when need arise 		
	Strategic objective <ul style="list-style-type: none"> • To ensure that a peaceful and stable environment prevails where upon a sustainable delivery of basic services within the Nkonkobe Municipal area shall be obtained 		

Key successes 2007/08	<ul style="list-style-type: none"> • Co-operation with SAPS and CPF structures • Co-operation with Provincial VIP units during official functions • Assist the emergency units during road accidents • Successful dispatching of municipal cash for banking within the municipal administrative units 		
Analysis of the function	Statistical Information	No. of facilities	No. of users
		All municipal properties	All the communities within the Nkonkobe area
Key problems and challenges	<ul style="list-style-type: none"> • Shortage of staff • Shortage of equipment • Empowerment of the security personnel with skills • Establishment of CPF's and community safety Forum • Lack of funds 		

Function: Strategic Planning and Local Economic Development

Reporting Level	Details
Overview	To ensure that Nkonkobe Municipality meets its social and economic obligations
Description of Activities	<p>Functions in 07/08</p> <ul style="list-style-type: none"> • Offered strategic support to Municipality • Facilitated the compilation and operationalization of Intergrated Development Planning • Facilitated process and access to funding for local entrepreneurs • Compiled municipal service delivery monitoring mechanisms/tools (SDBIP; PMS; Scorecards and SDF)

		<ul style="list-style-type: none"> • Support to cascade operational (IDP) and monitoring tolls to other departments and employees. • Technical support to NEDA and Alice Fresh Produce Market. • Coordinated tourism activities funded by ADM and Provincial Department • Coordinated agricultural projects funded by DoA and DoSD • Coordinated LED projects funded by DEDEA (Highlands Holiday Resort and Europhonic projects). 	
Analysis of the function	Statistical Information	No of People	Comment
	Personnel Costs: <ul style="list-style-type: none"> • Strategic Planning Manager • Secretary • LED Officer • Assistant LED Officer • Month to month contract worker • SPU Officer 	<p>1</p> <p>1</p> <p>Position Vacant</p> <p>1</p> <p>1</p> <p>1</p>	<p>Position advertised and will be filled in the 2nd quarter.</p>

RESPONSES TO THE AUDITOR- GENERAL'S REPORT

REPORT OF THE AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE

The Audit Committee was appointed during the financial year 2006/07. The primary objective of the Audit Committee is to advise the municipal Council as outlined in section 166 of the Municipal Finance Management Act.

During the year in question the Audit Committee was dysfunctional **(there were no meetings at all)** and there is not report and the comments on the Financial Statement and the Audit Report.

The Executive Committee held a meeting with the Auditor Committee to look at the issue in the current financial year.

PROGRESS REPORT ON CITIZEN REPORT 2007/2008 PROJECTS BY THE DEPARTMENT OF AGRICULTURE

Below is a list of projects initiated by the Department of Agriculture in the Nkonkobe Municipal area as reported by the Department of Agriculture.

SIYAZONDLA PROJECTS

Nkonkobe Municipality had a budget allocation of R820 000 for Siyazondla beneficiaries. The beneficiaries received Siyazondla starter packs ranging from R2500-R3 000. Each starter pack comprises of 1500L Jojo tank, garden implements and inputs. 16 Wards out of 21 Wards received a funding for 15 households per Ward. Beneficiaries were selected in consultation with Ward Councillors, with assistance from Social Development through their indigent families' database.

PROJECT IMPACT

Beneficiaries are able to consume fresh vegetables from their home gardens and also able to sell the surplus produce to the surrounding communities at low costs. They are also able to purchase seedlings and production inputs by themselves. There is also a reduction of malnutrition cases as confirmed by statistics from local clinics.

SOME OF SIYAZONDLA PROJECTS

Some of 15 Magaleni Siyazondla projects (15 households, ward 4)





SOME OF BINFIELD SIYAZONDLA PROJECT PICTURES DURING RECENT LAUNCH, ALICE, WARD 11.







COMPREHENSIVE AGRICULTURAL SUPPORT PROGRAMME (CASP)

Nkonkobe/Nxuba Municipality received a budget allocation of R 2.8. Million. Various applications were received and short listing was done at a meeting where all stakeholders were invited. Prioritizations were more biased to Land Reform beneficiaries and also economic impact that a project will have to the beneficiaries.

PROJECT LOCATION AND BENEFICIARIES

10 projects were identified and implemented with more than 50 beneficiaries spreading over 5 wards.

PROJECT IMPACT AS A RESULT OF CASP FUNDING

WOOL IMPROVEMENT

Kolomane 21 sheep farmers (Cairns location, ward 9) were able to shear and sort their wool in new shearing sheds, thereby ensuring clean and well sorted wool free of foreign materials and had enough and safe storage facility. Budget allocated was R 300 000. So far Kolomane wool growers managed to produce 136 wool bales, but they are still shearing and sorting the sheep and wool respectively.

OLD AND NEW CONSTRUCTED SHEARING SHED AT CAIRNS LOCATION, KOLOMANA.





SHEEP SHEARING, WOOL SORTING & SOME WOOL BALES PRODUCED AT CAIRNS LOCATION, KOLOMANA





RENNOVATED SHEARING SHED AT NGQIKANA LOCATION, KOLOMANA



2.3.2. FENCING

Fenced camps for livestock improvement and also prevention of stray animals. Nelspoort farm owned by Reverend Mxekezo. Budget allocated R 475 000 from ward 7.



2.3.3. CITRUS PRODUCTION (IMPACT)

The rehabilitation process stated in 2005/06 to cover an area of 260 hectares out of 520 hectares in total. The main purpose was to remove old trees and replace with new trees and also to remove old and outdated irrigation system of the whole of that 260 hectares, up to date the dept has already invested a sum of R8.6 million. The farmers who benefited from the project are the members Alice/Kat Citrus Trust and they are a legal entity.

Increase in orchards viability because of new trees and new improved irrigation system.

15 beneficiaries benefited from the programme who are the members of the Alice Kat citrus. Budget allocated was R 1 Million. 80 were employed during the rehabilitation process.



Liddele Citrus Farm Owned by Malusi Mfecane



3. KING SANDILE DEVELOPMENT TRUST PROJECTS (KSDT)

Nkonkobe received budget allocation of R 400 000 for projects to be implemented under KSDT. Project identification and beneficiaries were done in consultation with KSDT.

PROJECT BENEFICIARIES AND LOCATION

- Kat River Irrigation Scheme (Balfour, ward 9) with 6 beneficiaries (5 ha Lucerne establishment)
- HACOP project (Fairburn location Balfour, ward 8) 14 beneficiaries (5 ha Lucerne establishment)
- Glen lion farm owned by Mr. Somkosi Seymour, ward 9 (5 ha Lucerne establishment)
- Qamdobowa Irrigation Scheme (Middledrift, ward 1) 15 beneficiaries (5 ha Lucerne establishment)
- All Saints Agric project (Healdtown, ward 7) with 6 beneficiaries (Maize stripper and maize miller for value adding)

PROJECT IMPACT AS A RESULT OF KSDT FUNDING

No impact has occurred so far since the first harvest has not been done yet on Lucerne establishment.

Impact done by Maize Stripper and Miller at All Saints Agric project is that:

Farmers take less time to strip their maize. They also add value to their maize through milling it.

5 HA LUCERNE ESTABLISHMENT AT KAT RIVER IRRIGATION SCHEME, BALFOUR WARD 9 WITH 6 BENEFICIARIES.





MAIZE STRIPPER AND MAIZE MILLER AT ALL SAINTS AGRIC PROJECT, HEALDTOWN.





SOME OF THE MAIZE PRODUCED AT ALL SAINTS AGRIC PROJECT LAST PRODUCTION SEASON.



Koloni Dip tank

Funded with an amount of R30 000.00, the Project is located in Middledrift, Koloni Loc Ward 14 and was for the renovation of large stock dip tank, and beneficiaries were part of the construction under the guidance of Mr Solombela, the artisan. The dip tank will assist in the management of more than five hundred cattle herd. The project benefited 82 Cattle owners, 16 Women and 66 Men and it managed to minimize risk of spread of tick borne disease. The expected project outcome is improved livestock quality.



Mnqaba James

The project was allocated R30 000.00 and is located in Middledrift, Mnqaba Loc Ward 18 and was for the renovation of large stock dip tank, and beneficiaries were part of the construction under the guidance of Mr Solombela, the artisan. The dip tank will assist in the management of more than five hundred cattle herd. The project minimized risk of spread of tick borne disease. Also the dept artisans have

implanted skills to the surrounding communities teaching them how to make dip tanks and the expected income is improved livestock quality.



Mnqaba James ward 18 Middledrift



Qhibira

The project is in Middledrift, Qhibirha Loc Ward 14, was allocated R30 000.00 for the renovation of large stock dip tank, and beneficiaries were part of the construction under the guidance of Mr Solombela, the artisan. The dip tank will assist in the management of more than five hundred cattle herd. The project is focused to minimized risk of spread of tick borne disease.



Qhibirha dip tank

Ndindwa Project

Middeldrift, Ndindwa Loc Ward 1, was allocated R30 000.00 for the renovation of large stock dip tank, and beneficiaries were part of the construction under the guidance of Mr Solombela, the artisan. The dip tank will assist in the management of more than five hundred cattle herd. The project impact seeks to minimize risk of spread of tick borne disease with the expected outcome of improved livestock quality.





Zihlahleni Project

Located in Middledrift, Zihlahleni Loc Ward 19, with an allocation of R30 000.00 the project was for the renovation of large stock dip tank, and beneficiaries were part of the construction under the guidance of Mr Solombela, the artisan. The dip tank will assist in the management of more than five hundred cattle herd.



Maxolo Project

Located in Middledrift, Maxolo Loc Ward 18, with an allocation of R30 000.00 the project was for the renovation of large stock dip tank, and beneficiaries were part of the construction under the guidance of Mr Solombela, the artisan. The dip tank will assist in the management of more than five hundred cattle herd.



Kolomane Woolgrowers

The project is located in Kolomane Ward 9, was for construction of shearing shed and small stock dip tank. They are members of NWGA and benefited from Ram Exchange programme. In 2006 they have been awarded a trophy and excellency award for best quality wool. In last shearing season their wool production produced 64 bales in total.

The dip tank will assist in the management of more than five hundred cattle herd.

48 woolgrowers spread as follows: 10 Women and 38 Men benefited from the project. These beneficiaries have got clean and efficient space to shear and sort their wool which will lead to good prices.

PROJECT COST: R358 000.00.



KOLOMANE SMALLSTOCK DIPTANK

KOLOMANE SHEARING SHED (OLD & NEW)





CHAPTER

6 INSTITUTIONAL PERFORMANCE MEASUREMENT REPORT

1. INTRODUCTION

The White Paper on Local Government set out the initial vision of developmental government. This is essentially a vision that calls upon municipalities to find means of confronting the legacy of underdevelopment and poverty in their respective local area of jurisdiction. A number of subsequent pieces of legislation further recognized integrated development planning performance management and community participation as crucial mechanism to achieve this. These mechanisms reinforce each other to bring an improved service delivery at a local level.

Performance Management has been defined as a tool for change in conceptualising local government transformation. It is another indication of government's commitment to good governance and service delivery. The ethos of performance management rests on an understanding that other spheres of government need to play their part in supporting local government to perform their functions better, thereby improving the quality of lives of our people.

2. OBJECTIVES OF A PERFORMANCE MANAGEMENT SYSTEM

The performance management system is the primary mechanism to plan for performance management, monitor review and improve the implementation of the municipalities IDP'S. The implementation of the Performance Management System shall achieve the following objectives:

- Provide a mechanism for ensuring increased accountability between;
 - The community and municipal council
 - The political and administrative components of the municipality
 - Each department and the office of the municipality manager

3. MUNICIPAL SCORECARD

The Municipal Scorecard is a conceptual framework that provides guidance as to what aspects of the municipalities performance should be measured and managed.

The municipal Scorecard is:

- Tightly aligned to the strategic planning and IDP process of the municipality
- Directly relevant on the notion of Developmental Local Government
- Based on municipal inputs, outputs, outcomes and process
- Compliant with the requirements of the Municipal System Act (2002) and its subsequent regulations (2001 and 2006)
- Based on the five (5) Key Performance Areas for Local Government

Nkonkobe Municipality reviewed and adopted its score card for the year ended 30 June 2008 (see attached)

4. PERFORMANCE MANAGEMENT PROCESS

The process of performance management is central to notions of Management, i.e. it is inseparable from the things that are done on a day-to-day basis. Performance Management should be mainstreamed as an approach to daily management.

The annual process of managing the performance involves:

- Co – ordination
- Performance planning
- Performance measurement
- Analysis
- Performance reviews
- Reporting and
- Performance auditing

Nkonkobe Municipality failed to follow all the above in 2007/2008 financial year.

The reason for failure was that there were ongoing changes in the top management. The municipal manager was suspended and ultimately dismissed. In many senior positions there were acting people starting from the Municipal Manager, Chief Financial Officer, Municipal Engineer, Corporate Services, Strategic Planning and LED Senior Managers.

Only one senior manager for Community and Protection Services that had a signed Performance Contract. The quarterly performance reviews for the senior managers were not done.

Also the municipal did not have its own internal audit function. This was a shared function between the Amathole District Municipality and Nkonkobe Municipality and it could not bear fruits.

The council had established the Audit Committee and appointed its members with terms of reference. The Audit Committee was dysfunctional for the whole year and therefore the audit function was not performed at all.

RECOMMENDATION

It is recommended that:

1. The strategic scorecard and SDBIP be adopted by Council and implemented in the next financial year 2008/2009
2. The process of Managing Organizational Performance be followed in the next coming financial year 2008/2009
3. The Internal Audit be established and be functional
4. The Audit Committee must be established and be functional
5. Council should performance its oversight function
6. Section 79 committees be established and be operational.

NKONKOBÉ LOCAL MUNICIPALITY
MUNICIPAL SCORECARD

FINANCIAL YEAR: 2007/2008

Perspective	Priority area	Objective	Indicator	Measurement source & frequency	BASE-LINE	30 Sept	31 Dec	30 Mar	30 June	Indicator custodian
RESOURCE MANAGEMENT PERSPECTIVE	CAPACITY BUILDING	To enhance institutional capacity of Nkonkobe Municipality to deliver on its IDP	Workplace Skills Plan (WSP) Training Report	Quarterly Reports	07/08 WSP Submitted	1	1	1	1	Corporate Services Manager
			Reviewed Organizational Structure	Quarterly Reports	Existing Organizational Structure	-	-	Draft Reviewed Organizational Structure	Final Reviewed OS	Corporate Services Manager
			Developed HRD Strategy	Quarterly Reports	0	-	-	Draft Strategy	Adopted Strategy	
			Legislative Compliance							
			Discipline							
	POLOCIES & BY-LAWS	To ensure that the municipal policies and bylaws comply with legislation and implemented by 2010	No. of existing policies reviewed	Quarterly Reports	0	6	-	4	-	Corporate Services Manager
			No. of existing by-laws reviewed	Quarterly Reports	0	-	1	-	-	Corporate Services Manager
GOVERNANCE PERSPECTIVE	COMMUNITY BASED PLANNING	To enable the community to own the IDP and budget of the Council	No. of ward plans reviewed	Quarterly Reports	21	-	-	21	-	Corporate Services Manager
Perspective	Priority area	Objective	Indicator	Measurement source & frequency	BASE-LINE	30 Sept	31 Dec	30 Mar	30 June	Indicator custodian

RESOURCE MANAGEMENT PERSPECTIVE	<i>COMMUNICATION</i>	Ensure effective communication to all stakeholders & public	Communication Strategy	Quarterly Reports	0	Draft Strategy	Final Strategy	Draft Communication Strategy	Implement	
		To strengthen corporate governance within Nkonkobe Municipality	No. of IGR meetings	Quarterly Reports	3	1	1	1	1	
	<u>FINANCIAL STATEMENTS</u>	To have unqualified audited financial statements by 2010	Audited Financial Statements submitted & audited	Annual Auditor Generals' Report	05/06 Annual Financial Statements	06/07	-	-	-	Chief Financial Officer
	<i>FINANCIAL CONTROLS</i>	To have improved Financial Reporting by June 2008/9	% progress on the understanding of Venus Financial system	Quarterly Reports	15% of users	15%	15%	15%	15%	
	<u>REVENUE MANAGEMENT</u>	To have improved Revenue Management of council by 2010	% of Debtor Master File corrected	Quarterly Reports	0%	15%	45%	55%	60%	Chief Financial Officer
			No of properties valued	Quarterly Reports	0		5 000			
	<i>INFORMATION TECHNOLOGY</i>	To meet legal standards	No. of licensed computer programmes	Quarterly IT Audits						Chief Financial Officer
SERVICE DELIVERY	<u>CLEANSING</u>	To promote & manage cleanliness of the Municipality	No. of cleaning campaigns	Quarterly Reports	4	1	1	1	1	Community Services Manager
			No. of recycling projects	Quarterly Reports	0	-	-	1	-	
			Reviewed Integrated Waste Management Plan	Quarterly Reports	1	-	Draft Review	Final	-	
Perspective	Priority area	Objective	Indicator	Measurement source & frequency	BASE-LINE	30 Sept	31 Dec	30 Mar	30 June	Indicator custodian

	REFUSE REMOVAL & SOLID WASTE DISPOSAL	To ensure that refuse are removed to create clean and healthy environment for inhabitants of the Municipality	No. of plastic bags distributed	Annual Report	30 000	30 000 plastic bags per quarter	30 000 plastic bags per quarter	30 000 plastic bags per quarter	30 000 plastic bags per quarter	Community Services Manager
	TRAFFIC AND PARKING	To maintain enforcement on our roads	Feasibility Study conducted on parking meter	Quarterly Reports	0	-	Draft Report	Final Report	-	Community Services Manager
	PARKS & RECREATION	To identify, establish and maintain parks, recreation centres & gardens	No. of Recreational amenities developed	Quarterly Reports	2	-	-	1	1	
			Landscaping	Quarterly Reports	1	-	-	1	-	
	SPORTS, ARTS & CULTURE	To enhance participation of Nkonkobe Residents in Sport, Arts & Culture	No. of Sports facilities maintained	Quarterly Reports	5	-	1	2	2	
			No. of sports facilities maintained	Quarterly Reports	5	-	1	2	2	
			No. of sporting codes participating	Quarterly Reports	6	1	-	-	-	
	DISASTER MANAGEMENT	To coordinate & manage local disasters that occur	No. of awareness campaigns	Quarterly Reports	2	1	1	1	-	Community Services Manager
			% of damaged houses assisted & assessed	Quarterly Reports	100%	100%	100%	100%	100%	Community Services Manager
			No. of Disaster Management Forum Meetings	Quarterly Reports	4	1	1	1	1	Community Services Manager
Perspective	Priority area	Objective	Indicator	Measurement source & frequency	BASE-LINE	30 Sept	31 Dec	30 Mar	30 June	Indicator custodian

	<i>SAFETY & SECURITY</i>	To facilitate reduction of crime rate	% visibility of Safety and Security officials patrolling & guarding in all Nkonkobe Admin. Units	Quarterly Reports	27 permanent staff	100%	100%	100%	100%	Community Services Manager
	<i>FIRE FIGHTING</i>	To coordinate & manage any fires that occur or might occur within the Nkonkobe Municipal Area	No. of associations established	Quarterly Reports	-	-	-	-	1	Community Services Manager
	<i>ELECTRICITY</i>	To ensure upgrading of electricity reticulation & supply	No. of substations upgraded	Quarterly Reports	0	-	-	1	1	Municipal Engineer
	<i>ROADS</i>	To ensure improvement and maintenance of roads/stormwater network	Km of roads/stormwater improved and maintained	Quarterly Reports	0	-	-	50Km	100Km	Municipal Engineer
			Roads Management Master Plan	Quarterly Reports	0	-		Draft Master Plan	Adopted Master Plan	Municipal Engineer
	<u>HOUSING</u>	To facilitate with DHLG&TA in providing low income housing in urban and rural areas	No. of funding applications submitted	Quarterly Reports	9	-	1	2	2	Municipal Engineer
	<u>LAND</u>	To ensure access of land to the communities for development	No. of land parcels identified	Quarterly Reports	0	1	1	1	1	Municipal Engineer
DEVELOPMENT IMPACT	<i>AGRICULTURE</i>	To achieve greater agricultural output by 50% in 2012	Establishment of Agricultural Forum	Quarterly Reports	0	Forum established	-	-	-	Strategic Manager

Perspective	Priority area	Objective	Indicator	Measurement source & frequency	BASE-LINE	30 Sept	31 Dec	30 Mar	30 June	Indicator custodian
	<i>ENVIRONMENT</i>	To protect, manage & unlock greater potential of the Nkonkobe natural environment by increasing the no. of awareness campaigns	No of awareness campaigns held	Quarterly Reports	0	1	1	1	1	Strategic Manager
	<i>TOURISM</i>	To provide effective Visitors' Information Centres (VICs)	No of operating VICs	Quarterly Report	1	-	3	-	-	Strategic Manager
	<i>SMME</i>	To establish & encourage the formation of macro economic entities	No. of SMMEs funded	Quarterly reports	2	-	-	1	1	Strategic Manager
			No. of SMME workshops	Quarterly Reports	0	-	1	1	1	Strategic Manager



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NKONKOBÉ ECONOMIC DEVELOPMENT AGENCY

ANNUAL REPORT

2007/08 FINANCIAL YEAR



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CHAPTER SIX

This Chapter could not be answered, as there is no Auditor General's Performance Management Support report as the information reflected in the Format is contained and should be extracted from this document.

CHAPTER 7

Annexure A = Agency's Score Card



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CHAPTER

1

FOREWORD BY THE CHAIRPERSON, MESSAGE BY THE CEO, EXECUTIVE SUMMARY

PROFILE

CHAIRPERSON'S FOREWORD

The development of economic and investment opportunities in Nkonkobe sub region is a task we cannot afford to fault. World trends reveal that a blend of innovation, creativity and skill – put together with capital are key ingredients of economic development. In Nkonkobe's development, we are notably endowed with skilled, professional and creative labour. This, coupled with the unsurpassed natural and cultural resources of this sub region, offers a competitive edge in the ever-competitive world markets. We fully realize that, if we are to participate meaningfully in the economic world area, we have to out-run the world's best. To get to this level we need to benchmark ourselves against not only national players but also those in the global area.

The strategies of Nkonkobe economic development agency in 2005 were informed by the above reality. With literally a multitude of ideas and opportunities available to us on a daily bases, the existence of a local economic development agency, focused not only on co-coordinating and integrating development initiatives but also harnessing the sub-region's potential and opportunities until they bore fruit, was regarded as a must. To date, Nkonkobe is beginning to trust NEDA as "an economic development gateway" to the sub-region. Our potential, evidently located in Agriculture, Tourism, aquaculture and tertiary sectors, may now be pursued with relative ease by any potential investor. The future of Nkonkobe sub-region's economy lies in the growth of Tourism and revitalization of the agriculture. NEDA has showed commitment by putting substantial funding to undertake feasibility studies, development of business concepts. In short space of time, we will have prepared a "basket of bankable projects" for potential investors.

Mr Mike Stofile
Chairperson



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CHIEF EXECUTIVE OFFICER

NEDA has ended the year 2007/2008 financial year in a positive note, in particular the successful (unlocking) key activities that seek to prepare a “basket of bankable projects” from multitude of economic opportunities for all potential investors. This comes in the wake of a number of key organizational and environmental challenges over the year. Most importantly, the organization needs to focus on attracting and retaining key staff going forward NEDA is grateful for the vote of confidence by its customer base including the community and the parent municipality. We have received a capital allocation to implement a project of R7 million from DEAT.

In general the year has been challenging but will provide a sound footing for the organization to deliver services and products expected at its stage of growth (establishment stage).

ORGANISATIONAL REVIEW

NEDA faces a tight labour market but it has to recruit good qualified personnel. It has recruited a finance and administration manager and personnel assistant. These candidates have already been put through accelerated training programme to enhance their technical and professional skills.

INTERNAL CONTROLS

Over the financial year NEDA has identified several weaknesses in its Internal environment system and is working hard to address these. The new finance and administration manager has facilitated the development of performance management system. As we begin to implement projects a modest development management information system is critical and this is one of key areas we seek to address.

FINANCIAL REVIEW

During the 2006/2007 year, we were able to meet the preconditions to pass the stringent screen by IDC and received our tranche for the establishment stage (R1.89 million) in September 2007. This was a sterling achievement because it allowed us to begin to implement our strategic business plan. This NEDA is grateful for IDC’s decision to advance this funding to NEDA for this year.

THE YEAR AHEAD

THE 2007/08 year, despite a number of challenges has provided a solid basis for organizational renewal and continued good performance in the new year ahead. NEDA is grateful for the support and confidence the Nkonkobe municipality and local stakeholders are beginning to show to us. In the New Year, NEDA looks forward to working with all key stakeholders in meeting the challenges of economic regeneration of peripheral areas and local economic development corridors.

Chief Executive Officer



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EXECUTIVE SUMMARY

Highlights and achievements

The following highlights were noted for the financial year:

- Receiving the establishment fund of R1.89 million from IDC
- Prepared and produced 5 solid tourism product development concepts – namely
- Initiated with number of partners, the Alice regeneration programme which includes.
- Awarded Nkonkobe land and wetland rehabilitation worth R7 million to implement.
- Began to recruit skilled staff to populate our organogram.

Performance review

As the main sponsors, IDC and the Nkonkobe Local Municipality set the growth path of the institution hence NEDA is still in the establishment stage. The establishment stage focuses mainly on organizational development and the preparation of “a basket of bankable projects” for investment, that is, feasibility studies, viability studies, business planning and packaging of business concepts. Occasionally where NEDA has received funds for implementation we do commence with project execution. The project portfolio and progress made to-date is as follows:

Agricultural programme

The main focus is the revitalization of defunct of agricultural schemes and under utilized state-owned farms. Three projects were selected namely Good Hope Farm, Harcop and Zalaze agricultural schemes.

In Good Hope, institutional structures that partners three communities into three trusts owning an operating company (Pty) have been agreed to funds (R1.47) through the Alice-Kat citrus resuscitation programme have been allocated. Issues pertaining to land availability are being addressed. Preliminary temporary jobs for clearing the irrigation canal (26 temporary jobs) have already been created.

Cotton production

Cotton production was piloted in four sites in Nkonkobe. In all these sites a multitude of operational inefficiency troubled this enterprise. Through the value chain from planting to marketing of this crop, challenges persist. It does not auger .well for its continuation.

Tourism product development programme

To re-energize the **Maqoma route**, a three workshop by local and regional tourism practitioners that produced five tourism product development concepts planning the triangle of Maqoma route. They are: Kat river dam, Mount Miser, Fort Fordyce, Infantry Barracks, John Knox Bokwe Park (Alice), Woburn Post/Binfield Complex (Alice). Feasibility studies will be conducted on those concepts. Proposals have already been invited and received from credible tourism service providers.

Alice regeneration programme

The key objective of the programme is to stimulate the revitalization and sustainable economic development of Alice as a vibrant university town. A couple of pilot projects includes:

- Better utilization of public sector immovable asset portfolio.
- Development of a Petro-Village
- Town centre enhancement
- Conversion of taverns to entertainment centres

Better utilization of immovable assets

The Dept of Public Works in association with Nkonkobe Municipality represented by Nkonkobe Economic Development Agency (NEDA) initiated a process of exploring various alternatives that could potentially drive sustainable local economic development in Alice, using its immovable assets.

The process culminated in the following development options:

- Integrated social housing scheme (Resided properties) has to be developed in the town of Alice to cater mainly for low-income groups.
- Rental accommodation and Housing has to be provided for mainly the staff of Fort Hare, Lovedale and government officials who currently commute from neighbouring towns.
- Student accommodation village be established for Fort Hare and Lovedale students.
- A tourism and heritage corridor was identified.
- Commercial property development was also identified as a key catalyst for economic development.

- Farming land surrounding the town was targeted to trigger the development of the agricultural sector in the rural communities. This would in the long-term lead to the creation of value adding enterprises as downstream industries.

Petro-village

A modern service station on a portion of erf 306 is proposed. A service provider has been commissioned conduct a feasibility study, which comprise town planning, issues (zoning and subdivision), Tacky Survey and Traffic Impact Study. The overall enterprise (+/- R5milloin) will include in addition to the service station, community craft retail outlets, greening and beautification of the surrounding areas. The beneficiaries of this venture are mainly the ex-combatants.

CHAPTER 2

PERFORMANCE HIGHLIGHTS

Nkonkobe Economic Development Agency (NEDA) is one of the main role players in facilitating economic development in Nkonkobe municipal area. Pursuant to the integrated development plan of Nkonkobe sectoral priorities, the program and projects selected by the NEDA are mainly from the Tourism and Agricultural sectors.

Currently, most of the organizational activities are responding to the funding phases by our main funder, the Industrial Development Co-operation. The phases include foundation stage, which is more primarily the initiation stage followed by the establishment stage (where NEDA is), which is mainly focusing on preparation of projects and developing and strengthening internal systems and policies and lastly operational phase-which includes projects. The preparatory activities include project feasibility studies, viability studies, project packaging and business plans development.

Presently, Nkonkobe tourism products are concentrated in a few nodes namely Nature reserves:

- Double Drift
- Mpofu Game Reserve
- Fort Fordyce Game Reserve
- Katberg area
- Hogsback and Fort Hare

The objective is to spread these from these enclaves to wider community hence we have:

- through a Tourism Product Development workshop of diverse tourism industry practitioners (public sector officials, politicians, tour operators, hoteliers, guesthouses, travel agents and tourism consultants) generated innovatively five tourism business concepts which would ensure meaningful community participation in their operations, management and ownership, these include:
 - Katriver dam
 - Woburn Post
 - Infantry Barracks
 - Mount Misery

Request for quotes were invited from tourism service providers to conduct detailed feasibility/viability studies. Responses from established and skilled service providers have been received.

Agriculture

Nkonkobe Economic Development (NEDA) has formed strategic partnership with the Department of Agriculture at the local level to transform the agricultural business in the area. The key focus area for this current budgeting cycle is the restructuring and revitalization of three irrigation schemes namely:

- Harcop
- Good Hope Farm
- Zalaze

The rollout commenced with Harcop, and Good Hope. The approach starts with diagnostic assessment, social facilitation, preparatory activities (feasibility studies, farm design and business planning) and then projects execution. Embedded in the approach are the key pillars of empowerment and capacity building, leadership training and the actual transformation of physical assets.

At Harcop, assessment has been done and social facilitation is in progress. It took very long, because of certain challenges. A skills audit has also been done. At Good Hope, the diagnostic assessment was done and social facilitation is almost done. The next stage will be business planning, packaging the project which includes locking for a private sector partners to the community and also dealing with the department of Land Affairs as far as the long term land availability.

Alice Renewal Programme

A consortium of stakeholders was involved in this programme namely:

- Alice community (urban and rural)
- Aspire
- NEDA
- The Local Municipality
- University of Fort Hare
- Lovedale College
- Business and Provincial Departments namely:
- Department of Public Works (currently)



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This programme seeks to generate the economic and social aspects of Alice as a University town. Task teams were formed in strategic workshop facilitated by international experts from Australia and South Africa (Peter Kenyon and Hall). Key programmes outlined in the regeneration strategy include better utilization of “dead” assets-Public Works Property

Proposals on this include:

- The in principle agreement by the Province to use its assets in Alice to support and catalyze local economic development.
- A land audit was undertaken which revealed that the Province and National Departments owned 143 properties in Alice. The list of farms is still pending. Disposal options for these properties have been proposed through use of the services of a team of town planners and robust involvement of the Alice stakeholders. Land use options were also proposed in this document. They include:

Petro village

This project is part of Alice regeneration and seeks to assist a group of ex-combatants who have formed a company to set up a petro village near the University of Fort Hare. A resolution by the municipality was taken in the past of years to give permission to this group. Nkonkobe Economic Development Agency (NEDA) has invited technical specialists in this field to submit proposals and the preferred bidder has been selected.

Work is in progress in the following areas

- Rezoning and plan approval.
- Surveying and Surveyor General’s Diagram.
- Traffic impact and Road Engineers approval. This project phase is scheduled to end in September 2008.

Challenges

Nkonkobe Economic Development Agency (NEDA) grapples with a number of challenges, which include:

1. Access to Adequate Capital

The need for adequate funding for operations, growth and sustainability is a never-ending task. The parent municipality can assist by negotiating the release of the “dead assets” (property) underutilized throughout the whole municipal area, namely;

ECDC –owned property (CSBC)

A preliminary engagement with Eastern Cape Development Co-operation (ECDC) had been initiated. Then it was required of the municipality to submit a formal expression of interest to IDC. These properties would be revamped and converted to business incubators and some rental income would then be generated.

Public Works properties

The process of preparation of public property for local economic development is to be piloted in Alice. It should be the municipality’s mission to coax the provincial government to rollout the programme through Nkonkobe. This can be a “quick win” project to boost the coffers of both NEDA and municipality, by the rentals that currently accrue to the Provincial Department of Public Works.

2. Farm Land released for Community related Development

A number of farms owned by the Department of Land Affairs remain unused. Negotiations to release these for use by surrounding communities are going slowly. Again this would be expedited by some political intervention.

3. Collaborations between Nkonkobe Local Municipality (NLM) and Nkonkobe Economic Development Agency (NEDA) on pro-poor business intervention

Enterprise development in poor communities is hampered by multitude of things and hence the development stage takes longer before profitability is sustained. Therefore capitalization of these projects requires a large dose of grant funding which is easier accessed by the municipality than NEDA.

Therefore a blend of grant funding and loan is suitable for these enterprises. Examples of such enterprises are the poultry production/abattoir at Middle Drift, Binfield/Alice aquaculture project.

Creating a conducive environment for tourism growth

The marketing of Nkonkobe tourism destinations is largely dependent on the effective functioning of the VIC's. However only two VIC's are operational. Both the DM and LM need to find a way to operationalise these important instruments on a sustainable basis if tourism in Nkonkobe is to take-off

Access to training funds

The low capitalization of NEDA results in the recruitment of staff that has potential to be trained to professional status because professional personnel cost a fortune. It can help if that a structured training programme for the LED Unit might include NEDA personnel.

Masambe

This micro-credit unit has the potential to make a significant impact in poverty reduction in rural areas. But, it has continuing capacity problems, both financial and human. For example, transportation of field workers is a thorny problem as well as working capital to cover operational costs such as wages.

Key challenges of Maqoma Route

The main challenges that require tackling before the take-off stage of this tourism route, include:

- The development of tourism products to a certain threshold e.g. Accommodation establishments and amenities. Nkonkobe Economic Development (NEDA) are seized with this task
- The development of a heritage management plan and its implementation to ensure the maintenance of the fragile Heritage assets.
- Packaging and marketing the tourism products through a branded theme. Marketing is a costly and creative aspect
- The promotion of the development of a committed tour operator and tour guide tourism sub-sector.



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CHAPTER 3

Human and Organizational Management

NEDA ORGANOGRAM

DEPARTMENT	POSITION	NUMBER	FIELD
CEO's	CEO	1	1
CEO's	Personal Assistant	1	1
Finance/HR Department	Finance and Admin Manager	1	1
Operations	Agric co-ordinator	1	0
Operations	Tourism co-ordinator	1	0
Operations	"Tourism Internships"	2	2



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CHAPTER 4

Financial Information and Audited Financial Statements for 2006/07 financial year



NKONKOBE ENTITY
AFS 2007_2008.pdf



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CHAPTER 5

FUNCTIONAL SERVICE DELIVERY REPORTING



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CHAPTER SIX

This Chapter could not be answered, as the Audit Committee was not functioning in the year under review.

Agency's Score Card is also not attached.