



NDLAMBE MUNICIPALITY



ANNUAL REPORT 2008/2009

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VISION:

Ndlambe Municipality strives to be a growing and investment friendly region that provides sustainable, efficient, cost-effective, adequate and affordable services to all citizens in a healthy and safe environment by 2025.

MISSION:

To achieve our vision by enabling optimal performance within each of the five key performance areas of local government within the context of available resources.

VALUES:

- **Commitment**
- **Transparency**
- **Honesty**
- **Trustworthiness**
- **Care**



Part I: Introduction and Overview

Forward by the Mayor



It is once again a pleasure and honour for me the Mayor of Ndlambe Municipality to table the Annual Report of Ndlambe Municipality for the 2008/2009 financial year to Council and then thereafter to the community, stakeholders and partners.

The annual report of the Ndlambe Municipality for the financial year 1 July 2008 to 30 June 2009 is published in terms of Section 127 of the Municipal Finance Management Act No. 56 of 2003 which requires municipalities to report on all aspects of performance during the respective year. The report serves as a statement of accountability for the 2008/2009 financial year and accounts on not only the successes but also the challenges and failures of the municipality. The report provides an opportunity for all stakeholders to comment and provide constructive criticism on municipal matters for the period reported on. I am sure that the annual report will serve as a useful document for all stakeholders to gauge performance as the Ndlambe Municipality as it continues to strive for improvement in all aspects of service delivery.

The 2008/2009 annual report has been drawn up in line with the new format that was developed by the Municipal Support and Monitoring Service and the Chief Directorate ----- . The new format covers all reporting requirement needed as per all applicable legislation in a uniform understandable manner. It is hoped that the new format will provide the reader with a quality report that has useful information on the activities of the Ndlambe Municipality during the year under review.

It is important to remind ourselves of the objects of local government as they are reflected in our Constitution.

These are:

- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organisations in the matters of local government.

It is equally important to also remind ourselves of the five key performance areas of local government.

These are:

- Basic service delivery and infrastructural development;
- Municipal financial viability and management;
- Municipal transformation and development;

- Local economic development
- Good governance and public participation.

As Ndlambe Municipality, both councillors and officials are aware of the fact that we have got to make great strides to improve on all the key performance areas mentioned above. However, the work done over the 2008/2009 financial year needs to be recognised. As Ndlambe Municipality we are to strive to continuously improve on all aspects of service delivery taking into account our financial and administrative capacity.

When reading the annual report, the reader is encouraged to be reminded of the following issues,

- To what extent has Ndlambe Municipality been able to redress the imbalances of the past;
- To what extent has Ndlambe Municipality been able to address/reduce the service delivery backlogs;
- To what extent has Ndlambe Municipality been able to address equitable services to all its consumers;
- To what extent has Ndlambe Municipality been able to deal with local democracy by providing opportunities for all local communities to participate in the affairs of the municipality;
- To what extent has Ndlambe Municipality assisted in alleviating poverty and providing assistance to poor households.

Critical services delivery objectives were addressed during the year under review and the provision of potable water and upgrading of sewer works are but two examples. Improvement to the bulk sewer and water infrastructure that form part of the two projects are crucial to future development in the Ndlambe area.

Unemployment and HIV/Aids will continue to be a challenge that the Ndlambe Municipality must vigorously address over the forthcoming years as is housing, water, and sewer and roads backlogs.

If we continue to work hard and learn from past experiences we will reach our goals as set out in the Integrated Development Plan. Council together with the staff and external role players must however work together and if this is accomplished I can assure everyone of a better tomorrow for all citizens of Ndlambe.

A word of gratitude needs to be extended to Councillors, Municipal Manager and employees of Ndlambe for working together towards achieving our goals and most of all to the customers of Ndlambe that continually meet their responsibility in paying their municipal accounts on a monthly basis.

V. Balura
MAYOR

2. The yearly program priorities' statement



The following is the list of the priority areas that the municipality needed to address during the 2008/2009 financial year and needs to continue to address in future financial years due to the magnitude of the work to be done. The Ndlambe Municipality did not have a service delivery budget implementation plan or a performance management system in place for the year under review so actual measurements against plans cannot be substantiated. Directorates reports highlight the progress made in this regard. The list does for part of the priorities as identified in the integrated development plan.

- Continuous supply of sufficient potable water to meet present and future requirements throughout Ndlambe Municipality by 2012.
- Reticulated waterborne sewerage for all Ndlambe Municipality households by 2012.
- Community of Ndlambe Municipality has access to good quality roads for social and economic mobility based on strategically selected priorities within the given resource constraints.
- Adequate shelter for all people throughout Ndlambe Municipality, with specific reference to low income households, rental stock and middle income housing options.
- The community of Ndlambe Municipality has access to a reliable and consistent supply of electricity and street lights as provided by Manelec and ESKOM.
- The Ndlambe Municipality fully understands its potential and limitations in terms of land utilisation and management, and undertakes these issues in a sustainable manner that is guided by a Spatial Development Framework.
- Communities have access to a well maintained social infrastructure that supports social interaction, education and economic activities that are managed in partnership with the Municipality.
- Communities and visitors in Ndlambe Municipality, with specific reference to the youth, have access to suitable and affordable recreational and sport facilities managed in partnership with the Municipality.
- Communities have access to affordable grave sites in close proximity to settlements and are well maintained and protected from vandals.
- Communities have sufficient and affordable economic solid waste disposal options to encourage a clean, healthy environment.
- The Municipality offers protection services that care for the health and safety of all communities in Ndlambe Municipality, in line with available

legal requirements in support of economic development, with specific reference to tourism.

- Communities and visitors in Ndlambe Municipality utilise the natural resources/assets in a sustainable manner for economic and recreational purposes in accordance with the available legislative framework.
- The impact of HIV/AIDS on households in Ndlambe Municipality is reduced through support programmes and effective health services.
- The economic growth in Ndlambe Municipality is supported through the creation of improved access to sustainable income-generating activities for the unemployed.
- Households living below the poverty line alleviation, as well as vulnerable groups, have improved access to all required basic services i.e. health facilities and social grants/work-creating programmes.
- Communities are better able to take care of their own health through the creation of a healthy environment and the availability of quality primary health care facilities.
- Municipality is able to meet the performance targets through the effective management of competent municipal officials/staff.
- The policy/strategy framework of the Municipality, in terms of all corporate requirements, contributes to the effective functioning of the Municipality within the legislative framework of local government.
- The Municipality utilises high quality strategic planning and management processes to organise work, establish inter-governmental relationships. and document performance in the Municipality.
- Establish a well functioning council system that contributes to and meets the standard for good governance in terms of transparency, accountability, good working relationships and implementation of resolutions.
- The Municipality complies with the principles and practices of good governance with particular reference to its relationship with the community and other stakeholders (Batho Pele Principles).
- All communities are well informed regarding the work of the Municipality and participate constructively in relevant dialogues.
- An updated (contemporary) financial system of Ndlambe Municipality is optimally used by competent staff.
- Ndlambe Municipality is able to raise sufficient revenue (internal and external sources) and manage its assets to meet its responsibilities in terms of service delivery, incorporating both capital and operational costs.

R Dumezweni
Municipal Manager

3. Overview of the Municipality

1 Geographic and demographic profile

NDLAMBE GEOGRAPHIC SITUATION

The Ndlambe Municipality falls within the Cacadu District Municipality area, Eastern Cape Province. The Ndlambe Municipal area is bordered by the following Local Municipal areas:

- Makana within the Cacadu District Municipality to the North
- Sundays River Valley within the Cacadu District Municipality to the West
- Ngqushwa within the Amatole District Municipal Area to the East

The Ndlambe Municipal area forms part of the Eastern Coastal Zone (one of the areas within the Cacadu District Municipality that has similar geographical characteristics and requires similar geographical guidance). This area can be described as an area with:

- A pristine coastal area
- Well preserved river mouths and inter-tidal areas
- Diverse vegetation
- Relatively low density development along the coast
- Major tourism potential



2 Socio-economic context: Key information: main economic activities, poverty trends among the population and unemployment rates, etc..

Ndlambe as per 2007 Community Survey:

Area (Km ²)		2, 000.81
Population (no)		63,122
Urbanization rate (%)		67.69
Density (People/km ²)		16.63
Demographic (%)	Black	80.28
	White	12.40
	Coloured	7.28
	Asian	0.04
Gender (%)	Female	51.46
	Male	48.54
Age (%)	0 – 4 years	7.91
	5 – 19 years	27.55
	20 – 64 years	55.99
	65+	8.55
HDI		0.51
HIV Prevalence (2003 %)		20.20
Functional Literacy (%)		54.02
Education	None	11.89
	Grade 12	11.56
	Tertiary	6.41
Household Monthly Income levels (%)	R0 R200	6.02
	R201 – R1 000	23.80
	R1 001 – R2 500	25.61
GDP Per Capita (R'000)		16.02
Unemployment (%)		38.84

Dependency Ratio (Household Grants)	1.79	
Municipal Financial Grant dependency (2002/03)	12.76	
Access to Basic services (% of households – 2001)	Water	76.32
	Sanitation	85.82
	Electricity	66.63
	Refuse removal	73.11
	Housing	82.13

C) The year under review brought about many challenges that impacted on Ndlambe Municipality. The biggest challenges that occurred were:

- High seas that caused damage to our beaches and pier;
- A tornado that hit Alexandria and destroyed community properties;
- Litigation from ratepayers with regards to sewer spillages;
- The Chief Financial Officer having to also act as the Municipal Manager;
- Discontent from ratepayers with regards to general service delivery;
- Water and sewer provision;
- Issues around the provision of housing.

Ndlambe Municipality could not have anticipated many of the challenges that it was faced with and no budgets were allocated towards such events occurring. Of the challenges encountered, some did not fall within the competency of the municipality and we had to rely on sector departments to come to our aid.

4. Executive Summary

The financial year 2008/2009 was a challenging year for Ndlambe Municipality as the needs of the community far outweighed the financial resources of Council. The needs of the community were analysed and discussed during the Integrated Development Plan process and priorities were set for the year.

Water and sewer were identified as the main priorities but local economic development, financial viability and performance management were also areas that could not be overlooked.

The following represents a list of the priorities, apart from the above, that were identified to be addressed;:

- Importance of investing in people, with particular reference to areas with low economic potential
- Investment in the maintenance and management of the existing municipal assets, including infrastructure and utilities
- The effective utilisation of municipal assets to unlock economic potential
- The creation of institutional capacity in communities by supporting and leading local forums, building of the Ward committee systems, and establishing cooperatives to generate economic possibilities
- The protection of and sustainable utilisation of natural resources for the benefit of all local communities
- Directing poverty relief and food security to assist the poorest households
- Effective application of the indigent policy that ensures poverty relief
- Creating cost effective hub of activities in strategic location to support integration among communities
- Increase the relevance and use of Spatial Development Framework to guide development investments
- Creation of investors confidence through good local governance and leadership
- Engage in stakeholder dialogue and management, including inter-governmental relationships, in order to deliver more comprehensive services
- Development of monitoring systems that incorporate customer satisfaction

The following represents the list of priorities that were identified during the integrated development review process;

1. Addressing sanitation backlogs (this is also related to constraints associated with bulk water supply)
2. Addressing road conditions and the continued maintenance thereof
3. Effective development planning and implementation that is currently jeopardised by:
 - Unreliable or unavailable planning Information
 - Poor alignment with Spatial Development Framework

- Challenges in meeting EIA requirements and the associated time delays
 - Poor management systems to ensure coordination among directorates
 - Unclear IDP – Budget alignment
 - Finding workable solutions for basic services in ever increasing informal settlement areas
 - Ineffective building control
 - Unrealistic augmentation fees imposed on new developments
4. Effective Housing Delivery with additional challenges including:
 - Housing developments face a new stakeholder in terms of child headed families.
 - The management of information relating to housing development is challenged by:
 - Unreliable data regarding influx of people
 - Difficulties in “cleaning” of waiting lists
 - Inability to link with Provincial DLG&TA as well as Home Affairs data bases
 5. Internal capacities to effectively spend funding allocations including constraints such as:
 - Insufficient Human resource capacities
 - Insufficient Project planning and management capacities
 - Lack of effective Monitoring systems including information management
 - Poor management of contracts and service level agreements with service providers and other stakeholders
 6. Development of systems to ensure effective management of council assets including municipal offices, buildings, land, public amenities. Related issues are:
 - Commonage Management including availability of reliable data
 - Poor conditions of public facilities (Deterioration of facilities result in increased rectification cost)
 - Decrepit state of plant and equipment result in poor maintenance
 - Dealing with vandalism & theft of infrastructural resources
 - Cemeteries are reaching full capacity and is not well maintained
 7. Unemployment and economic development is not addressed sufficiently including:
 - Role of Municipality with regard to tourism
 8. Affordable solutions to challenges of refuse removal
 9. Developing affordable and suitable capacity to deal with disaster management
 10. Environmental Health with specific reference to roaming animals.

As can be noted from the above the priorities identified can never be dealt with within one financial year and during the 2008/2009 long term programs had to be developed to address all areas.

Part 2: KPA Achievements Reports

Chapter 1: Organizational Transformation and Institutional Development

1.1 Presentation of the organizational structure

- The total number of posts approved for the 2008/2009 financial year is 455
- For the 2008/2009 financial year there were no changes to the organisational structure.
- The total number of vacant positions for the reporting year was 23.
- The municipality could not submit performance agreements during the set time-frames.

Due to problems experienced with the Howard Cook Performance management System the municipality did not complete any performance contracts with Section 57 managers. As a result of the complex and not user-friendly nature of the performance management system in July-September 2008 Cacadu District Municipality was approached to provide assistance including financial assistance to assist the municipality implement a new measurable and user-friendly performance management system.

Furthermore in March 2008 a business plan was submitted to the Department of Local government and Traditional Affairs to provide support with Performance Management System (PMS) to no avail nor was there any acknowledgement of receipt of such a business plan.

It was therefore resolved that Department of Provincial and Local Government be approached-in November 2008 and subsequent to lack of support from this department also GTZ was then approached.

The municipality thereafter entered into a partnership with GTZ in February 2009. In April 2009 terms of reference were drafted for the appointment of a service provider to assist the local municipality with the following actions:

- Formulate a draft Performance Management System framework
- Formulate a Performance Management Policy for the municipality and same to be adopted by Council
- Develop a performance based measurable organisational scorecard
- Develop performance based measurable departmental scorecards for all the municipal departments
- After these were in place-process plan has to be developed for performance review sessions for all Section 57 Managers to be held during the 2009/2010 financial year with the new system

1.2 Staff development initiatives during the financial year

During the 2008/2009 financial year a draft Human Resources Strategy was formulated and adopted by Council. The Human Resources Strategic Plan incorporates the formulation of a Workplace Skills Plan which is closely aligned with the National Human Resources Strategy and the municipality's strategy as enshrined in the Integrated Development Plan (IDP).

25% of Councillors have been participating in the Local Government Development Programme Certificate program with the majority of the councillors successfully completing the training program.

Due to the adoption of e-government strategy an Information and Communication Technology (ICT) skills assessment of councillors was conducted with some councillors especially ward councillors being trained in computers. However, due to lack of resources the necessary tools for effective e-government e.g. computers, data cards could not be provided for especially the ward councillors-this further hampers their effectiveness.

1.3 Key HR statistics per functional area

1.3.1 FULL TIME STAFF COMPLEMENT PER FUNCTIONAL AREA

	Approved positions (e.g MM-S57 etc...)	Number of approved and budgeted posts per position	Filled posts	Vacant posts
1	Section 57	5	5	0
2	Deputies	5	4	1
3	Assistants	5	4	1
	Total	15	13	2

COMMUNITY PROTECTION SERVICES

	Approved positions (e.g MM-S57 etc...)	Number of approved and budgeted posts per position	Filled posts	Vacant posts
1	Dir CPS	1	1	0
2	Manager ENV	1	1	0
3	Chief Traffic Officer	1	1	0
4	Sen EHP	1	1	0
5	Chief Fire Officer	1	1	0
6	Manager Nursing Services	1	0	1
7	Disaster Management Coordinator	1	0	1
8	Local Aid Coordinator	1	1	0
9	Parks Superintendent (KOS/BRM/ALEX)	1	0	1
10	Sen Foreman Cleansing (P/A)	1	1	0
11	Superintendent Parks (P/A)	1	1	0
12	Foreman Parks – Refuse (Alex)	1	1	0
13	Personal assistant	1	1	0
14	Admin officer	1	1	0
15	SECO	1	1	0
16	EN Law Officer	1	1	0
17	River Control Officer	1	1	0
18	Rangers	5	3	2
19	Blue Flag Attendant	2	1	1

	Approved positions (e.g MM-S57 etc...)	Number of approved and budgeted posts per position	Filled posts	Vacant posts
20	Env Health Practitioner	2	1	1
21	Foreman Refuse (P/A)	1	1	0
22	Sen Fire-fighter	5	4	1
23	Fire-fighters	5	4	1
24	Retain Fire-fighters	10	4	6
25	Control Room Operator	4	4	0
26	Senior Traffic Officer	1	1	0
27	Traffic Officers	7	7	0
28	Total Computer Services (TCS) Operator	1	1	0
29	Sen Veh Licensing Clerk	1	1	0
30	MV Licensing Clerk	2	2	0
31	Examiner D/L	3	1	2
32	D/L Clerk (Alex)	1	0	1
33	Traffic Wardens	2	0	2
34	Road Painters	3	3	0
35	Messenger	1	1	0
36	Sen Prof Nurse	5	5	0
37	Prof Nurses	7	7	0
38	Aux Nurse	6	0	6
39	Care Taker	2	0	2

	Approved positions (e.g MM-S57 etc...)	Number of approved and budgeted posts per position	Filled posts	Vacant Posts
40	Pharmacy Assistant	5	0	5
41	Cleaner	4	3	1
42	Dedicated Supervisor	1	0	1
43	Driver	1	0	1
44	Tractor driver	4	4	0
45	Truck driver	2	1	1
46	Case driver	1	1	0
47	Ride-on Mower driver	2	2	0
48	Chainsaw operator	1	1	0
49	Weed eater operator	3	3	0
50	Truck loaders	8	4	4
51	Rakers	3	3	0
52	Chainsaw assistant	1	1	0
53	Garden service	2	2	0
54	Grave digger	2	0	2
55	Bulldozer operator	2	2	0
56	Compactor Driver	2	2	0
57	Skip driver	2	2	0
58	Tractor driver refuse	3	2	1
59	Skip truck assistant	2	0	2

	Approved positions (e.g MM-S57 etc...)	Number of approved and budgeted posts per position	Filled posts	Vacant posts
60	General workers	9	5	4
61	Lawnmower operator	3	0	3
62	Cleaners (Alex)	2	0	2
63	Cleaners (Nemato)	5	0	5

1.3.2 TECHNICAL STAFF REGISTERED WITH PROFESSIONAL BODIES

Technical Service (e.g water, electricity etc...)	Total number of technical service Managers	Total number registered in the accredited professional	Total number registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
Qualified Engineers	3	2	N/A	N/A
Civil Engineers	2	2	N/A	N/A
EHP		2	2	0
Sen & Prof Nurses		12	12	0
Sen & Fire-fighters		8		

1.3.3 TRENDS ON TOTAL PERSONNEL EXPENDITURE

Years	number of staff	operating Budget	expenditure (salary and salary related)	Percentage of expenditure
2006-2007		104 313 700	41 226 455	40%
2007-2008		113 722 404	45 432 386	40%
2008-2009	455	123 709 750	50 976 450	39%

1.3.4 LIST OF PENSION AND MEDICAL AIDS TO WHOM EMPLOYEES BELONG

Names of pension fund	Number of members	Names of medical	Number of members
Cape Joint Pension Fund	8	Discovery	17
Cape Joint Retirement Fund	171	Bonitas	137
SALA Pension Fund	58	SAMWU National Medical Scheme	120
SAMWU National Pension Fund	136	Hosmed	10
Sanlam Pension Fund	40	Key Health	4

1.4 Senior officials' wages and benefits

See Annexure 1.2.1

1.5 Implementation of the Performance Management System (PMS):

The municipality is using the Howard Cook Performance Management System (HCPMS) to develop performance plans for Section 57 employees up to 2007/2008 financial year.

An analysis of the performance management system has identified the following key problems and institutional performance management weaknesses:

- The Performance Management System used currently to measure performance does not set or its design is not capable to set appropriate and measurable Key Performance Indicators (KPI's) as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan;
- The performance management system does not set measurable targets with regard to each of those development priorities and objectives;
- Through a performance management system and performance review process the municipality takes steps to improve performance with regard to those development priorities and objectives where performance targets are not met-this has not been achieved as part of the performance review process;
- Lack of alignment between the IDP, SDBIP, Budget and PMS;
- In addition even the Section 57 could not undertake performance reviews on their own-these had to be undertaken under the auspices of Howard Cook.
- As a result of the complex and not user-friendly nature of the Performance Management System the municipality had to take bold decisions on whether to continue with the system they could not implement internally and continue with perpetual dependence on consultants or look for a new user-friendly system.
- In February 2008 Cacadu District Municipality was thus approached provide assistance including financial assistance to assist the municipality implement a new measurable and user-friendly Performance Management System.
- Furthermore in March 2008 a business plan was submitted to the Department of Local Government and Traditional Affairs to provide support with Performance Management System (PMS)-to no avail as

- no response was received from the provincial department.
- It was therefore resolved that Department of Provincial and Local Government (DPLG) be approached-in November 2008 and subsequent to lack of support from this department GTZ was then approached for PMS assistance.
 - The municipality thereafter entered into a partnership with GTZ in February 2009. In April 2009 terms of reference were drafted for the appointment of a service provider to assist the local municipality with the following actions:
 - Formulate a draft Performance Management System framework
 - Formulate a Performance Management Policy for the municipality and same to be adopted by Council
 - Develop a performance based measurable organisational scorecard
 - Develop performance based measurable departmental scorecards for all the municipal departments;
 - Determine a full cycle performance oriented business process and management approach-from employment stage during employment through to employee exit stage;
 - Determine procedures to deal with failure to develop and submit suitably measurable IDP/strategy based performance plans-those that do not, amongst others meet SMART principles ;
 - Cascading of PMS to at least the first three levels of management i.e. Deputy Directors, Assistant Directors, process for Managers or next applicable level;
 - In addition this is also to ensure that performance management should also measure institutional performance rather than concentrate solely on the human resource/staff (section 57) performance as has been the case to date.
 - After these were in place-process plan has to be developed for performance review sessions for all Section 57 Managers to be held during the 2009/2010 financial year using the new Performance Management System (PMS).
 - Clearly defined performance review process including defining standards and norms for balanced scorecards (PMS) , provision and recording of evidence of performance (full cycle) etc.

1.6 Annual performance as per key performance indicators in municipal transformation and organizational development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the Gap
1	Vacancy rate for all approved and budgeted posts	455	50%	50% of all funded strategic vacancies filled-	The municipality will strive to fill all critical and strategic vacancies
2	Percentage of appointment in strategic positions (municipal Manager and section 57 Managers)	5	All positions filled	100%	No gaps in this regard
3	Percentage of section 57 Managers including Municipal managers who attended at least 1 skills development within FY	5	5	100%	All
4	Percentage of managers in Technical Service with a professional qualification	2	Of 3 posts two qualified engineers	75%	1 inherited from previous dispensation with relevant experience but no qualification

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the Gap
5	Percentage of municipalities within the district area that have a fully functional Performance management system (DM only)	N/A	N/A	N/A	N/A
6	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	Skills audit is being conducted annually for all staff members as part of Workplace Skills Plan and Human Resource Development Strategy	All staff	100%	As part of the Workplace Skills Plan implementation all departments ensure that staff is trained in line with WSP. Mechanisms being developed to monitor and evaluate impact of training and impact on overall strategy (IDP).
7	Percentage of councillors who attended a skills development training within the current 5 year term	60% of the total number of councillors	60%	60%	60%

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the Gap
8	Percentage of staff complement with disability	Less than 2%	None to report	0%	As part of Employment Equity Plan (wherever possible) the municipality strives to fill the remaining vacancies with disabled persons to reach the 2% target
9	Percentage of female employees	40%	40%		40%
10	Percentage of employees that are aged 35 and younger	35%	35%		35%

1.7 Major challenges and remedial actions in regard to Human resource and organizational management

Human Resources Development HRD and Training

Challenges have been identified in the implementation of the Workplace Skills Plan including the lack of a systematic approach to monitoring and evaluation of training impact on the institution and its effectiveness.

As part of the Workplace Skills Plan implementation all departments ensure that staff training takes place in line with WSP. Mechanisms being developed to monitor and evaluate impact of training and impact on overall strategy (IDP).

Implementation of Workplace Skills Plan

Due to the shortcomings in implementation of Employment Equity Plan especially in relation to employment of people with disabilities-wherever

possible the municipality strives to fill the remaining vacancies with disabled persons to reach the 2% target

Chapter 2: Basic Service delivery performance highlights

2.1 Water Services

2.1.1 WATER SERVICE DELIVERY AND MAIN ROLE-PLAYERS:

Ndlambe Municipality is located within the Cacadu District Municipality and is home to some 80 000 people. The Ndlambe Municipality (NM) is the Water Services Authority for the area of jurisdiction in the Eastern Cape Province. Ndlambe Municipality operates and maintains all water supply systems within both Water Services Authority and Water Services Provider functions, with the exception of the Albany Coast Water Board supply footprint, where bulk water is supplied by the Albany Coast Water Board.

There are six (6) local water supply schemes which service the main settlements within the area. Port Alfred, Seafield and Bathurst are all fed mainly from surface water schemes whilst Boesmansriviermond, Kenton on Sea, Alexandria and Boknestrand/Cannon Rocks are supplied from ground water schemes. Boesmansriviermond and Kenton on Sea augment their groundwater supplies with desalinated water through the Reverse Osmosis plant situated at Boesmansriviermond. Potable water is piped to all communities and is available to the vast majority of households. However, some of the Bathurst and Trappes Valley communities still rely on rainwater and private boreholes. The latter are considered for municipal supply within the IDP.

It is the objective of Council to achieve and sustain “Blue Drop” status throughout all of Ndlambe. This quality and supply goal is being achieved by improving both water quality and the quantity of supply.

2.1.2 LEVELS AND STANDARDS IN WATER SERVICE:

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The Ndlambe Municipality defines low level access to water services as that of “RDP Standards”, being a tap supply within 200m radius of all urban consumers, whilst high level access is considered when water supply is available within households.

Low quality standard of water quality is when supply quality does not achieve standards as defined within SANS 241, whereas a high quality standard would be the achievement maintaining of this level of supply. These standards include both quantity and quality of supply. Stringent and regular monitoring of this resource is therefore essential to ensure that these objectives are achieved. Reporting and process control are regulated by the Department Water Affairs.

It is a well known fact that the reliability of the yields and the quality of the water from the respective water sources is in general inadequate. Furthermore the capacity of the bulk infrastructure is in general inadequate especially during peak holiday seasons when holiday makers flock to the coastal resort town and the demand for municipal water supply cannot be met. This results in many of the households in the area augmenting the Municipal supplies by establishing private rainwater harvesting facilities.

Water quality is monitored within standards and guidelines established by the regulator, the Department of Water Affairs. Water samples are taken on a planned basis and all results are submitted independently to the regulator via the Directorate Community and Protection Services. Water quality is compromised by the source and treatment has been effective and within the determined guidelines. This does not mean that improvements are not being considered, as training, development and control are continuous.

2.1.3 ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN WATER SERVICE:

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Numbers of HH/customers reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	18913	500	110	98	89%
2	Percentage of indigent households with access to free basic potable water	8385	3000	500	500	17%
3	Percentage of clinics with access to potable water	8	0	0	0	0
4	Percentage of schools with access to potable water	18	0	0	0	0
5	Percentage of households using buckets	Nil	0	0	0	0

2.1.4 MAJOR CHALLENGES IN WATER SERVICES AND REMEDIAL ACTIONS:

The Municipality is committed to improving water service provision in its region despite the recent water service challenges, which include the following:

- Insufficient supply quantity to meet the growing demand
- Aged infrastructure operating within extreme environmental conditions
- Source quality, where the main phenomena affecting the quality of the water in the region is the materialization (or salination) of the water in the main catchments due to the geology (marine origin) of the area.
- Massive peaks in demand, due to the transient nature of this consumer base.

It is the intention of the municipality to achieve and sustain “Blue Drop Status” within water services provision. Ndlambe Municipality has, as a result of the above, identified a need for the development of an Infrastructure Master Plan for water services (water and sanitation). Funding has been allocated to the NM by the Development Bank of South Africa (DBSA). The objective of the project is to develop a water service infrastructure master plan with associated as built drawings of the existing infrastructure.

The information contained in the plan is to be captured on the TGIS system to enable the NM to have a tool to assess and control the development of the municipality in terms of water services. The master plan will also be used to guide the NM in its infrastructure expansion programme. The development of the Water Service Infrastructure Master Plan (IMP) where short, medium and long term proposals are defined will be the final product of the project. Key documents required to ensure the IMP is a relevant and empowering tool for the Ndlambe Municipality are the Integrated Development Plan and the Water Services Development Plan.

Both these documents will provide the developmental frame work for IMP to capture the detail of why, when and how water service infrastructure should be refurbished, upgraded and extended in Ndlambe Municipality. The contract for the development of the water service infrastructure master plan has been awarded and commenced 2009/11/20 and will continue for a period of 39 weeks.

2.2 Electricity services

2.2.1 ELECTRICITY SERVICE DELIVERY STRATEGY AND MAIN ROLE-PLAYERS:

Ndlambe Municipality renders electrical services in the towns of Port Alfred and Alexandria. Eskom supplies electricity in bulk to both components. Port Alfred town has one 11-kilovolt-supply point and Alexandria has one 11-kilovolt-supply point. Eskom supplies electricity to the rural areas outside Ndlambe, also Boknes, Cannon Rocks, Bushmans River, Marselle, Bathurst, Nemato, Alexandria, Ekuphumleni, Station Hill and Kleinemonde.

Ndlambe Municipality buys electricity in bulk from Eskom and is responsible for the distribution thereof within its approved areas of supply, under license from the National Electricity Regulator. Electricity is taken from Eskom at two intake substations, i.e. Port Alfred and Alexandria, and redistributed to the end consumer through a series of cables, lines and substations.

The directorate is responsible, and employs a service provider, namely, Manelec Services (Pty) Ltd, for:

- The construction and maintenance of the distribution network as well as providing new infrastructure to ensure a reliable and affordable supply of electricity to all;
- The effective management of revenue by ensuring all electricity supplied is billed for and reducing losses in order to cover operating and capital expenses;
- The provision of a reliable and acceptable level of public lighting to improve the safety and living standards of residents, including street and public lighting for Boknes, Cannon Rocks, Bushmans River, Marselle, Bathurst, Nemato, Alexandria, Ekuphumleni, Station Hill and Kleinemonde

The challenge is streetlights backlog in the areas (mostly Townships) that were under Eskom but the Municipality is dealing with that.

2.2.2 LEVEL AND STANDARDS IN ELECTRICITY SERVICES:

The distribution and reticulation areas excluding provision of electricity by Eskom covers Port Alfred and Alexandria. Every consumer in the low and high areas has got access to electricity. The electrical supply to Port Alfred is of a high standard. The electrical supply to Alexandria, inclusive of Wentzel Park, needs upgrading

2.2.3 ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN ELECTRICITY SERVICES:

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of NH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	18913	nil	nil	nil	nil
2	Percentage of indigent households with access to basic electricity services	120	5000	509	0	0

3	Percentage of indigent households with access to free alternative energy sources	Nil	Nil	Nil	Nil	Nil
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2.2.4 MAJOR CHALLENGES IN ELECTRICITY SERVICES AND REMEDIAL ACTIONS

In Port Alfred we still have numerous medium voltage feeders which were laid approximately 80-90 years ago and which have now become inadequate to carry the required load and therefore require upgrading. The problem is not purely overload but it also prevents us from closing rings which, as we are aware, is good practice.

Due to a lack of funds we have not been able to upgrade these cables, which are now practically redundant. Alexandria is also at the stage where all MV cabling needs upgrading and although the expansion of the town is not excessive, this needs to be looked at in the near future. Funding should be prioritized to cater for the increasing loads.

2.3 Sanitation

2.3.1 SANITATION SERVICES DELIVERY STRATEGY AND THE MAIN ROLE-PLAYERS:

Ndlambe Municipality operates and maintains all sewerage systems within both Water Services Authority and Water Services Provider functions. Water-borne sewerage is available to the majority of households.

There are five (5) waste water treatment works being fed from water-borne sewerage systems which service the following communities:

- 1 Wentzel Park, Alexandria and Kwanonqobela
- 2 Marselle and Harmony Park
- 3 Ekuphumleni
- 4 Port Alfred and Nemato
- 5 Nolukhanyo

However, the following communities still rely on septic tank / soakaway systems or conservancy tanks:

- 1 Cannon Rocks
- 2 Boknes
- 3 Boesmansriviermond
- 4 Riversbend
- 5 Kenton-On-Sea
- 6 Seafield
- 7 Bathurst
- 8 Port Alfred and Nelson Mandela Township

These households are serviced by a fleet of sanitation tankers, several of which are well beyond their expected operating lifespan. Financial constraints dictate that Ndlambe must make do with this fleet.

It is the objective of Council to achieve and sustain “Green Drop” status throughout all of Ndlambe. This quality and service goal is being achieved by improving discharge water quality.

2.3.2 LEVEL AND STANDARDS IN SANITATION SERVICES:

The Ndlambe Municipality Council has determined that water-borne sewerage be the minimum level of service to the consumer base. This decision, although well intended, places tremendous strain on the available water resources.

2.3.3 ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN SANITATION SERVICES:

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	18913	9779	1200	1200	100%
2	Percentage of indigent households with access to free basic sanitation services	4551	5000	0	0	0

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
3	Percentage of clinics with access to sanitation services	8	0	0	0	0
4	Percentage of schools with access to sanitation services	18	0	0	0	0

2.3.4 MAJOR CHALLENGES IN SANITATION SERVICES AND REMEDIAL ACTIONS:

Low-cost housing projects, as implemented by Dept Housing and Local Government, do not prioritise quality toilet systems within the allocated grants. These systems are prone to malfunctions and result in leaks and water wastage. This problem is being attended to within water conservation projects but is a frustration to this Water Services Authority.

2.4 Road maintenance

2.4.1 ROAD MAINTENANCE SERVICE DELIVERY STRATEGY AND MAIN ROLE-PLAYERS:

The condition of the road network in Ndlambe is generally poor due to the lack of inadequate or non-existing storm water control, lack of inadequate plant and financial resources and a general shortage of maintenance staff necessary to maintain in excess of 280km of surfaced and gravel roads. The table below indicates the extent of the road network in the various towns within Ndlambe.

In 2004 Ndlambe received a grant from the DBSA and commissioned Consulting Engineers, Stewart Scot Inc. to prepare a Roads Management Programme. The report indicates an amount in excess of R 400 million for capital investment in order to repair/reconstruct the existing surfaced road network and an amount of approximately R10 million per annum for maintenance. With an annual capital budget of R 3.2 million and a maintenance budget of R 2.8 million per annum the municipality is faced with a mammoth task of maintaining the road network.

2.4.2 LEVEL AND STANDARDS IN ROAD MAINTENANCE SERVICE:

The roads are in a poor state due to the fact that they were done years ago, lack of inadequate Plant and financial resources makes it very difficult for the municipality to upgrade the roads. The following table depict the current level and standards of our road network

AREA	SURFACED (m)	GRAVEL (m)
Port Alfred & Nemato	78623	56297
Alexandria, Wentzel Park & Kwanonqubela	19321	22704
Cannon Rocks	5220	7675
Boknesstrand	10177	3072
Boesmansriviermond, Marselle & Harmony Park	21176	14365
Kenton-On-Sea & Ekuphumleni	41335	4552
Bathurst & Nolukhanyo	10579	38835
Seafield	9333	1140
TOTAL	168764	139640

2.4.3 ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN ROAD MAINTENANCE SERVICE:

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	15%	315km	1.5 km	0	0
2	Percentage of road infrastructure requiring upgrade	85%	315	1 km	0	0
3	Percentage of planned new road infrastructure actually constructed	0		0	0	0
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	0		0	0	0

2.4.4 MAJOR CHALLENGES IN ROAD MAINTENANCE SERVICES AND REMEDIAL ACTIONS:

Routine maintenance (day to day pothole repair, repair and unblocking of drains and blading of gravel roads) expenditure recommended by the 2004 Stewart Scott Inc. Road Management Programme for 2004/2005 was R 9.8 million. Escalating this by a conservative 7.5% per annum gives us a figure of R 13.09 for the current year in review. The actual budgeted expenditure was R 9.65 million, a shortfall of 26%. The periodic maintenance (resealing of surfaced roads and regraveling of gravel roads) is recommended to have been in the order of R 2.9 million for the current year in review and in the order of R 19.6 million to date since the recommended implementation of the road management

programme. Due to budgetary constraints this scale of implementation has been impossible. The above figures would have been adequate just to maintain the status quo with regard to the condition of the road transportation network.

The capital expenditure recommended by the same Stewart Scott Inc. Road Management programme is R 24.2 Million for the year under review and to date it is recommended that R 74.21 million should have been invested in new and upgraded infrastructure by now. If we assume an average width of 6m for all roads then a replacement cost of R 2.5 million per km for surfaced roads and R 500 000 per km for gravel roads would not be unrealistic.

Based on these figures, our 172km of surfaced roads and 140km of gravel roads represent an asset on the ground with a replacement value in the order of R 500 million rand. Easily the single most valuable asset owned by the municipality. Given that the average design lifespan of a road is in the order of 10 – 25 years and given that this can be drawn out to 30 – 50 years with adequate and timeous remedial and maintenance actions, it is clear from the above that the single biggest challenge with regards to the road network is to secure adequate funding from internal or external sources to reverse the deterioration of the current network and embark on a realistic upgrading programme for the social and economic benefit of all residents and visitors.

2.5 Waste management

2.5.1 WASTE MANAGEMENT SERVICE DELIVERY STRATEGY AND MAIN ROLE-PLAYERS:

The Municipality currently services approximately 29 000 properties. The waste service delivery of the Ndlambe Municipality is co-ordinated from Port Alfred. A regular waste removal service is provided to all households and businesses within the Municipal area, except to the households in rural areas. The farm areas of the Ndlambe Municipality do not receive a waste removal services. The provision of such a service is at the moment not envisaged as yet by the Municipality. There are also no general waste private contractors active within the municipal area. The only one that operates handles predominantly business and/ or builders / light industrial waste. Most of the households of the 17 105 have a very low income (*Information from Census 2001). There is a draft Integrated Waste Management Plan (IWMP) that was developed in 2007 and has not yet been adopted by Council as one of the sector plans. Its implementation, to a large extent, is dependent on the availability of financial resources.

2.5.2 LEVEL AND STANDARDS IN WASTE MANAGEMENT SERVICES:

The Municipality provides a weekly (1 day per week) waste collection service to all the households in Alexandria, Bushmans/Kenton/Marselle, Bathurst/Kleinemonde and Port Alfred. During December/January holiday periods Kenton-on-Sea and Bushmans River Mouth residents are serviced twice a week – due to historical practice. Throughout the year, Boknesstrand and Cannon Rocks (Mondays and Tuesdays) receive a twice-a-week service, whilst Seafield and the Fish River Cottages also receive a once-a-week service.

In accordance with Council's policy, most businesses in all administrative units receive 2 days per week (or more if required) waste collection service to the businesses (number of businesses unknown) in the Municipal area. Most businesses (including restaurants) in Kenton-on-Sea Main street receive a daily service during December/January holiday periods. The additional municipal collection service rendered by the Municipality in Kenton-on-Sea and Bushmans River Mouth during peak holiday periods is due to the increased influx from home owners, visitors and holidaymakers. This results in the Municipality incurring cost which is not recovered as it doubles and/or multiplies during these periods.

GARDEN REFUSE

The amount of garden waste generated within the municipal area is not exactly known due to the fact that the Municipality has no control over the disposal of garden waste. Waste volumes are also not recorded at the entrance to the various disposal facilities.

Waste records should be kept at the entrances to the waste disposal sites. With proper access control and record keeping at the various waste disposal sites, the exact volumes of garden refuse disposed of can be obtained.

It is however estimated that 24% of the total waste stream represents garden refuse eg. 6490 ton/annum or 24 ton/day.

2.5.3 ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN WASTE MANAGEMENT SERVICE:

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	No Information	No Information	No Info	No Information	No Information

2.5.4 MAJOR CHALLENGES IN WASTE MANAGEMENT SERVICES AND REMEDIAL ACTIONS:

ILLEGAL DUMPING

Illegal dumping of waste is common all over the Municipal area. The Municipality has to collect this waste at an unnecessary cost. The Ndlambe Municipality has recognised the need for education of the people regarding this practice. The Municipality has placed several skips at illegal dumping hot spot area, as well as notice boards to try and prevent illegal dumping. The Municipality is also experiencing the dumping of waste by the public along the access roads to the landfill sites, as well as areas on the landfill sites which are not designated for the disposal of waste.

Illegal dumping is also occurring near the Ekuphumleni settlement in a valley leading to the Kariega River and Estuary. Since this area is not ideal for a disposal area, the area should be cleared and the waste taken to a properly established waste disposal site. The Municipality should also place skips in this area, as well as notice boards to try and prevent further illegal dumping in this area once cleaned.

PERSONNEL

The waste service is rendered together with other municipal services in the Municipal area, therefore no organogram for waste management as a stand alone exists in the Municipality. The personnel in Boknes/Cannon Rocks, Bathurst and Seafiel are shared between the Community/Protection and the Infrastructural Development departments and thus they also render infrastructure related functions including water and sanitation, sewerage and

storm water, roads and other general works. The Municipality is experiencing shortages of labour for waste collection; especially in peak holiday seasons, as well as for the proper management of the waste disposal facilities. The vacant positions within the Community/Protection Services section of the Municipality have been removed from the Municipal organogram on instruction of the Council. Posts will have to be created for the additional services that will have to be rendered with new developments and for the proper management of the disposal facilities.

The current personnel system is not effective. Personnel cannot specialise in a specific field of interest and this creates uncertainty in the personnel's abilities. Personnel cannot develop specific skills if they work in other sections as well. It is suggested that the organogram reflects a waste management section and that personnel in that section be utilised for the purpose of waste management only.

EQUIPMENT

The Ndlambe Municipality has a few vehicles that are old and are due for replacement. The vehicles which conditions are indicated as "very poor" are in need of replacement in the near future. The Municipality is responsible for the maintenance of their own vehicles.

Based on the above assessment of the vehicle fleet, the Municipality should compile a vehicle placement plan to ensure that future planning for the replacement of the vehicles is done at the appropriate time. The actions to be taken by the Municipality to address the collection fleet for service delivery and compile a vehicle replacement plan will be addressed in Phase II of the study, ie. compiling the draft IWMP.

LANDFILL SITES

The Ndlambe Municipality has five landfill sites namely Alexandria landfill, Bushmans River Mouth landfill, Kenton-on-Sea landfill, Bathurst landfill and Port Alfred landfill. The Seafeld, Cannon Rocks (2 sites – one used for household refuse and builders rubble and the second used for garden refuse) and Boknes sites are regarded as transfer stations. All the sites are managed by the Municipality. Only the Port Alfred site is permitted/licenced as per the section 20 of the Environmental Conservation Act of 1989

2.6 Housing and town planning

2.6.1 HOUSING AND TOWN PLANNING SERVICE DELIVERY STRATEGY AND MAIN ROLE-PLAYERS:

The strategy in Town Planning is derived from the various Town Planning Scheme Regulations, municipal policies, guide plans like the SDF, Environment Management Framework (EMF), various pieces of legislation relating to land use management, etc.

- The major role players are the Architects who draw building plans, residents with their day-to-day enquiries, Regional and Town Planners and Estate Agents. The State Departments also have a consistent interaction with the Town Planning Section. The Municipality's role is also stipulated in the duties and functions of the Local Authority as found in the Municipal Systems Act, Municipal Structures Act and the Constitution. The Municipality also has a responsibility to conduct its affairs in accordance with the BATHOPELE Principles which can be translated as people first. The corollary of the above is the speedy processing of all the Land Use Planning Applications to avoid unnecessary and protracted litigation against the Municipality.
- To ensure the effective allocation of limited resources to a large pool of potential development interventions.
- To provide a formal and practical method of prioritising housing projects and obtaining political consensus for the implementation thereof
- To ensure more integrated development through bringing together the relevant cross-sectoral role players to co-ordinate their development interventions. Municipality, Department of Housing, NHBC, Contractors, Councillors & the Community
- That the Communities are empowered to constructively engage with the Municipality in identifying and fulfilling their housing needs.
- To provide greater spatial linkages between the spatial development framework and the physical implementation of projects on the ground
- To ensure that there is a definite housing focus for the IDP

2.6.2 LEVEL AND STANDARDS IN HOUSING AND TOWN PLANNING SERVICES:

- The standards of Town Planning services are fairly high given the adverse conditions under which the Town Planning Sections operate. The regulations promulgated in terms of Section 47 of the Land Use Planning Ordinance stipulate time frames/efficiency within which land use application ought to be processed. Our Town Planning Section

has not been found to be processing application in contravention of the regulations. The positive feedback that the Section receives is evidence of the above. The standards are evidenced by the number of resolutions of either council or Executive Committee which, in turn become the way of setting targets.

- Levels and standards in Housing are derived from regulations that are promulgated in terms Housing Act and the principles of the Housing Code

2.6.3 ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN HOUSING AND TOWN PLANNING SERVICES:

The municipality has no Performance Management System in place. It is still being formulated. There are no performance indicators as yet. The performance is being monitored on an *ad hoc* basis.

	Indicator name	Total number of household/ customers	Estimated backlogs	Target set for	Number of HH/ customers	Percentage of
1	Percentage of households living in informal settlements	18%	18%	8%	Nil	Nil
2	Percentage of informal settlements that have been provided with basic services	10%	8%	5%	Nil	Nil
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	60%	40%	25%	Nil	Nil

2.6.4 MAJOR CHALLENGES IN HOUSING AND TOWN PLANNING SERVICES AND REMEDIAL ACTIONS:

- The major challenge is the existence of different Town Planning Scheme Regulations in the area of Ndlambe Municipality. The schemes were inherited by the Ndlambe Municipality during the amalgamation of the five TLC's in 2000. The delays in the enactment of the Land Use Management Bill have prevented the Municipality from amalgamating the various schemes. The Land Use Management Act would have been the enabling piece of legislation for the amalgamation of the schemes. Town and Regional Planners, SETPLAN, in Port Elizabeth have among the projects that will be implemented in 2010, the amalgamation of the schemes.
- Lack of Bulk services is a major challenge for Development in general
- Capacity Building: To ensure that training, skills development and capacity building programmes and courses are provided to enhance the quality housing delivery by providing the necessary training to Municipal officials and Councillors as well as skills training to emerging contractors.
- To eradicate existing shacks / squatter settlements

2.7 Spatial planning

2.7.1 PREPARATION AND APPROVAL PROCESS OF SDF:

The SDF that was approved on 31 August 2006 has, in a way nearly lost credibility because the majority of our residents felt that it did not represent their wishes. There were claims that the public participation process during the approval was not wide enough. The approval of the SDF took place during an in-committee meeting where public participation was excluded. The above state of the affairs will be addressed during the review process in the New Year.

In line with the principles of participatory democracy, transparency and openness in the approval of documents like the SDF are paramount. In line with the Constitution, Local Government: Municipal Systems Act 32 of 2000, Local Government: Municipal Planning and Performance Management Regulations and the Development Facilitation Act 67 of 1995

(legislation that requires the formulation of SDF) as well as the spirit of South Africa approval of SDF in a closed meeting is totally illegitimate.

2.7.2 LAND USE MANAGEMENT:

The Land Use management is done through following various town planning schemes and the relevant legislation. SDF is also a tool for the Land Use Management.

Subdivision	56
Rezoning	34
Consent Use	8
Departure/ROR	34

2.7.3 MAJOR CHALLENGES IN SPATIAL PLANNING SERVICES AND REMEDIAL ACTIONS:

Major challenges are the difficulties in enforcing the Section 7 and 8 Town Planning Scheme Regulations in the municipal area. The delays in the enactment of the Land Use Management Bill have resulted in the difficulties in the consolidation of the various Town Planning Scheme Regulations. Many of the schemes are vague, capable of more than one interpretation and also out dated. We have planned to consolidate the schemes though.

2.8 Indigent policy implementation

2.8.1 PREPARATION AND APPROVAL PROCESS OF THE INDIGENT POLICY:

The Municipality does not have indigent policy but it has been prioritised as part of capacity building projects from DWAF.

2.8.2 IMPLEMENTATION OF THE POLICY:

The indigent register is up to date and is maintained regularly. The indigent policy will be implemented as per what has been approved by council.

2.9 Overall service delivery backlog

Basic service delivery area	30 June 2008			30 June 2009		
	Required	Budgeted	Actual	required	budgeted	Actual
Water backlogs (6KL/month)						
Backlogs to be eliminated (nO. HH not receiving the minimum standard service)	500	0	0	500	0	108
Backlogs to be eliminated (%: total HH identified as backlog/total number of HH in the municipality)	3%	0	0	3%	0	3%
Spending on new infrastructure to eliminate backlogs (R000)	400 000	0	0	0	0	0
Spending on renewal of existing infrastructure to eliminate backlog (R000)	350 000	0	0	0	0	0
Total spending to eliminate backlogs (R000)	750 000	0	0	0	0	0
Spending on maintenance to ensure no new backlogs (R000)	300 000	0	0	0	0	0
Electricity backlogs (30KWH/month)	Nil	NIL	NIL	Nil	Nil	Nil
Backlogs to be eliminated (nO. HH not receiving the minimum standard service)	8381	Nil	Nil	Nil	Nil	Nil
Backlogs to be eliminated (%: total HH identified as backlog/total	44%	nil	nil	nil	nil	nil

NDLAMBE ANNUAL REPORT 2008/2009

Basic service delivery area	30 June 2008			30 June 2009		
	Required	Budgeted	Actual	required	budgeted	Actual
Water backlogs (6KL/month)						
Spending on new infrastructure to eliminate backlogs (R000)	0	0	0	0	0	0
Spending on renewal of existing infrastructure to eliminate backlog (R000)	10mil	0	0	0	0	0
Total spending to eliminate backlogs (R000)	10 mil	0	0	0	0	0
Spending on maintenance to ensure no new backlogs (R000)	8 mil	0	0	0	0	0
Sanitation backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	9779	0	0	0	0	0
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	42%	0	0	0	0	0
Spending on new infrastructure to eliminate backlogs (R000)	12.0 Mil	0	0	0	0	0
Spending on renewal of existing infrastructure to eliminate backlog (R000)	0	0	0	0	0	0
Total spending to eliminate backlogs (R000)	12Mil	0	0	0	0	0

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Basic service delivery area	30 June 2008			30 June 2009		
	Required	Budgeted	Actual	required	budgeted	Actual
Water backlogs (6KL/month)						
no new backlogs (R000)						
Road maintenance backlogs	280km	0	0	0	0	0
Backlogs to be eliminated (nO. HH not receiving the minimum standard service)	0	0	0	0	0	0
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	85%	0	0	0	0	0
Spending on new infrastructure to eliminate backlogs (R000)	0	0	0	0	0	0
Spending on renewal of existing infrastructure to eliminate backlog (R000)	0	0	0	0	0	0
Total spending to eliminate backlogs (R000)	0	0	0	0	0	0
Spending on maintenance to ensure no new backlogs (R000)	1.8 million	0	0	0	0	0
Refuse removal						
Backlogs to be eliminated (nO. HH not receiving the minimum standard service)	No Info	No Info	No Info	No Info	No Info	No Info
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	No Info	No Info	No Info	No Info	No Info	No Info
Spending on new infrastructure to eliminate backlogs (R000)	No Info	No Info	No Info	No Info	No Info	No Info
Spending on renewal of existing infrastructure to eliminate backlog (R000)	No Info	No Info	No Info	No Info	No Info	No Info
Total spending to eliminate backlogs (R000)	No Info	No Info	No Info	No Info	No Info	No Info
Spending on maintenance to ensure no new backlogs (R000)	No Info	No Info	No Info	No Info	No Info	No Info

NDLAMBE ANNUAL REPORT 2008/2009

Basic service delivery area	30 June 2008			30 June 2009		
	Required	Budgeted	Actual	required	budgeted	Actual
Water backlogs (6KL/month)						
Backlogs to be eliminated (nO. HH not receiving the minimum standard service)	7970	0	0	0	0	0
Backlogs to be eliminated (%: total	42%	Nil	Nil	nil	Nil	Nil
HH identified as backlog/total	7970	Nil	Nil	Nil	Nil	Nil
numb of HH in the municipality	18913	0	0	0	0	0
Spending on new infrastructure to	8million	0	0	0	0	0
eliminate backlogs (R000)						
Spending on renewal of existing	0	0	0	0	0	0
infrastructure to eliminate backlog						
(R000)						
Total spending to eliminate	8 million	Nil	Nil	Nil	Nil	Nil

backlogs (R000)	7970	0	0	0	0	0
Spending on maintenance to ensure	0	0	0	0	0	0
no new backlogs (R000)	7970					

Chapter 3: Municipal local economic development framework

3.1 Brief presentation of LED strategy/plan

- Status on developing the LED strategy/plan
With funding from the European Union/Thina Sinako an LED Strategy was formulated and final draft submitted to the municipality in June 2009.
- Setting up a LED unit;
With the appointment of the LED Manager in April 2009 it can now be said that the municipality has set up a fully fledged LED unit with a staff complement focusing on the following areas: Tourism, Agriculture, SMME Development, and Business Information and Support. There is also a critical focus on strategic economic interventions, partnership development and resource mobilisation.
Where there is inadequate LED expertise in-house this is in-sourced through partnerships and relationships. In addition skills development is one of the critical focal areas to ensure that the expertise and skills is developed
- The availability of a LED expertise;
- LED stakeholder forum functionality (number of meetings held);
LED stakeholder forums are functionally based –for agriculture, tourism and for special interventions like Alexandria Revitalisation Program. Also based on specific projects like the Pineapple Beneficiation Project
- Funding opportunities of LED activities (indicative figures on Donors/funders and types of program)
LED Strategy formulation funded by European Union/Thina Sinako to the tune of R687 000; Heritage Tourism Program R200 000 funded by National Heritage; Eco-tourism project at Bathurst Commonage to the tune of R219 000 (grossly insufficient and will thus be used for planning purposes); Chicory project funded to the tune of R500 000; (Chicory

project funded by Social Development for beneficiaries to the tune of R500 000; Essential oils project funded to the tune of R500 000; Essential oils funded by Social Development for beneficiaries to the tune of R500 000; Poultry project funded by Social Development for beneficiaries to the tune of R500 000; Brick making project funded by Social Development for beneficiaries to the tune of R500 000; Vegetable planting project funded by Social Development for beneficiaries to the tune of R250 000; Vegetable planting project funded by National Development Agency for beneficiaries to the tune of R110 000; Disabled craft project R700 000 funded by Dept of Arts and Culture;

3.2 Progress towards achieving the LED key objectives

3.2.1 EXPLOIT COMPARATIVE AND COMPETITIVE ADVANTAGE FOR INDUSTRIAL ACTIVITIES

An in-depth analysis of the local economy was conducted as part of the LED Strategy formulation.

The municipality has favourable competitive advantages which can be listed as follows:

- Strategic location-the municipality is located midway between the only two Industrial Development Zones (IDZ) of the Eastern Cape. It is also located on the main coastal transport route between Cape Town and Durban.
- Tourism-the municipal area boasts scenic natural beauty and is a seaside resort, favourable climatic conditions all year round, a variety of plant and animal life-with all seven biomes available in the region. It boasts an excellent hotel base, numerous holiday homes, the main beaches with a Blue Flag Beach status and several cultural and historic heritage sites
- Land, property and development planning-With national government having legislated a comprehensive land reform program this has favoured previously dispossessed to currently own land to be used for economic development. In addition the favourable land dispensation policy framework has ensured much broader property ownership for more members of the community. However a need has been identified for review of and improvement to the operations of planning, zoning scheme regulations and development control systems that can facilitate property development and regeneration to speed up implementation of land reform and construction program and related economic boom.

- Agriculture and livestock-agricultural land accounts for more than 30% of land. The cultivable land accounts for more than 75 % of this arable land some is used for commons and pastures. Most of the land although scattered it is close to the road network.
- Infrastructure provision and maintenance-Ndlambe is predominantly accessible by road. The municipal area is one of very few in South Africa with almost six rivers running through the area-the towns are supplied by water from water purification plants and reverse osmosis plants. The wastewater system covers most of the municipal region but there is only one wastewater purification plant which is still being tested. Telecommunication services, electricity and water supplies are generally good. Therefore public investment in infrastructure will yield good Returns on Investment
- Education- The municipal area boasts an international hospitality schools and an air school also international. It also boats a developed healthcare system with one of the state of the art provincial hospitals
- Investment promotion and marketing-it has been identified that not much efforts are being made to promote and market the local municipal area as an investment destination of choice. The need for developing and implementing a marketing and promotional strategy of the business investment climate is thus a priority.

Noting that the municipality competes with seaside resorts like Plettenberg Bay, Jeffrey's Bay, Knysna as established tourism brands much vigorous attempts at marketing an promoting investment to the area should therefore be enhanced. In addition as a main dairy producing and agricultural hub the municipality is competing with places like Tsitsikama the need for infrastructure development for agriculture and economic growth can thus not be over-emphasised.

3.2.2 INTENSIFY ENTERPRISE SUPPORT AND BUSINESS DEVELOPMENT

To enhance and support the local business environment the following services can be mentioned:

- Establishment of a fully fledged LED Unit with focused business support and information services;
- In September 2008 a fully fledged Business Information and Support Centre

funded by Umsobomvu Youth Fund was opened to the public-target group being youth of 16-35 years and women of all ages;

- Assistance and support with formulation of Business plans
- Training and capacity building for SMME's in Tourism with support from Tourism Enterprise Program (TEP) and in business management skills including financial management;
- Assistance provided to SMMEs with fund-raising;
- Public Private Partnerships established with various entities and private sector companies and in some instance training institutions like Rhodes and the Nelson Mandela Metropolitan University;

- Public and private partnerships established

- Number of new formal SMME established within the municipality
42 companies assisted with registration across the different sectors The SMMEs were entered on the SMME data-base for possible enterprise support and assistance where necessary

- Number of new employment opportunities through Expanded Public Works Programs and Public and Private Partnerships

Number of jobs vary-for instance in agriculture more than 108 jobs were created

3.3 Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Percentage of LED Budget spent on LED related activities.	100%	100%	100%
2	Number of LED stakeholder forum held	5 incl sector specific forums	100%	100%
3	Percentage of SMME that have benefited from a SMME support programme	20 diverse sectors	20	100%
4	Number of job opportunities created through EPWP	Agriculture-200 Construction-350	108 150	50% 45%
5	Number of job opportunities created through PPP	Planning stage	Planned	Planned

Chapter 4: Municipal financial Viability and Management

4.1 The audited financial statements

Audited financial statements for the financial year ending 30 June 2009 are attached as Annexure 1.2.2

4.2 Budget to actual comparison

COMMUNITY SERVICE

Budgeted Deficit R10 795 316 vs. Actual Deficit R 8 775 619

- The variance was resulted from the unauthorised expenditure made by the departments.
- The revenue collected by the directorates was not realistic based on the budget.
- The directorates spent on the budgeted revenue not taking into account the actual revenue collected.

SUBSIDISED SERVICES

Budgeted Deficit R 9 359 650 vs. Actual Deficit R9 184 820

- The variance was resulted from the unauthorised expenditure made by the departments.
- The subsidised services does not generate income only subsidized a service to the community

ECONOMIC SERVICES

Budgeted Surplus R 9 739 434 vs. Actual Surplus R 6 236 360

- The variance was resulted from the unauthorised expenditure made by the departments.
- The Refuse removal tariffs was not implemented therefore that resulted from revenue not being realistic
- The adjustment budget was not done to adjust the budgeted refuse income.

HOUSING SERVICES

Budgeted Deficit R 106 180 vs. Actual Surplus 12 507 475

- The variance resulted from the equitable share that was not budgeted
- The adjustment budgeted was not done

TRADING SERVICES

Budgeted Surplus R 10 573 568 vs. Actual Surplus R 9 129 439

- The variance was resulted from the unauthorised expenditure made by the departments.
- The revenue collected by the directorates was not realistic based on the budget.
- The directorates spent on the budgeted revenue not taking into account the actual revenue collected

4.3 Grants and transfers' spending

See Annexure 1.2.6

4.4 Meeting of Donors' requirements in respect of conditional grants

1. MSIG has been spent according to the allocation on the activity plan provided by DPLG and there are no variances.
See table above
2. FMG has also been spent according to the conditions from DORA and there are no variances.
3. The MIG variance resulted from the balance of upgrade of bulk water for maintenance and the consultant not made the final claim and the retention monies are still retained.
4. DWAF variances resulted from balances still going to be claimed by the service provider. Allocation amount is lower than the tender amount and the balance of boreholes trappesvalley was used to upgrade the Bathurst water supply.

4.5 Long term contracts entered into by the municipality

Environmental Health

- Service level agreement between NM and CDM for rendering Municipal Health Services.

Primary Health Care

- Service level agreement between NM and The Department of Health for rendering Municipal Primary Health Care Services.

Traffic Services

- Service level agreement between NM and The Provincial Department of Transport for the rendering of services relating to Motor Vehicle Registration Authority (MVRA).

4.6 The Audit committee functionality

The audit committee consisting of three members with Mr Reid of Port Alfred as the chairperson met four times during the year as required by legislation. The audit committee reviewed the readiness of Ndlambe for the audit to be undertaken by the Auditor-General, reviewed the financial statements that were handed to the Auditor-General for auditing, reviewed the report of the Auditor-General and reviewed the annual report before publication. Apart from these areas of focus the following were standard items on the audit committee agenda;

- Top twenty debtors
- Audit action plan
- Minutes of Council meetings
- Minutes of the Mayoral Committee

The Auditor-General and a representative of the internal audit unit of Price Waterhouse Coopers attended all the meetings to provide the audit committee with information needed. From Ndlambe Municipality, the Mayor attended the meetings held in Port Alfred and the Municipal Manager and Chief Finance Officer attended all the meetings to answer any concerns raised by the audit committee

4.7 Arrears in property rates and service charges

Attached as Annexure 1.2.10

4.8 Anti corruption strategy

A formal anti-corruption strategy is still to be developed by Ndlambe Municipality in the 2009/2010 financial year. Policies addressing fraud and whistle blowing have been adopted and are in place at present. A risk assessment of Ndlambe Municipality is to be undertaken after which numerous actions need to be taken. One of the actions is to develop an anti-corruption strategy from the areas identified as risk areas. The strategy will also cover all aspects dealing with staff handling cash and staff procuring goods and services. The supply chain management policy and the code of conduct may also need to be revised to encompass all areas identified in the strategy. At present the officials in the budget and treasury office and the supply chain management office are identifying any possible form of corruption and the Municipal Manager is advised of any incidents identified.

Chapter 5: Good Governance and Public Participation

5.1 Overview of the Executive and Council functions and achievements

During the period under review, Council dealt with matter in the following manner;

- Ward Committees – All aspects impacting on each ward was discussed at the respective ward meetings and the ward committee would, after deliberation on each issue, make recommendations to, in main, the Mayoral Committee or if necessary to Council. Once resolved by either the mayoral Committee or Council, the ward committee should report back to their constituents. Ward committee members consists of all interest groups within a ward and they represent the community within the ward. The ward committees are required to meet eight times in a financial year. During the year under review not all meetings took place due to one or other reason. Lack of quorums were the main contributor.
- Mayoral Committee – Chaired by the Mayor, the Mayoral Committee includes the four portfolio councillors that represent the four directorates. The Mayoral Committee deals with the monthly reports of each directorate, ward committee recommendations and any other matter that need not have Council approval. The Mayoral Committee meets mainly after each round of ward committee meetings but did hold numerous special meetings to deal with pressing matters.
- Council – Council meetings are scheduled for every quarter but during the year under review, numerous special council meetings were called to deal with matter relating to the Municipal Manager, water provision, budgets and integrated development planning.

During the year under review all committees and Council had to deal with pressures brought about by problems relating to service delivery, provision of water to the entire Ndlambe municipality to name a few.

5.2 Public participation and consultation

To enhance and regulate public participation a Public Participation Strategy was formulated and adopted by Council in May 2009

Mayoral Imbizos are held especially during the IDP/budget process for public inputs.

Public hearings and meetings are also held with the public when considering or soliciting inputs on the IDP and also to consider budgets and projects to be implemented in the respective areas.

In addition when there are matters like establishment of an entity provision is made where public hearings were held to consult the community.

Customer satisfaction surveys were held using samples through billing system for rates paying customers as a starting point. In addition as part of Customer Relationship Management (CRM) complaints books are made available at each service point in the various administrative units to solicit customer views.

- Mayoral Imbizos and implementation of issues raised; Mayoral imbizo's were held as part of the IDP process
- Public hearings
- Customer satisfaction surveys

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The Constitution of the Republic of South Africa sets out government's responsibility to provide the public with opportunities to be involved in government decisions that affect their lives. This responsibility is further mirrored in the Local Government Municipal Structures Act and further enhanced in the Local Government Municipal Systems Act.

Through the developmental local government system the elected representatives- councilors /ward councilors have the right to make decisions on behalf of the community and citizens on the assumption that they represent their constituents' interests.

Public participation should take into consideration that it is the citizens of a community that have the clearest and perhaps the most accurate perception of the needs and priorities of their community and should make the decisions themselves.

Citizens should be occasionally consulted to contribute and ensure that their opinions are taken into consideration during decision-making process. This can be achieved when amongst others citizens are provided adequate information to ensure that they make informed choices on both proposals and any service delivery interventions that affect them.

In its efforts to enhance good governance and improve public participation one of the key strengths of the municipality is that it has in place a sound ward committee system. The ward committee system as a public participation instrument is to ensure that citizens and communities are part of every cycle of decisions that may impact their quality of life, their businesses, their future plans. The main philosophy of ward committee system is 'bring communities to the table/discussions/decision-making as early as possible to ensure that strategic partnership between the municipality and the community and thereby build trust for mutual benefit eliminate unnecessary resistance which takes place when communities are suspicious of government programs (primarily when excluded). Whilst the main goal is to deepen democracy, the main objectives of public participation and in the instance of this municipality the ward committee system is:

- To improve decision making
 - Through a transparent fair and inclusive process
 - To create trust and a shared vision

Public participation provides decision-makers with understanding of stakeholders' views and therefore enhances decision making and the shared vision. Wherever taken together these values and principles (transparency, fairness, trust etc.) aim to improve the quality of people's lives.

- To bring about sustainable development;

Sustainable development requires the integration of social, economic and bio-physical factors in decisions and their implementation to ensure that development serves present and future generations. People that are affected by service delivery initiative and any municipal intervention are more likely to stay committed to that initiative if they become involved and have, in return, developed skills and confidence.

Public participation therefore results in stakeholders who have a better understanding of sustainable development-economic growth, social equity and ecological integration.

- To ensure the involvement of citizens in municipal planning;
- To ensure and promote the involvement of citizens and communities in the implementation-
- To ensure that the citizens and communities are involved in the sharing of benefits-municipal policies, projects, service delivery etc;
- To ensure that citizens are, amongst others, involved in the evaluation of project implementation (effect & impact), in municipal performance and is also a critical component of good governance;

However the ward committee system needs to be further strengthened and enhanced and of cardinal importance is focused training of ward committee members and critical stakeholders to enhance public participation. In addition the municipality needs to allocate more internal resources and create dedicated internal funding for enhanced public participation. These resources will also be used not only for ward committees but for enhancing stakeholders and different

sectors/segments of the public that will by nature enrich the developmental agenda of the municipality.

Amongst others to improve public participation the following have been identified as critical:

- To internalize and strengthen public participation the need to develop a clearly defined public participation strategy or guidelines for public participation must be developed;
- Increase and improve access to information for the public
- Use of Information and Communication Technology (ICT) wherever possible to improve service delivery, access to information for the public and enhance Government to Citizen interaction;
- Language and communication-easy user friendly language that ALL communities must be able to relate to:
 - Design methods to obtain community input and feedback on municipal decisions and interventions ;
 - Customer and community feedback on service delivery;
- Use of public relations, public announcements, community meetings, media and other tools to ensure that communities are notified (on time)of municipal programs and plans-at all times
- Clearly defined roles and responsibilities-to eliminate duplication and unwarranted tensions whilst enhancing efforts-ward councilors/stakeholders/ward committees/Community Development Workers etc;

It should be acknowledged that the main challenge in interacting with the public is-communicating with a range of stakeholders from wealthy and empowered to the very poor and marginalized. South Africa is a country of great diversity-language, culture, education etc-and all of these add to the challenges of effective participation. The major challenge identified by the municipality is to be able to reach out to all especially the poor, marginalized and the vulnerable who are most dependent on activities of the municipality and of government to protect them and to improve the quality of their lives.

5.3 Ward committees' establishment and functionality

- Members attendance to meetings;

The term of office for the ward committees came to an end and nomination process for ward committees was finalised in January 2009. The attendance at ward committee meetings by both the old ward committees and the new ward committees is excellent at almost 90% members' attendance.

- Availability of minutes of ward meetings;
Ward committee minutes are made available at the next meeting of each ward. These are filed electronically and are archived for record-keeping purposes.

- Written proof of tabling resolutions to Councils;
Ward committees do not resolve on matters but make recommendations to Executive Committee and to Council. The resolutions of both Executive Committee and of Council are readily available both in hard copy and electronic record format.

- Availability of minutes of feedback meetings with communities;

Whilst the schedule of meetings caters for constituency/feedback meetings by ward councillors these are not held. However feedback meetings and consultation sessions are held on various matters including IDP, ward based projects (where applicable) and consultation meetings on key issues affecting communities at a particular time.

- Availability of Ward committee activity reports;

When sessions or activities are held under the auspices of ward committees records of these are held. However these are very few and far in between.

To ensure this takes place it has been identified that further strengthening and enhancing of ward committees is of cardinal importance is focused training of ward committee members and critical stakeholders to enhance public participation. In addition the municipality needs to allocate more internal resources and create dedicated internal funding for enhanced public participation. These resources will also be used not only for ward committees but for enhancing stakeholders and different sectors/segments of the public that will by nature enrich the developmental agenda of the municipality.

Through the developmental local government system the elected representatives- councilors /ward councilors have the right to make decisions on behalf of the community and citizens on the assumption that they represent their constituents' interests.

Public participation should take into consideration that it is the citizens of a community that have the clearest and perhaps the most accurate perception of the needs and priorities of their community and should make the decisions themselves.

Citizens should be occasionally consulted to contribute and ensure that their opinions are taken into consideration during decision-making process. This can be achieved when amongst others citizens are provided adequate information to ensure that they make informed choices on both proposals and any service delivery interventions that affect them.

In its efforts to enhance good governance and improve public participation one of the key strengths of the municipality is that it has in place a sound ward committee system. The ward committee system as a public participation instrument is to ensure that citizens and communities are part of every cycle of decisions that may impact their quality of life, their businesses, their future plans. The main philosophy of ward committee system is 'bring communities to the table/discussions/decision-making as early as possible to ensure that strategic partnership between the municipality and the community and thereby build trust for mutual benefit eliminate unnecessary resistance which takes place when communities are suspicious of government programs (primarily when excluded). Whilst the main goal is to deepen democracy, the main objectives of public participation and in the instance of this municipality the ward committee system is:

- To improve decision making
 - Through a transparent fair and inclusive process
 - To create trust and a shared vision

Public participation provides decision-makers with understanding of stakeholders' views and therefore enhances decision making and the shared vision. Wherever taken together these values and principles (transparency, fairness, trust etc.) aim to improve the quality of people's lives.

- To bring about sustainable development;

Sustainable development requires the integration of social, economic and bio-physical factors in decisions and their implementation to ensure that development serves present and future generations. People that are affected by service delivery initiative and any municipal intervention are more likely to stay committed to that initiative if they become involved and have, in return, developed skills and confidence.

Public participation therefore results in stakeholders who have a better understanding of sustainable development-economic growth, social equity and ecological integration.

- To ensure the involvement of citizens in municipal planning;
- To ensure and promote the involvement of citizens and communities in the implementation-
- To ensure that the citizens and communities are involved in the sharing of benefits-municipal policies, projects, service delivery etc;
- To ensure that citizens are, amongst others, involved in the evaluation of project implementation (effect & impact), in municipal performance and is also a critical component of good governance;

However the ward committee system needs to be further strengthened and enhanced and of cardinal importance is focused training of ward committee members and critical stakeholders to enhance public participation. In addition the municipality needs to allocate more internal resources and create dedicated internal funding for enhanced public participation. These resources will also be used not only for ward committees but for enhancing stakeholders and different sectors/segments of the public that will by nature enrich the developmental agenda of the municipality.

Amongst others to improve public participation the following have been identified as critical:

- To internalize and strengthen public participation the need to develop a clearly defined public participation strategy or guidelines for public participation must be developed;
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- Clearly defined roles and responsibilities-to eliminate duplication and unwarranted tensions whilst enhancing efforts-ward councilors/stakeholders/ward committees/Community Development Workers etc;

It should be acknowledged that the main challenge in interacting with the public is-communicating with a range of stakeholders from wealthy and empowered to the very poor and marginalized. South Africa is a country of great diversity-language, culture, education etc-and all of these add to the challenges of effective participation. The major challenge identified by the municipality is to be

able to reach out to all especially the poor, marginalized and the vulnerable who are most dependent on activities of the municipality and of government to protect them and to improve the quality of their lives.

Part 3: Functional Areas Reporting and Annexure

1.1 Functional Area Service Delivery Reporting

1. GENERAL INFORMATION (POPULATION STATISTICS)

Ndlambe Municipality
GENERAL INFORMATION

Reporting Level	Detail	Total
Overview:		
1	Geography: (per Ndlambe 2007 community survey) Geographical area in square kilometres: 2,000.81km Urbanization rate (%): 67.69 Density (People/km): 16.63	
2	Demography: (per Ndlambe 2007 community survey) Total population (no): 63,122	
3	Indigent population (per Ndlambe 2007 community survey) Indigent population (no): 24, 516 Definition of Indigent: Income of less than R1 881.00 per house hold. #	
4	Total number of votes	
5	Aged breakdown (%): (per Ndlambe 2007 community survey) 0-4 years old- 7.91% 5-19 years old- 27.55% 20-64 years old- 55.99% 65+ - 8.55%	
6	Household income: (per Ndlambe 2007 community survey) R0-R200 – 6.02% R201-R1000 – 23.80% R1001-R25000-25.61% R2501+- 44.57%	

1.2 FINANCE AND ADMINISTRATION FUNCTION'S PERFORMANCE

Function:	Finance and Administration
Sub Function:	Finance

Reporting Level	Detail	Total
Overview:	.Budget and Treasury Office was established in terms of section 80 of the MFMA. It consist of BTO manager reporting directly to the CFO, Senior Accountant, Asset Clerk, Five Interns and the Cleaner reporting to the BTO manager. The functions of the BTO are as follows: Budgeting, Financial Statements & Reporting, Asset Management, Cash Management, Investments, and Insurance.	
Description of the Activity:	<p>The function of finance within the municipality is administered as follows and includes:</p> <p>The function of finance within the municipality is administered as follows and includes:</p> <p><i>Budgeting:</i> <i>BTO's involvement in budgeting starts from the planning, strategising, preparing, tabling, approving, finalising and implementation stage.</i> <i>The planning and strategising stages are done through the political guidance by the Mayor. i.e. review of time table schedule and the previous year's budget process to determine what went wrong, what should be corrected and the way forward. This can be done through internal and external participation.</i> <i>The preparation to the finalising stage of the budget is done by the BTO with the assistance of the Accounting Officer and the co-operation of the other directorates. After the implementation the BTO conducts the in-year monitoring of the budget. The major difficulties we encountered in the budget preparation are the directorates are not adhering to the time table schedule approved by the council. The directorates are not procuring according to their budget.IDP is not aligning to the budget. The directorate does not prepare their departmental SDBIP.</i></p> <p><i>Financial Statements and Reporting:</i> <i>The BTO coordinates the process of preparing the financial statements with the finance management team.</i> <i>The finance management team is required to prepare statements that are in accordance with generally recognised accounting practice (GRAP)</i> <i>The financial Statement are handed over to Auditor General at the 31 August for auditing purposes as required by the S126 (1) b of the MFMA.</i> <i>The BTO prepares the monthly, quarterly, half yearly and yearly reports to Council, National and Provincial Treasury based on the requirements required by the MFMA.</i></p> <p><i>Asset Management:</i> <i>BTO coordinates the verification of assets towards the year end. Controlling the movement, transfers, acquisitions and disposals of Council assets on a daily basis. Report to Council a list of assets to be disposed for approval.</i></p>	

Cash Management:

Prepares a daily cash flow to determine whether the council is in the status to spend from the budget. Informs the directorates if there are cash flow problems.

Investments:

The BTO maintains the quotation register. Identify monies that are transferred to the Council current account and invest monies not immediately required. Prepares the monthly reconciliation, realises and re-invest investments on the due date. Make withdrawals on the investments to the revolving fund, debit the current account with the original money invested and credit the vote provided by a specific director.

Insurance:

The BTO register all the new assets to the insurance company take out the disposed assets from the insurance list. Make insurance claims for the damage or stolen assets. Allocate payments received from the insurance company to the relevant vote. Update insurance claim register.

The problems encountered when implementing the insurance activity are directorates are not informing the BTO of the new acquisitions and stolen assets for insurance additions. Directorates are submitting insufficient information for insurance claims and are not adhering to the terms of the insurance contract. i.e. late submissions

PAYROLL:

SENIOR ACCOUNTANT: MS A. BARKHUIZEN

Administer payment of salaries and allowances. Monthly reconciliation of salaries. Payroll runs on the Friday closest to the 25th of each month where salaries are transferred electronically to staff members bank accounts .Payments made to the Pension Funds, SDL, PAYE and UIF as well as other salary deductions due, are done before the 7th of the following month.

CREDITORS PAYMENTS.

SENIOR CREDITORS CLERK: MS T. AJAH

CREDITOR'S CLERK: MS. T MAMA

Administer payment of creditors. Creditors to be paid within 30 days of invoice date on a monthly basis, statements of creditors reconciled with the orders/requisitions issued.

Direct payments are done on a day to day basis for emergencies ,accommodation ,travelling and temporary wages

STORES:

STOREKEEPER: MS D. RUDMAN

ASS. STORE KEEPER:MR.G TISANI

Execute control over stock/stores -Buying and controlling of stock which includes stationery, petrol and diesel, water meters etc.

The strategic objectives of this function are to:

Compile well balanced, representative and affordable budget informed by the IDP

and available resources.

Compile accurate and reliable financial statements and reporting which reflect the true financial position of Council. An updated (contemporary) financial system of Ndlambe is optimally used by competent staff to achieve an unqualified audit report.

Keep record and the movement of Council assets.

An updated (contemporary) financial system of Ndlambe is optimally used by competent staff to locate, identify and revalue all Municipal Assets.

Ndlambe municipality are able to raise sufficient revenue (internal and external sources) and manage their assets to meet their responsibilities in terms of service delivery incorporating both capital and operational costs.

To secure sound and sustainable cash flow management of the Council.

To secure sound and sustainable investment procedures of the Council.

To ensure all the Council assets as per asset register are insured.

CREDITORS:

To utilise all the functions available on the creditors-abakus system in order to be more effective on directs/creditors payments

The key issues for 2009/10 are:

The in-year monitoring to control the budget.

Engaging of the Mayor and the Accounting officer involvement in the budget in order to achieve a smooth budget process.

To include the SDBIP and PMS in the IPD/Budget process

Striving to produce financial statements that are fully complying with GRAP.

To develop a monthly checklist to correct errors on matters affecting the financial statements before the reporting date

To maintain the asset register on a monthly basis.

Ensuring that the Council asset register complies with GRAP.

Conducting a monthly checklist ensuring the asset register balances with the ledger.

To review the cash management and investment policy in accordance with any framework that may be prescribed in terms of s13 (1) of the MFMA.

Implement authorization and review of the investment decision made of the employee making the investment

To review the fixed asset register to comply with GRAP and ensuring that the fixed assets are at the market value for the insurance purposes.

CREDITORS:

Visit other Municipalities who utilise the abakus system effectively and implement same at Ndlambe.

Abakus support group to programme/update these functions on Ndlambe abakus system

Supply Chain Unit:

During the 2009 Financial Year, the two members of the Unit continued to work under difficult and uncomfortable conditions. The physical size of the office as well as noise levels from the adjacent yard tended to make the smooth operation of the Unit rather difficult. The lack of office and document storage (archive) space are challenges which still need to be addressed.

Although tendering procedures and many other provisions of the Supply Chain Management Policy were adhered to, many deviations, mostly relating to the Informal and Formal Written Quotation provisions, occurred on a regular basis. Management of the Unit was mostly restricted to providing guidance/advice, Supplier Database and Formal Tender (Committee System) matters.

Other challenges were the ability of the SCM Unit to cope with additional duties which were previously performed by the Expenditure section as well as the lack of central co-ordination regarding Supply Chain matters such as bid notice preparation, bid committee minutes and agendas, notice placement and other related issues.

The empowering and obtaining of commitment to the legal parameters of the Supply Chain Management process in terms of the Municipal Finance Management Act remains the biggest challenge facing both the Unit and Municipality as a whole. During the course of the 2009 audit, many issues were identified and the standard of operation of the Unit was unsatisfactory.

Regarding legislation, the Municipal Asset Transfer Regulations, 2008, took effect on 1 September 2008. These regulations, which contain stringent procedures and requirements relating to the disposal of municipal assets, need to be incorporated or referenced into the Supply Chain Management Policy.

Although not within the 2009 financial year, Draft Preferential Procurement Regulations were issued in August 2009, which, once effective, will also have a considerable impact on the Supply Chain Management Policy in that the Preferences Management section of the policy will need to be revised.

It is suggested that workshops be convened at the highest level to:

1. Address and finalise systems, procedures, accountabilities, education and empowerment issues relating to Supply Chain matters. It is vital that the Municipality complies with all relevant provisions of the Municipal Finance Management Act.
2. Review the Supply Chain Management Policy, with particular reference to new legislation and regulations.
3. There is also a need to refine the Policy to take account of matters relating to the specific situation in the Ndlambe Municipality's area of jurisdiction, particularly the methods used to equitably distribute certain categories of procurements.

Analysis of the Function:			
1	Debtor billings: number and value of monthly billings: <i>See Annexure 1.2.7</i>		
2	Debtor collections: value of amount received and interest: <i>See Annexure 1.2.8</i>		
3	Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days: <i>See Annexure 1.2.9</i>		
4	Write off of debts: number and value of debts written off: <i>See Annexure 1.2.10</i>		
5	Property rates (Residential): <i>See Annexure 1.2.11</i>		
6	Property rates (Commercial): <i>See Annexure 1.2.11</i>		
7	Creditor Payments: 1.ESKOM 2.MANELEC 3.ALBANY WATER BOARD 4.COMBINED SYSTEMS 5.IBHAYI FUEL DISTRIBUTORS	1143846.10 726255.37 299811.92 243854.73 179504.10	30 30 30 30 30
8	Credit Rating: Ndlambe has never received a credit rating.		
9	External Loans: <i>DBSA is the only external loan Ndlambe had for 2008/2009. DBSA loan repayments due September and March. No new loans received. Balance at 30/06/2009 Received- payment of part of previous year Paid during the year Interest adjustment Balance as @ 30/06/2009</i>	<i>R (000s)</i> <i><received></i> 29523222 10000000 178034 37966510	<i>R (000s)</i> <i><paid></i> 1734746

1.3 COMMUNITY AND SOCIAL SERVICES FUNCTION'S PERFORMANCE

Function: Community and Social Services		Sub Function: All inclusive	
Reporting Level	Detail	Total	
Overview:			
Description of the Activity:	<p>The function of provision of various community and social services within the municipality is administered as follows and includes:</p> <p><i>Environmental Conservation, Primary Health Care (PHC), Fire & Emergency Services, Environmental Health Services, Parks, Recreation & Cemeteries, Cleansing</i></p> <p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p><i>Environmental Conservation, Primary Health Care (PHC), Fire & Emergency Services, Environmental Health Services, Parks, Recreation & Cemeteries, Cleansing</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Provision of and maintenance of cemeteries, parks & other recreational facilities</i></p> <p>The key issues for 200X/0Y are:</p> <p><i>Maintenance of verges and repairs to fences of cemeteries</i></p>		
Analysis of the Function:	<p>1</p> <p><i>Nature and extent of facilities provided:</i></p> <ul style="list-style-type: none"> - Cemeteries and crematoriums - Cemeteries and crematoriums - Parks 	<p>no of facilities: 16</p> <p>63 shared</p> <p>63 shared</p>	<p>no of users: 16</p> <p>726 437</p> <p>726 437</p>
Key Performance Area		Current	Target
<ul style="list-style-type: none"> • Approved HIV/AIDS strategy; • Approved Disaster management policy frameworks and plans (Metro and DM) 	<p><i>There is currently no HIV and AIDS Strategy. An HIV and AIDS Coordinator was appointed on 1 August 2009 and an Stratey-formulation session is schedueled in the 2009/10 period</i></p> <p><i>Disaster Management framework applicable for the district municipality</i></p>		

1.4 HOUSING FUNCTION'S PERFORMANCE

Function:	Housing
Sub Function:	N/A

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with provision of housing		
Description of the Activity:	<p>The function of provision of housing within the municipality is administered as follows and includes:</p> <ul style="list-style-type: none"> • <i>The Municipality has to identify suitable land for Low Cost Housing</i> • <i>Submission of Applications for Housing Projects to the Department of Housing</i> • <i>The Administration of Beneficiary Lists</i> <p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p><i>Implement the projects</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Implement the projects for people to have shelter</i></p> <p>The key issues for 2009/10 are:</p> <ul style="list-style-type: none"> • <i>Bulk Water</i> • <i>Eradication of Squatter areas</i> • <i>Identification of land for Kenton on Sea community</i> <p><i>Identification of Land for Kenton-on-Sea Community</i></p>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		R (000s)
1	- Office (Clerical/Administration)	7	1509294
2	Number and total value of housing projects planned and current:		R (000s)
	- Current (financial year after year reported on)	9	2650525

	- Planned (future years) Note: provide total project and project value as per initial or revised budget	5	
3	Total type, number and value of housing provided: <i>RDP</i>	277	<i>R (000s)</i> 8000 000
	Note: total number and total value of housing provided during financial year		
4	Estimated backlog in number of (and costs to build) housing: <list details by type of dwelling, see below>	7970	<i>R (000s)</i> <cost>
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
5	Type of habitat breakdown: - number of people living in an informal dwelling or shack	10 000	
Reporting Level	Detail	Total	
6	Type and number of grants and subsidies received: <list each grant or subsidy separately>	277	<i>R (000s)</i> 8000000
	Note: total value of specific housing grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
7	Total operating cost of housing function		<i>R (000s)</i>

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<List at least five key performance areas relative to the above function as articulated in the 200X/0Y budget here>	<p>< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.</p> <ol style="list-style-type: none"> 1. ACHIEVED 277 NEW STRUCTURES WITH SERVICES 2. ABLE TO PUT SERVICES ON 277 3. The planned was 1188 <p>That planned could not be achieved because of bulk services.</p>		

1.5 WASTE MANAGEMENT FUNCTION'S PERFORMANCE

Function:	Waste Management
Sub Function:	Solid Waste

Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal, landfill management, street cleaning, maintenance of public ablution facilities and recycling		
Description of the Activity:	<p>The refuse collection functions of the municipality are administered as follows and include:</p> <p><i>Promoting waste minimisation, RRR of waste, collection, transportation, disposal, landfilling and facilitating & encouragement of involvement in recycling initiatives in its area of jurisdiction. This also entails the operation of all disposal sites.</i></p> <p>These services extend to include <i>general and non-hazardous waste</i>, but do not take account of <i>hazardous waste</i> which resides within the jurisdiction of provincial government or the private sector. The municipality has a mandate to:</p> <p><i>Collect, transport, dispose and landfilling of general household and non-hazardous waste</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Provide a healthy and clean environment to all residents by having an efficient and effective solid waste management service.</i></p> <p><i>The key issues for 200X/0Y are:</i></p> <p><i>Collection & transportation of waste, street sweeping and maintenance of waste disposal sites and public ablution facilities</i></p>		
Analysis of the Function:	<Provide statistical information on (as a minimum):->		
1	<p><i>Number and cost to employer of all personnel associated with refuse removal:</i></p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract 	<p>1 shared</p> <p>7/5 shared</p> <p>1 shared</p> <p>81/27 shar</p> <p>100</p> <p>1</p>	<p>R (000s)</p> <p><cost></p> <p><cost></p> <p><cost></p> <p>1 622 170</p> <p><cost></p> <p><cost></p>
2	<p><i>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</i></p> <p><i>Number of households receiving regular refuse removal services, and frequency and cost of service:</i></p> <ul style="list-style-type: none"> - Removed by municipality at least once a week - Removed by municipality less often - Communal refuse dump used 	<p>75%</p> <p>15%</p> <p>unknown</p>	<p>R (000s)</p> <p><cost></p> <p><cost></p> <p><cost></p>

3	- Own refuse dump - No rubbish disposal <i>Note: if other intervals of services are available, please provide details</i> <i>Total and projected tonnage of all refuse disposed:</i> - Domestic/Commercial	unknown 15%	
	- Garden	36700 T est	45 875T (est. @ 25% incr)
4	<i>Note: provide total tonnage for current and future years activity</i> <i>Total number, capacity and life expectancy of refuse disposal sites:</i> - Domestic/Commercial (number)	8 800 T (est.)	11 010T (est. @18%incr)
	- Garden (number)	7 landfill sites	8 years (Ave.)
	<i>Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period</i>	2 (Kenton & Cannon Rocks)	Zero (0) years
Reporting Level	Detail	Total	
5	Anticipated expansion of refuse removal service: - Domestic/Commercial - Garden <i>Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality</i>	<i>Undetermined</i>	<i>R (000s)</i>
		<i>Undetermined</i>	<i><cost></i>
6	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household) <i>Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.</i>	<i>18 000HH (est)</i>	
		<i><value></i>	
7	Total operating cost of solid waste management function		<i>5 704 184</i>

1.6 WASTE WATER MANAGEMENT

Function:	Waste Water Management
Sub Function:	Sewerage etc

Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities		
Description of the Activity:	<p>The sewerage functions of the municipality are administered as follows and include:</p> <p>The provision of sewerage services excluding reticulation infrastructure includes a large proportion of the households in Ndlambe. Water-borne sanitation services are not available to several communities, who rely on conservancy tanks and septic tank sewerage systems. Ndlambe provides the service for the removal of sewerage using a fleet of sanitation vacuum tankers. These vehicles and their operational staff are under continuous pressure to deliver services. Breakdowns, due to an aged fleet, create backlogs and a dissatisfied consumer base.</p> <p>All municipal toilet facilities, change rooms and other ablution facilities not connected to water-borne sewerage pipes are serviced by this fleet.</p> <p>Blockages are also attended to, often resulting from the inappropriate utilisation of the service.</p> <p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government.</p> <p>The municipality has a mandate to:</p> <p>Six urban regions are administered by Infrastructural Development as integral areas of performance. There are varying levels of service which are provided, dependent on the available infrastructure. Present key performance areas include the operational and maintenance responsibilities of waste water systems. As with all systems, regular maintenance and refurbishment is essential for the smooth running of such system.</p> <p>Financial, logistical and numerous other constraints have created a situation where critical refurbishment and essential maintenance of these systems is beyond urgent. The Ndlambe Municipality is presently facing legal and other proceedings due to it's inability to comply with legislated requirements brought about by deteriorating sanitation infrastructure, desperately in need of some or other attention, be it refurbishment,</p>		

	<p>replacement or improvement. These services extend to include all key areas relating to waste water management and waste water disposal. The municipality, acting as a legislated Water Authority, has a mandate to provide a clean and healthy environment for all residing within it's area of jurisdiction. It is governed by various acts of parliament which dictate the regulations and operational methodology undertaken. Key performance areas include the management and operational competence of this essential service. The strategic objectives of this function are to: The strategic objectives of this function are to comply with legislation, including the Water Act, the Municipal Services Act and other key performance areas. These functions are established and regulated by Dept Water Affairs, who insists that monitoring and performance measurement are always considered. The key issues for 2009/10 are: that the fleet servicing this essential service is old that the footprint is ever-expanding, placing load on the existing infrastructure and associated Works lack of budget to address the issues compliance with standards and guidelines</p>		
Analysis of the Function:	<Provide statistical information on (as a minimum):->		
1	Number and cost to employer of all personnel associated with sewerage functions: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	3 5 2 38	R (000s) 888 000 446 106 <cost> 1 124296
2	Number of households with sewerage services, and type and cost of service: - Flush toilet (connected to sewerage system) - Flush toilet (with septic tank) - Pit latrine without ventilation Note: if other types of services are available, please provide details Conservancy Sanitation VIP Small bore	3371 2446 840 5195 3785 3276	R (000s) <cost> <cost> <cost>

1.7 ROAD MAINTENANCE'S FUNCTION'S PERFORMANCE

Function:	Road Transport
Sub Function:	Roads

Reporting Level	Detail	Total	Cost
Overview:	Construction and maintenance of roads within the municipality's jurisdiction		
Description of the Activity:	<p>The road maintenance and construction responsibilities of the municipality are administered as follows and include:</p> <p><u>Port Alfred, Bathurst & Seafield:</u> <u>Port Alfred/ Nemato:</u> 1 x Roads & General Works Superintendant assisted by 2 x Foremen, 2 x road maintenance teams, 1 x storm water and general works maintenance team and 1 x heavy plant team (1 x grader, 1 x roller, 1 x front end loader, 1 x water truck & 1 x 10 ton tip truck). These personnel are specifically dedicated to road and storm water full time for the above area (71.1 km surfaced & 46.8 km gravel roads) but also assist in other areas as necessary. <u>Bathurst/Nolukhanyo:</u> 1 x Foreman with a works team not specifically dedicated to roads and storm water (9.6 km surfaced & 38.8 km gravel). <u>Seafield:</u> 1 x Supervisor with a works team not specifically dedicated to roads and storm water (9.3 km surfaced & 1.8 km gravel).</p> <p><u>(Kenton/Bushmans, Alexandria and Cannon Rocks/Bokness):</u> <u>Kenton/Bushmans:</u> 1 x Foreman with a works team not specifically dedicated to roads and storm water (30.8 km surfaced and 39.9 km gravel). <u>Alexandria:</u> 1 x Superintendant with a works team not specifically dedicated to roads and storm water (17.6 km surfaced and 22.7 km gravel). <u>Cannon Rocks/Bokness:</u> 1 x Supervisor not specifically dedicated to roads & storm water (15.5 km surfaced & 10.5 km gravel).</p> <p>It is the function of these teams to maintain all surfaced and gravel roads in a reasonable state of repairs, as well as upgrade and rehabilitate the existing road network and related storm water structures utilizing the maintenance and capital budget as well as funding from outside sources. These services do not extend to include the rural grave roads or the R 72 or R 67 which resides within the jurisdiction of the provincial government.</p>		

	<p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p>The municipality has a mandate to upgrade existing road surfaces and appurtenant storm water structures to appropriate standards in accordance with the growth of traffic volumes.</p> <p>The strategic objectives of this function are to:</p> <p>The main objective of the transportation policy is to provide a safe and efficient road network system, built to appropriate standards so as to optimize the accessibility of services and facilities for local communities, improve transport efficiency for economic activities and allow tourist access to the region's assets.</p> <p>The key issues for 2009/10 are:</p> <p>The key issues for 2010/2011 is to supplement the existing municipal budgets by securing grant funding from outside sources so as to make some sort of realistic inroads into the required R 300 Million Capital expenditure and the R 10 million annual maintenance expenditure (Stewart Scott Inc. 2004).</p>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	<p>Number and cost to employer of all personnel associated with road maintenance and construction:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>	<p><total></p> <p>3</p> <p><total></p> <p>55</p> <p><total></p> <p><total></p>	<p>R (000s)</p> <p><cost></p> <p>350 000</p> <p><cost></p> <p>2 321736</p> <p><cost></p> <p><cost></p>
2	<p>Estimated backlog in number of roads, showing kilometres and capital cost</p> <ul style="list-style-type: none"> - Tar - Gravel 	<p>140</p> <p>172</p>	<p>R (000s)</p> <p>74000000</p>
Reporting Level	<p>Detail</p> <p>Note: total number should appear in IDP, and cost in future budgeted road construction programme</p>	Total	Cost
3	<p>Type and number of grants and subsidies received: <list each grant or subsidy separately></p> <p>Note: total value of specific road grants actually received during year to be recorded over the five quarters - Apr to Jun this year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.</p>	1	<p>R (000s)</p> <p>1800000</p>

1.8 WATER DISTRIBUTION FUNCTION'S PERFORMANCE

Function:	Water
Sub Function:	Water Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of water		
Description of the Activity:	<p>The water purchase and distribution functions of the municipality are administered as follows and include:</p> <p>Ndlambe Municipality was appointed by legislation and within the Water Services Act as the Water Services Authority for the area. The designation of Water Services Authority has been gazetted. In addition, and due to the nature of the situation when this occurred, this appointment also included providing various levels of water services to the consumer base within Ndlambe Local Municipality, as the Water Services Provider. However, within this scenario, bulk water, either processed or raw, are supplied to 3 water supply systems. These include bulk supply from the Albany Coast Water Board, and from 2 local farmers, who's dams are utilised as source water.</p> <p>Present key performance areas include the operational and maintenance responsibilities of various water systems. As with all systems, regular maintenance and refurbishment is essential for the smooth running of such system. Financial, logistical and numerous other constraints have created a situation where critical refurbishment and essential maintenance of these systems is beyond urgent.</p> <p><i>These services extend to include <function/area>, but do not take account of <function/area> which sits within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</i></p> <p><i><List here></i></p> <p><i>The strategic objectives of this function are to:</i></p> <p>Supply and maintain water services in a sustainable and affordable manner, which conforms to the standards and guidelines as determined by the regulator, being the Dept Water Affairs.</p> <p><i>The key issues for 2009/10 are:</i></p> <p>Expanding consumer base Ageing infrastructure Seasonal peaks of demand which exceed supply capacity Restricted budget Unqualified operators</p>		

1.9 ELECTRICITY DISTRIBUTION FUNCTION'S PERFORMANCE

Function:	Electricity
Sub Function:	Electricity Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of electricity		
Description of the Activity:	<p>The electricity purchase and distribution functions of the municipality are administered as follows and include:</p> <p>Ndlambe Municipality renders electrical services in the towns of Port Alfred and Alexandria. Eskom supplies electricity in bulk to both components. Port Alfred town has one 11-kilovolt-supply point and Alexandria has one 11-kilovolt-supply point. Eskom supplies electricity to the rural areas outside Ndlambe, also Boknes, Cannon Rocks, Bushmans River, Marselle, Bathurst, Nemato, Alexandria, Ekuphumleni, Station Hill and Kleinemonde</p> <p>These services extend to include <i><function/area></i>, but do not take account of <i><function/area></i> which resides within the jurisdiction of <i><national/provincial/other private sector></i> government. The municipality has a mandate to:</p> <p><i>To provide reliable electricity to each and every consumer within its area of supply</i></p> <p>The strategic objectives of this function are to:</p> <p><i>To render a consistent quality electrical supply</i></p> <p>The key issues for 2009/10 are:</p> <p><i>The upgrading of the MV and LV supplies.</i></p>		
Analysis of the Function:	<p><i><Provide statistical information on (as a minimum):></i></p>		
1	<p>Number and cost to employer of all personnel associated with the electricity distribution function:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.</p>	<p>1</p> <p>2</p> <p>2</p> <p>4</p> <p>0</p> <p>12</p>	<p>R (000s)</p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p>
2	<i>Total year-to-date electricity losses in kilowatt hours and rand</i>	2.6 mil kwh	R (000s)

	<i><detail total></i>	<i><volume></i>	<i><cost></i>
3	<i>Number and cost of new connections:</i>		<i>R (000s)</i>
	<i><detail total></i>	32	<i><cost></i>
4	<i>Number and cost of disconnections and reconnections</i>		<i>R (000s)</i>
	<i><detail total></i>	270	<i><cost></i>
5	<i>Number and total value of electrification projects planned and current:</i>		<i>R (000s)</i>
	<i>- Current (financial year after year reported on) 3 year DME project valued at 35 million</i>	1	<i><cost></i>

1.2 Annexure

1.2.1 SENIOR OFFICIALS' WAGES AND BENEFITS

SECTION 57 EMPLOYEES SALARY PACKAGES – JULY 2008 TO JUNE 2009

	<u>SALARY</u>	<u>BOND</u>	<u>TRANSPORT</u>	<u>TELEPHONE</u>	<u>COMPUTER</u>	<u>13 CHEQUE</u>	<u>UIF</u>	<u>PENSION</u>	<u>MEDICAL AID</u>	<u>GROUP LIFE</u>	<u>MEDICAL INSURANCE</u>	<u>INDUSTRIAL LEVY</u>
<u>MUNICIPAL MANAGER</u>	404 810		143 587	12 234	5 075	36 817	1 373	72 865	11 709	6 437		38
<u>DIRECTOR: CORPORATE SERVICES</u>	462 888	6 693	151 639	13 386	5 360	31 894	1 497			7 360		41
<u>DIRECTOR: FINANCIAL MANAGEMENT</u>	417 183	6 914	153 314	13 386	5 360	34 734	1 497	75 093	26 859	6 633		41
<u>DIRECTOR: COMMUNITY SERVICES</u>	414 488	6 914	156 641	13 386	5 360	34 609	1 497	74 679	15 749	6 597		41
<u>DIRECTOR: INFRASTRUCTURE</u>	416 344	6 914	156 641	13 386	5 360	34 666	1 497	74 942	26 859	6 619	429	41
<u>TOTAL</u>	2 116 108	27 435	761 822	65 778	26 515	172 720	7 361	297 579	81 176	33 646	429	202

SALARY	2 116 108
BOND	27 435
TRANSPORT	761 822
TELEPHONE	65 778
COMPUTER	26 515
13TH CHEQUE	172 720
UIF	7 361
PENSION	297 579
MEDICAL AID	81 176
GROUP LIFE	33 646
MEDICAL INSURANCE	429
INDUSTRIAL LEVY	202
	<u>35 907 71</u>

1.2.2 ANNUAL FINANCIAL STATEMENTS OF NDLAMBE MUNICIPALITY FOR THE FINANCIAL YEAR ENDING 30 JUNE 2009

1.2.3 REPORT OF THE AUDITOR-GENERAL ON THE ANNUAL FINANCIAL STATEMENTS OF NDLAMBE MUNICIPALITY FOR THE FINANCIAL YEAR ENDING 30 JUNE 2009

1.2.4 MANAGEMENT RESPONSES TO THE ISSUES RAISED IN THE REPORT OF THE AUDITOR-GENERAL.

<p><u>ISSUES RAISED B THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE NDLAMBE MUNICIPALITY FOR THE FINANCIAL YEAR ENDING 30 JUNE 2009</u></p>	<p><u>NDLAMBE MUNICIPALITY RESPONSES TO THE ISSUES RAISED BY THE AUDITOR-GENERAL</u></p>
<p>The municipality, which operates landfill sites, has an obligation in terms of section 28 of the National Environment Management Act, 1998 (Act No. 107 of 1998) to restore such sites. The municipality did not assess the remaining useful life of landfill sites. Detailed records of the capacity of landfill sites were not maintained by the municipality's engineers.</p>	<p>The draft Integrated Waste Management Plan (IWMP, 2007) does identify estimated lifespan of all sites (copy is available on request). For the past few years, Council's Capital Budget has not catered for the implementation of the, particularly those aspects that required capital investment, despite submissions to consider same.</p>
<p>A provision for the rehabilitation of landfill sites was not raised in the financial statements. Due to the specialist nature of such a provision and lack of appropriate records, I was unable to determine the extent of the misstatement.</p>	<p>A tariff for the usage of refuse sites will be fully implemented in the 2010/ 2011 period. This tariff could not be implemented in time in the current period due to various circumstances. Also, an environmental levy has been introduced in the 2009/ 2010 period to address some of the existing challenges on some of the disposal sites.</p>
<p>In terms of the entity-specific basis of accounting the municipality is required to provide for amounts included in debtors which are considered to be irrecoverable and to adjust such provision annually. The municipality did not have a doubtful debt provision policy which enabled it to identify all such potential doubtful debts. In addition, no evidence could be provided in support of the quantification or adequacy of the doubtful debt provision amounting to 825.9 million as reported in note 10 to the financial statements.</p>	<p>We are currently in consultation with the IT department to restructure our debtors report such that the report is broken down by debtor category, ie Government, Business/Commercial, indigents etc. The detailed report will enable us to identify which debtors are still recoverable. Once the report has been restructured, the doubtful debts policy will be amended to reflect how the doubtful debts provision is calculated. The amended policy will be forwarded to the Council for Approval.</p>
<p>An analysis of the debtors ageing revealed debtors totalling R38.8 million as outstanding for a period exceeding 90 days. Debtors are therefore considered to be overstated by an estimated amount of R12.9 million.</p>	<p>The overstatement of debtors will be addressed by implementing the above proposal.</p>

<p>Approximately R8.3 million of the underlying investments for the funds and reserves balances reported in note 1 to the financial statements was borrowed to fund the operations of the municipality. Should these amounts not be repaid timeously, the completion of capital projects may be delayed.</p>	<p>Investments had to be used to ensure that the municipality could continue functioning on a day to day basis. Due to the investments been used no capital budget was approved from internal funding for the 2009/2010 financial year. It is up to each director to ensure that funds are not wasted and that only essential items are purchased until we are able to build up our reserves again</p>
<p>The municipality does not have permits for all landfill sites. As required by section 20(1)(a) of the Environment Conservation Act, which requires that no person shall establish, provide or operate any disposal site without a permit issued by the Minister of Water Affairs.</p>	<p>Through a nationwide capacity-building program initiated by the Department of Water and Environmental Affairs (DWEA), Ndlambe is among municipalities that are currently being assisted to, firstly, license all 5 unlicensed "transfer stations" and thereafter, licensing of the remaining 3 disposal sites.</p>
<p>An adequate and complete register of assets was not maintained by the municipality as required by section 63.(2)(c).</p>	<p>I cannot dispute this fact and it is going to take time and money to get all infrastructural assets valued and identified to be included in the asset register. We have applied to National Treasury for the two year exemption to get this done.</p>
<p>Not all payments to suppliers were made within thirty (30) days as required by section 65(2)(e).</p>	<p>All payments are made within 30 days of receipt by the finance directorate. The day the invoice is received it is stamped and payment is made within 30 days. However invoices do arrive after the 30 day period is already over. Processes have already been changed to see if this issue can be addressed.</p>
<p>There is inadequate segregation of duties to prevent fraudulent data and asset misappropriation.</p>	<p>All attempts are made to manage all assets and report regularly on same.</p>
<p>General informaticin technology Controls have not been designed to maintain the integrity tithe information system and the security of the data.</p>	<p>A Information Technology manager has now been appointed and has been given all the issues raised to deal with. The majority of the issues will be dealt with during the 2009/2010 financial year but lack of funding will hamper a</p>

	few of the issues raised
Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are completely and accurately professed.	Manuals for finance have been designed and are available. At present finance is busy with procedure flow charts to be inserted in the manuals
Actions are not taken to address risks to the achievement of financial reporting objectives.	This is been addressed at present and systems should be in place by the end of February 2010
Control activities are not selected and developed to mitigate risks over financial reporting:	This is been addressed at present and systems should be in place by the end of February 2010
Policies and procedures related to financial reporting are not established and corrirhunidated.	Policies and procedures are to be reviewed at a management team session in January/ February 2010 and this will be addressed
Realistic targets are not set for financial performance measures, which are in turn not linked to an effective reward system.	The performance management system is currently been formulated and will be in place during the 2009/2010 financial year
The financial statements were subject to material amendments resulting from the audit.	Through discussions with the Auditor-General adjustments, agreed to, were made to the financial statements. Different interpretations of accounting standards and IMFO accounting policies do raise points of discussion and possible amendments during auditing
The audit committee did not substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA	This will be addressed during the 2009/2010 financial year with the assistance of officials from the Auditor Generals office
The internal audit function did not substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA	An internal auditor will be employed to ensure that the necessary responsibilities are carried out during the 2009/2010 financial year
There are significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	The finance directorate did undertake a risk assessment of the finance directorate and a plan was put into place to mitigate the risks identified. These documents were handed to the Auditor-General
There are significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	The finance directorate will have completed all sections by the time of the next audit. Only supply chain and creditors need to be completed.
A risk assessment was not conducted on a regular basis and a risk management strategy, which includes a fraud	The internal auditor that is to be appointed will be given the task of doing a risk assessment

<p>prevention plan, is not documented and used as set out In section 95(c)(i) of the MFMA.</p>	
<p>The prior year audit findings have not been substantially addressed.</p>	<p>The audit findings relating to finance have been addressed and the action plans and progress made can be found in the audit action plan</p>
<p>The information systems, were appropriate to facilitate the preparation of a performance report is not accurate or complete.</p>	<p>We responded to the annual report and honestly stated that there is no performance management system in place. The enquiry from the A-G is on the same matters that we have already responded to as stated in the Annual Report</p>
<p>Adequate control processes and procedures are not designed and implemented to ensure the accuracy and completeness of reported performance information.</p>	<p>We responded to the annual report and honestly stated that there is no performance management system in place. The enquiry from the A-G is on the same matters that we have already responded to as stated in the Annual Report</p>
<p>A strategic plan was not prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Ndlambe Municipality against its mandate, predetermined objectives, outputs, Indicators and targets section 68 of the MFMA.</p>	<p>We responded to the annual report and honestly stated that there is no performance management system in place. The enquiry from the A-G is on the same matters that we have already responded to as stated in the Annual Report</p>
<p>There is no functioning performance management system and performance bonuses are not paid due to no proper assessment and approval by those charged with governance.</p>	<p>We responded to the annual report and honestly stated that there is no performance management system in place. The enquiry from the A-G is on the same matters that we have already responded to as stated in the Annual Report</p>
<p>Key governance responsibilities, including the development of and compliance with risk management, effective internal control and governance practices, have not been fully implemented, as the post of municipal manager at the municipality had was vacant for a substantial portion of the year under review. This position has been filled subsequent to the year-end, to</p>	<p>These issues will be addressed during the 2009/2010 financial year</p>

<p>implement these structures and control systems.</p>	
<p>The finance section has adequate skills and competencies but monitoring controls are not always adequate to ensure that the information disclosed in the financial statements is accurate and complete, as material adjustments relating to creditors, inventory and internal loans were effected after submission of the financial statements for auditing.</p>	<p>This is an area that needs to be looked at very seriously. Changes in key personal and the absence of the CFO during 2008/2009 hampered the operations at finance. The ABAKUS financial system is also a point of concern and the staff need to be trained on the different modules. A new reporting system is at present been procured and this will assist us with the information disclosed and create an audit trail for the Auditor-General</p>
<p>My ability to assess the effectiveness of the audit committee and internal audit was hampered due to internal audit reports not having been submitted for audit purposes. In addition, internal audit also failed to attend to all the matters on the approved internal audit plan for the year under review.</p>	<p>A person will be employed as an internal auditor to address these matters during the 2009/2010 financial year.</p>
<p>An investigation is being conducted into alleged irregular payments in the supply chain management section which is a continuation of audit findings from the previous year. The investigation was still ongoing at the reporting date.</p>	<p>The investigation is been carried out by the forensic unit of Pricewaterhouse Coopers and the outcomes of the investigation are due early in the new year.</p>
<p>The annual report of the Ndlambe Municipality did not include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the MSA as required by section 121(3)(c) -of the MFMA.</p>	<p>We responded to the annual report and honestly stated that there is no performance management system in place. The enquiry from the A-G is on the same matters that we have already responded to as stated in the Annual Report</p>
<p>The audit committee functioning as the performance audit committee did not:</p> <ul style="list-style-type: none"> • meet at least twice during the year • review the quarterly reports of the internal auditors on 	<p>We responded to the annual report and honestly stated that there is no performance management system in place. The enquiry from the A-G is on the same matters that we have already responded to as stated in the Annual Report</p>

<p>their audits of the performance measurements of the municipality</p> <ul style="list-style-type: none"> • review the municipality's performance management systems and make recommendations in this regard to the council of the Ndlambe -Municipality. 	
<p>The municipality did not develop and implement mechanisms, systems and processes for auditing results of performance measurement as part of internal audit processes, as required in terms of section 45 of the MSA.</p>	<p>We responded to the annual report and honestly stated that there is no performance management system in place. The enquiry from the A-G is on the same matters that we have already responded to as stated in the Annual Report</p>
<p>The municipality did not implement a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players, as required in terms of regulations 7 and 8 of the Municipal Planning and Performance Management Regulations.</p>	<p>We responded to the annual report and honestly stated that there is no performance management system in place. The enquiry from the A-G is on the same matters that we have already responded to as stated in the Annual Report</p>
<p>No performance audit was conducted for the year under review</p>	<p>We responded to the annual report and honestly stated that there is no performance management system in place. The enquiry from the A-G is on the same matters that we have already responded to as stated in the Annual Report</p>

1.2.5 AUDIT ACTION PLAN OF NDLAMBE MUNICIPALITY TO DEAL WITH THE CONCERNS RAISED BY THE AUDITOR GENERAL IN THE MANAGEMENT LETTER.

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		Generals concerns		explaining their functions and contacts etc. At this stage all public documents including agendas can be placed on the website. The web www.ndlambe.co.za should be removed from council documents and replaced by www.ndlambe.gov.za	
MM 3	Lack of IT Department	<ul style="list-style-type: none"> • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns 	Feb 2010	Appointed a body to start up the department but to address the plan 2 assistants should be employed on contract basis for 6 months or until issue is addressed.	R Dumezweni
ID	INFRASTRUCTURAL DEVELOPMENT				
ID 1	Cannot determine water sold and water lost	<ul style="list-style-type: none"> • Advertise for quotations for the outstanding Bulk meter at Port Alfred purification works 	31/03/10	The service provider that design the bulk water line has been contacted in order to provide specification	X Masiza
ID 2	Money recovered from property developers for the installation of services is inadequate	<ul style="list-style-type: none"> • X Masiza • To be addressed during the 2010/2011 budget when all services are to be ring fenced and properly costed tariffs can be implemented • S Mvunelwa • To be addressed during the 2008/2009 budget when all services are to be ring fenced and properly costed tariffs can be implemented 	30/06/10	Budgeting process currently underway	X Masiza S Mvunelwa
ID 3	Customers are not forewarned when ESKOM,s vendors are running out of electricity	<ul style="list-style-type: none"> • This is a problem ESKOM needs to address. If we are informed timeously infrastructure can get the message out 	Ongoing	For the last three month the communication with Eskom has improved	X Masiza
ID 4	Tampering on meters is not been adequately monitored	<ul style="list-style-type: none"> • Local Plumbers have been hired to carry out inspections to each and every house in order to check for leaks and functioning of water meters 	28/02/10	Certain areas in Nemato and Bathurst have already been completed.	X Masiza
ID 5	Sewer water pumped onto grounds not tested	<ul style="list-style-type: none"> • Municipal health inspectors are taking samples on a monthly basis for testing. 	On-going	We are receiving laboratories results on a continuous basis	X Masiza
ID 6	Rental and encroachment register not maintained and finance not advised annually to adjust accruals	<ul style="list-style-type: none"> • Registers are currently being updated in order to address this problem 	On-going	Rental register 95% completed	X Masiza

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ID 7	The agreement with Menscot represents a PPP and the processes to establish the PPP have not been followed	<ul style="list-style-type: none"> Several discussion have taken place between Municipal officials and Menscott and three options have been suggested and these will be tabled to Council 	28/02/10	An item will be submitted to Council on 10 December 2009	X Masiza
ID 8	Housing fund statements not done in accordance with the housing act	<ul style="list-style-type: none"> A senior official from the Dept of Human Settlement has been visiting Ndlambe housing officials in order to address this situation 	30/03/10	Reconciliation on the housing fund statement has been started	X Masiza
ID 9	No lease agreements maintained in files of properties/land rented or leased by the municipality	<ul style="list-style-type: none"> Review of all files for municipal properties Update of lease agreements and files Documenting of all leases with registry at point of contracting 	Completed Completed On-going	Lease agreement register is 95% complete	X Masiza X Masiza X Masiza X Masiza
ID 10	Lease and rental agreements are not updated	<ul style="list-style-type: none"> Conduct audit of leases and rented stock Update of rental and lease agreements Institute Business Process Management (BPM) with proper escalation procedures 	30/01/10 Completed 30/01/10	Updating of Lease and Rental agreements is ongoing	X Masiza X Masiza X Masiza
ID 11	No procedures in place to ensure sewer connections provide by infrastructure to finance	<ul style="list-style-type: none"> Sewer connections register has been opened 	On-going	Sewer connections that are completed for each month are submitted to Finance	X Masiza
ID 12	No procedure in place to ensure all septic tanks pumped are billed (fleet control can check on houses visited and tie to owners billed)	<ul style="list-style-type: none"> Register for all pump outs is in place and meeting has been held by Fleet control officer and all drivers 	On-going	A sewer pump out template with detail of owners that have been serviced for that particular month is forwarded to finance every month	X Masiza
FS	FINANCE	<ul style="list-style-type: none"> 			
FS 1	Financial reporting to the Executive Committee on a monthly basis is inadequate	<ul style="list-style-type: none"> The reporting requirements per legislation for monthly reporting is correct but additional information over that required by legislation will be submitted 	31/01/10	Additional reports were presented to the Executive Committee but raised confusion and negative publicity. Certain of the reports were withdrawn and will be reworked and submitted again from January 2010	H Dredge
FS 2	Insecure cash collection points at the finance offices where money is collected by Fadility Gaurds	<ul style="list-style-type: none"> Due to the size of the building and the number of staff it is impossible to structure the office in any other way. 		Alterations to the offices have been done but are still not adequate as required by the Auditor-General.	H Dredge
FS 3	Commission paid to third parties classified incorrectly as bank charges	<ul style="list-style-type: none"> Open new vote for the expenditure 	Completed	The votes was opened and the expenditure is now booked to the correct vote	H Dredge
FS 4	Money deposited into the municipal bank account not allocated correctly	<ul style="list-style-type: none"> Visit First National Bank again for a meeting to discuss reference details on deposits 	30/11/09	Staff visit the banks on a daily basis to get information on deposits made into our bank account without any reference.	H Dredge
FS	No financial controls are in place	<ul style="list-style-type: none"> Finance controls are in place and approved 	Completed	<ul style="list-style-type: none"> Municipal Manager to sent memo 	H Dredge

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5		<p>by Council</p> <ul style="list-style-type: none"> • Policies relating to finance to be reviewed 	28/02/10	<p>to all directorates regarding complying to financial controls</p> <ul style="list-style-type: none"> • Set up workshop with all directorates to review finance controls and policies 	
FS 6	Segregation of duties is to be expanded	<ul style="list-style-type: none"> • Additional staff to be appointed in finance 	31/12/09	The process was put on hold and all directorates to consolidate staff requests and put an item to Council	H Dredge
FS 7	Financial records are not safeguarded and are not stored adequately	<ul style="list-style-type: none"> • Build a storeroom at finance directorate • Install cupboards to store all documentation 	Complete 31/12/09	Storeroom has been built 90% of the cupboards have now been installed.	H Dredge
FS 8	No annual notification regarding bank details provided to provincial treasury or Auditor General	<ul style="list-style-type: none"> • The annual notification regarding bank details provided to provincial treasury is addressed and it will be sent to AG as well. 	31/11/09	The bank details have been sent to provincial treasury at the beginning of this financial year.	H Dredge
FS 9	Bank reconciliation for the housing fund not reconciled on a monthly basis	<ul style="list-style-type: none"> • Dir: Infrastructural Services • System to be put in place to address this problem • Bank reconciliation for housing fund to be reconciled on a monthly basis 	30/01/10	<p>Comment from finance: The ledger is balanced to the bank on a monthly basis. The analysis cash book maintained by Infrastructure is still to be balanced on a monthly basis</p>	X Masiza
FS 10	Bank reconciliation for the current account not reconciled on a monthly basis	<ul style="list-style-type: none"> • Bank reconciliation to be reconciled on a monthly basis 	Ongoing	Monthly bank reconciliations are performed on a monthly basis by the senior accountant and are then checked and signed by the Assistant Director: Expenditure	H Dredge
FS 11	No controls in place for the with draws and investments of funds	<ul style="list-style-type: none"> • Ensure that written controls are in place regarding withdrawals and investment of funds 	Ongoing	BTO to ensure that the controls are followed	H Dredge
FS 12	No authorisation and review of investment decisions made of the employee placing the investment	<ul style="list-style-type: none"> • Review decisions made when placing investments 	Ongoing	Investments to be reviewed by the two signatories on the cheque	H Dredge
FS 13	MSIG reports not submitted on time	<ul style="list-style-type: none"> • This will be discussed with Finance Management to come up with a solution on closing the month on the abakus system before the 10th of every month. 	31/01/10	To close off the ledger within 5 days of month end	H Dredge
FS 14	Items on bank reconciliation that are stale are not cleared at year end.	<ul style="list-style-type: none"> • Stale cheques to be written back at regular intervals 	Ongoing	Stale cheques to be written back at the end of each quarter	H Dredge
FS	Deposits made into the municipal	<ul style="list-style-type: none"> • Meet with banks to obtain details of 	Ongoing	Record all meetings with the banks	H Dredge

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15	bank accounts without details not cleared timeously	unknown deposits		regarding tracing unknown deposits	
FS 16	Reconciliations are not signed by senior officials	<ul style="list-style-type: none"> All reconciliation done by BTO will be signed by senior officials 	30/11/09	All reconciliation are reviewed and signed	H Dredge
FS 17	Consumer deposits not reconciled monthly	<ul style="list-style-type: none"> Now reconciled monthly 	Ongoing		H Dredge
FS 18	Journal entries not done in prescribed format	<ul style="list-style-type: none"> Journal entries will be done in a prescribed format 	30/11/09	To be done on a continuous basis	H Dredge
FS 19	Long outstanding hall deposits not written back	<ul style="list-style-type: none"> On an annual basis, write back all deposits older than three years in terms of prescription 	30/06/10	All deposits older than three years were written back at the 30 June 2009. The next write off will be done at 30 June 2010. We are therefore complying as required	H Dredge
FS 20	No register is maintained for cheques .processed but are not collected	<ul style="list-style-type: none"> Documented procedure on dealing with cheques processed but not collected 	26/02/10	At present the list is maintained in the cashbook and a documented procedure to be developed for audit purposes	H Dredge
FS 21	Employee costs are not properly accounted for.	<ul style="list-style-type: none"> Directors to budget for employees under the correct cost centres in the 2010/2011 budget 	30/06/10	BTO staff to ensure that directors are budgeting for staff under the correct cost centres	H Dredge
FS 22	Journal entries not being authorised by senior officials.	<ul style="list-style-type: none"> Journal entries to be authorised by section heads 	Ongoing	Each section head to ensure that they authorise all journal entries in respect of their section / or give signed delegation to a senior staff member in the section to authorise	H Dredge
FS 23	FMG reports not submitted within the required time frame.	<ul style="list-style-type: none"> This will be discussed with Finance Management to come up with a solution on closing the month on the abakus system before the 10th of every month. 	31/01/10		H Dredge
FS 24	Routine monthly finance reports not presented to council within 30 days after end of each quarter.	<ul style="list-style-type: none"> Finance reports will be developed by the Interns and be presented to Council before the due dates. The council will need to call a special council meeting to meet the due dates 	31/12/09	The interns are currently doing the finance reports monthly	H Dredge
FS 25	Cash resources are not sufficient to support statutory funds, trust funds, provisions and reserves.	<ul style="list-style-type: none"> The following will be addressed when converting from IMFO to GRAP as all the Statutory funds will be written off to accumulated profit. 	30/06/10	The GRAP training is conducted every two months after certain work on GRAP has been done.	H Dredge
FS 26	Formatting of General ledger reports not user friendly for the auditor general staff	<ul style="list-style-type: none"> The general ledger will be re-structured to eliminate/adding items which are /not useful in GRAP. 	31/01/10	Part of the work will be done on the general ledger before the next meeting.(GRAP meeting) in January.	H Dredge
FS 27	Vacant positions in the finance directorate	<ul style="list-style-type: none"> The positions were advertised internally but problems were picked up on the wording of 	31/12/09	Re-word advertisement Advertise the posts at all Ndlambe	H Dredge

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		the advertisement so will be re-advertised.		Municipal offices	
FS 28	Trust funds are not cash backed	<ul style="list-style-type: none"> The following will be addressed when converting from IMFO to GRAP as all the Statutory funds will be written off to accumulated profit. 	30/06/10	The GRAP training is conducted every two months after certain work on GRAP has been done.	H Dredge
FS 29	Leave pay reserve is understated and no provision made to increase the provision	<ul style="list-style-type: none"> The provision has been made in the 2009/2010 budget. 	01/07/09		H Dredge
FS 30	Short term portion of long term liabilities are not disclosed as required	<ul style="list-style-type: none"> This is now disclosed in the notes as required 	Complete	To remain on check list to ensure it is done every year	H Dredge
FS 31	No tariff policy in place that complies with the Systems Act	<ul style="list-style-type: none"> The tariff policy will be reviewed during the budget process for 2010/2011 and form part of budget related policies. 	01/06/10		H Dredge
FS 32	Suspense accounts not balanced at year end	<ul style="list-style-type: none"> All suspense accounts to be balanced at year end and a reconciliation of all suspense accounts to be available for audit purposes 	Completed	To be continued monthly	H Dredge
FS 33	Cash reserves used for operating expenditure	<ul style="list-style-type: none"> Analyse all reserves and provisions and submit report to Council on which to write off and which to replace cash backing. Will happen as part of the GRAP conversion 	28/06/10	The GRAP training is conducted every two months after certain work on GRAP has been done.	H Dredge
FS 34	Bank reconciliation not reviewed by senior official	<ul style="list-style-type: none"> Bank Reconciliation to be reviewed and signed by the Assistant Director: Expenditure 	31/12/09	The bank reconciliation done by senior accountant and checked by Assistant Director Expenditure	H Dredge
FS 35	Reserves and provisions are not cash backed	<ul style="list-style-type: none"> Write down all provisions and reserves that are not cash backed as per GRAP regulations 	31/03/10	The GRAP training is conducted every two months after certain work on GRAP has been done.	H Dredge
FS 36	No policy available on how the provision for bad debt will be calculated	<ul style="list-style-type: none"> Policy to be placed before Council 	Completed	To ensure we comply with the approved policy	H Dredge
FS 37	Journal entries not reviewed by a senior official	<ul style="list-style-type: none"> The senior officials in BTO will review the journals done by BTO staff. Assistant Director: Expenditure to review all creditor, stores and payoffice journal entries 	01/12/09 01/12/09	Must be ongoing	H Dredge
FS 38	No review undertaken of the balancing of suspense votes	<ul style="list-style-type: none"> The interns will check the suspense accounts if they balance with the ledger every month and the BTO senior official will review 	01/12/09	Must be ongoing	H Dredge
FS 39	No disciplinary action taken against staff not doing their routine work despite written instructions and	<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services 		<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services 	R Dumezweni X Masiza S Mvunelwa

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	warnings	<ul style="list-style-type: none"> • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • This matter will be discussed with section heads and they will be instructed to maintain a file detailing all incidents 	01/12/09	<ul style="list-style-type: none"> • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Processes have been put in place to deal with this and will be reported on every four months</p>	T Mali H Dredge
FS 40	Petty cash register not reviewed each month	<ul style="list-style-type: none"> • Put process in place to ensure register is reviewed and signed as reviewed on a monthly basis 	Complete	Now done as required	H Dredge
FS 41	Returned cheque register is not maintained by finance	<ul style="list-style-type: none"> • Develop a returned cheque register and maintain it on a daily basis 	Complete	To ensure that the register is updated daily	H Dredge
FS 42	Costs on returned cheques not debited to consumers account	<ul style="list-style-type: none"> • All costs of RD cheques to be debited to the consumers account 	30/11/09	Senior clerk revenue maintains the register of RD cheques and must record the bank costs debited to the consumer account in the register	H Dredge
FS 43	Unidentified deposits not cleared at year end and no reconciliation done on the account	<ul style="list-style-type: none"> • Unidentified deposits to be discussed with the bank to obtain details of the depositor. • Revenue section to maintain a register of unidentified deposits that balance to the ledger on a monthly basis 	Ongoing	Secure appointment with bank officials to discuss the issue	H Dredge
		•			
GEN	GENERAL	•			
GEN 1	How all tariffs are calculated cannot be quantified and is not done scientifically	<ul style="list-style-type: none"> • Municipal Manager • Dir. Infrastructure • Dir. Community/Protection • Dir Corporate Services • Dir: Financial Services • To be addressed in the 20010/2011 financial year budget when all responsible for compiling the budget will be required to provide calculations on how they arrived at the recommended tariff 	30/06/10	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Instructions given to all directorates responsible for setting tariffs</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
GEN 2	No help desk facility at the Bathurst office to deal with all directorates	<ul style="list-style-type: none"> • Dir: Infrastructural Services 		<ul style="list-style-type: none"> • Dir: Infrastructural Services 	X Masiza S Mvunelwa

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	queries	<ul style="list-style-type: none"> • Dir: Community/Protection • Dir: Corporate Services • Is been reviewed in the new organogram, not just for Bathurst but for all areas 		<ul style="list-style-type: none"> • Dir: Community/Protection • Dir: Corporate Services 	T Mali
GEN 3	No complaints register to monitor consumer complaints	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Forms to be put in all finance offices for customers to register complaints and comment on service • System to be put in place to register all complaints 	Completed 28/02/10	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Finance service providers assisting us in this regard</p>	X Masiza S Mvunelwa T Mali H Dredge
GEN 4	Deposit register for building plans, hall hire and water/electricity not reviewed on a monthly basis	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Assign someone from the Directorate to make sure that deposit registers are reviewed • Dir: Financial Services • Electricity and water deposits to be balanced monthly and put under the correct cost centre (ie Electricity or water) 	31/03/10 Ongoing	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Financial Services <p>Deputy Director Revenue to monitor on a monthly basis</p>	X Masiza H Dredge
GEN 5	Inadequate security at the satellite offices where cash is dealt with	<ul style="list-style-type: none"> • Dir: Financial Services • Money has now been put aside to deal with this in the new year • Dir: Community/Protection • Offices to be secured and fidelity guards to collect money from Traffic 	30/04/10	<ul style="list-style-type: none"> • Dir: Financial Services • Dir: Community/Protection <p>Quotation s requested to do the work</p>	H Dredge S Mvunelwa
GEN 6	There is no formal disaster recovery plan or business continuity plan relating to each directorate.	<ul style="list-style-type: none"> • Municipal Manager 		<ul style="list-style-type: none"> • Municipal Manager 	R Dumezweni X Masiza S Mvunelwa

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		<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Enhance current disaster recovery plan 	28/02/10	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Finance directorate has a formal disaster recovery plan and needs to be updated with any new developments that have taken place</p>	T Mali H Dredge
GEN 7	There are inadequate methods in place to prevent the unauthorized access to hard copy documentation, as there is no safe storage facilities in directorates.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Secure cupboard in which documentation is stored 	30/04/10	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Finance have constructed a storeroom and installed many cupboards to address this point. Office space and storage space is still lacking</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
GEN 8	There is no documented and approved policy relating to operating procedures of all directorates	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 		<ul style="list-style-type: none"> • Municipal Manager • Policy to be drafted • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge

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		<ul style="list-style-type: none"> • Dir: Financial Services • Have all procedures in finance documented 	30/06/10	<ul style="list-style-type: none"> • Dir: Financial Services <p>Revenue section is completed and other sections in progress</p>	
GEN 9	There are no methods in place to enforce the segregation of duties of staff when there are staff shortages.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Develop methods to ensure that segregation of duty remains when staff on leave 	26/02/10	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Each section head in finance to document how segregation of duty will occur at all times including g when there are staff shortages. These must then be communicated to all staff</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
GEN 9	The segregation of duties in directorates is not maintained during staff absence through vacation, illness or vacancies.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Develop methods to ensure that segregation of duty remains when staff on leave 	26/02/10	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Each section head in finance to document how segregation of duty will occur at all times including g when there are staff shortages. These must then be communicated to all staff</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
GEN 10	A risk assessment of all directorates not preformed.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services 		<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services 	R Dumezweni X Masiza S Mvunelwa T Mali

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		<ul style="list-style-type: none"> • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Undertake a risk assessment of finance on a yearly basis 	28/05/10	<ul style="list-style-type: none"> • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>2008/2009 risk assessment was done and 2008/2009 to be done April 2010</p>	H Dredge
GEN 11	Audit plan not operational during period 2008/2009 and no updates of the audit action plan were carried out	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Audit action plan to be followed up and updated on a monthly basis by the BTO staff 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>BTO staff to open a audit action plan file and after monthly checks record all changes for audit purposes</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
GEN 12	Costing between directorates not done in respect of all services.	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Obtain information on costing systems form other municipality's 	30/06/10	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>To be completed by BTO so that it can be operational for 2010/2011 financial year</p>	X Masiza S Mvunelwa T Mali H Dredge

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GEN 13	No segregation of duties throughout the departments.	<ul style="list-style-type: none"> • Develop costing system for Ndlambe • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Develop procedures in finance to ensure proper segregation of duty 	28/02/10	<p>and linked to the budget</p> <ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Each section head to develop procedures on how duties will be segregated in directorates then submit to the CFO by 28/02/10 to be consolidated</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
GEN 14	Delegation register needs to be updated to reflect the current structures and comply with relevant legislation and delegations need to be signed as evidence of accepting the delegation	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Review finance delegation register and signatory list half yearly 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Secretary to forward each section head their delegation register and signatory list on a half yearly basis to be reviewed</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
GEN 15	No register in place at the various directorates for all contracts running at the respective department that results in retention not been declared and commitments not been identified	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 		<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge

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		<ul style="list-style-type: none"> • Dir: Financial Services • Finance directorate commitment register to be developed and maintained by BTO 	31/03/10	<ul style="list-style-type: none"> • Dir: Financial Services <p>All sections to advise BTO of any contractual commitments to be recorded in the register</p>	
GEN 16	Inadequate storage to prevent unauthorized access to hard copy documentation	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Develop a policy to dispose of records no longer needed in terms of legislation 	28/02/10	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Policy to be developed and submitted to Council</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
GEN 17	Council resolutions not implemented	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Council Resolutions to be generated after all council and EXCO meetings and distributed to all directorates concerned 	Ongoing	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>This was agreed to at a management meeting some time ago but to-date not all resolutions have been received by finance</p>	X Masiza S Mvunelwa T Mali H Dredge
GEN 18	Lack of internal controls; Fixed Assets	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 		<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 	X Masiza S Mvunelwa T Mali H Dredge

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		<ul style="list-style-type: none"> • Dir: Financial Services • Request lists of all assets in finance from BTO • Provide each office with a list of all assets under their control and get each staff member to sign and confirm the existence of the assets on a half yearly basis 	<p>31/01/10</p> <p>28/02/10</p>	<ul style="list-style-type: none"> • Dir: Financial Services 	
GEN 19	Leave and Attendance Registers	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • New Leave Register introduced municipal wide and being tested • New attendance register introduced municipal wide and being tested • Attendance to be signed by employees daily (supervisory) and kept up to date • Departments need to put in measures to ensure more supervisory responsibility • Dir: Financial Services 		<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services 	X Masiza S Mvunelwa T Mali H Dredge
GEN 20	Mid-year budget review and performance assessments not submitted to Council as required	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Performance management system to be implemented and cascaded in order to do mid year reviews 		<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Reliant on Corporate Services in this regard</p>	X Masiza S Mvunelwa T Mali H Dredge
GEN 21	Directors not maintaining project registers of all projects they are undertaking	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection 		<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection 	X Masiza S Mvunelwa T Mali

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		<ul style="list-style-type: none"> • Dir: Corporate Services • Dir: Financial Services 		<ul style="list-style-type: none"> • Dir: Corporate Services • Dir: Financial Services 	H Dredge
	ASSETS	•			
ASST 1	There is no reconciliations done between asset register and general ledger on a monthly basis	<ul style="list-style-type: none"> • Dir: Financial Services • BTO staff to reconcile the asset register to the general ledger on a monthly basis 	Ongoing	<ul style="list-style-type: none"> • Dir: Financial Services <p>To be done retrospectively from July 2009</p>	H Dredge
ASST 2	Assets not fit for use are not scrapped	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Policy to be developed and adopted by Council on assts to be disposed of due to various circumstances 	28/02/10	<ul style="list-style-type: none"> • Municipal Manager • To be done in terms of asset policy. • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>BTO to develop a disposal of asset policy and submit to Council for approval</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
ASST 3	Title deeds for land that is roads, road reserves and public open space is not in the name of the municipality but on the asset register.	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Currently in a process of identifying all land that is not in Council's name 	30/03/10	<ul style="list-style-type: none"> • Dir: Infrastructural Services 	X Masiza
ASST 4	No registered owner of the property on the title deed as per the asset register.	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Currently in a process of identifying all land that is not in Council's name 	30/03/10	<ul style="list-style-type: none"> • Dir: Infrastructural Services 	X Masiza
ASST 5	No information on the deed search for certain buildings recorded on the asset register in the name of the municipality.	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Currently in a process of identifying all land that is not in Council's name 	30/03/10	<ul style="list-style-type: none"> • Dir: Infrastructural Services 	X Masiza

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ASST 6	Infrastructure assets could not be physically verified and no calculations to support cost price on FAR.	<ul style="list-style-type: none"> • Dir: Infrastructural Services • A Service Provider has been appointed to compile a register for Infrastructure assets which will then be verified once completed 	30/06/10	<ul style="list-style-type: none"> • Dir: Infrastructural Services 	X Masiza
ASST 7	Regular checks on assets are not been performed	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • FINANCE RESPONSE: Obtain quotation from BAUD to update and do a stock take of all assets 		<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services 	X Masiza S Mvunelwa T Mali H Dredge
ASST 8	Fixed assets disposed of are not reported to finance	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services 	Jan 2010	<ul style="list-style-type: none"> • Municipal Manager • Requested all departments to channel all I.T matters to I.T department. • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
ASST 9	Fixed asset register incomplete	<ul style="list-style-type: none"> • Dir: Financial Services • Obtain quotation from BAUD to complete the fixed asset register 	15/11/07	<ul style="list-style-type: none"> • Dir: Financial Services 	H Dredge
ASST 10	Fixed assets not recorded in the register timeously	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection 	Ongoing	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection 	X Masiza S Mvunelwa T Mali H Dredge

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		<ul style="list-style-type: none"> • Dir: Corporate Services • All fixed assets acquired registered with Procurement officer on purchase (T Mali) • Dir: Financial Services 		<ul style="list-style-type: none"> • Dir: Corporate Services • Dir: Financial Services 	
ASST 11	Fixed asset are not valued at market value for insurance purposes	<ul style="list-style-type: none"> • Dir: Financial Services • BAUD to assist in this regard. They have submitted a proposal for consideration 	28/02/08	<ul style="list-style-type: none"> • Dir: Financial Services 	H Dredge
ASST 12	Fixed asset register not updated and balanced to the general ledger on a monthly basis.	<ul style="list-style-type: none"> • Dir: Financial Services • Obtain quotation from BAUD to update and do a stock take of all assets • Once updated balance to the general ledger vote 	31/10/07 31/12/07	<ul style="list-style-type: none"> • Dir: Financial Services 	H Dredge
ASST 13	Depreciation of assets not calculated	<ul style="list-style-type: none"> • Dir: Financial Services • To be included on the GAMAP/GRAP conversion. Not in IMFO standards. 	30/06/10	<ul style="list-style-type: none"> • Dir: Financial Services <p>In the process of drawing up a road map with GTZ on the GAMAP/GRAP implementation</p>	H Dredge
ASST 14	Fixed asset register not updated with acquisitions, transfers, sales and scrapping and forms are not submitted to finance by the respective directorates in this regard and assets are therefore not able to be traced.	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • BAUD requested to submit a proposal to rectify the matter 	Dec 2010 28/02/08	<ul style="list-style-type: none"> • Municipal Manager • When I.T fully staffed this will be done together with all the other short comings. Funding must be available to address this. • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Quotation received from BAUD to undertake the work and funding obtained from DPLG to pay for the project</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
	DEBTORS	<ul style="list-style-type: none"> • 			
DR 1	The integrity, completeness and reliability of the debtors information	<ul style="list-style-type: none"> • Dir: Financial Services 	31/03/08	<ul style="list-style-type: none"> • Dir: Financial Services 	H Dredge

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	on the ABAKUS system is	<ul style="list-style-type: none"> Compare deeds office records with that on ABAKUS to ensure owners are correct. (60% complete) 			
DR 2	Inadequate controls to the debtors masterfile for doing amendments to accounts	<ul style="list-style-type: none"> Dir: Financial Services Organogram and staff compliment to be revisited (50% complete) 	30/06/08	<ul style="list-style-type: none"> Dir: Financial Services Organogram with Council for approval. However, PWC/BIGEN are re-looking at the finance organogram and will submit recommendations in due course 	H Dredge
DR 3	Inconsistent water numbers in statistics eg water meters in a certain area less than number of indigents receiving free water)	<ul style="list-style-type: none"> Dir: Financial Services Dir: Infrastructural Services Hold meeting with infrastructure department to ensure all meters installed are on the ABAKUS system. Employ casual labour to verify data, business plan drawn up and submitted to funders for consideration 	30/11/07 31/03/10	<ul style="list-style-type: none"> Dir: Financial Services Dir: Infrastructural Services 	H Dredge X Masiza
DR 4	Water tariff for all consumers the same except for schools.	<ul style="list-style-type: none"> Dir: Infrastructural Services Infrastructure to address this in the 2010/2011 budget process when determining tariffs 	30/06/10	<ul style="list-style-type: none"> Dir: Infrastructural Services 	X Masiza
DR 5	Accounts are only in english	<ul style="list-style-type: none"> Dir: Financial Services To be addressed with the financial system service providers 	31/10/07	<ul style="list-style-type: none"> Dir: Financial Services 	H Dredge
DR 6	Insufficient meter readers to read all meters in Ndlambe on a monthly basis	<ul style="list-style-type: none"> Dir: Financial Services An additional meter reader to be placed on the 2008/2009 financial year budget 	30/08/08	<ul style="list-style-type: none"> Dir: Financial Services 	H Dredge
DR 7	No reconciliation between properties billed and the valuation roll	<ul style="list-style-type: none"> Dir: Financial Services To request ABAKUS to generate a report that will reflect any abnormalities 	30/11/07	<ul style="list-style-type: none"> Dir: Financial Services 	H Dredge
DR 8	Manual calculation of metered services where there is a bulk water meter	<ul style="list-style-type: none"> Dir: Infrastructural Services This occurs only when infrastructure provides a developer with a bulk meter and then permits single meters to feed each unit 	30/03/10	<ul style="list-style-type: none"> Dir: Infrastructural Services 	X Masiza
DR 9	Not sufficient hand held meter reading devises	<ul style="list-style-type: none"> Dir: Financial Services To be provided for in the 2008/2009 budget and business plan submitted to investors for consideration to replace and increase 	30/08/08	<ul style="list-style-type: none"> Dir: Financial Services 	H Dredge

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		the number of hand held units at present			
DR 10	Meter readings are not taken monthly	<ul style="list-style-type: none"> • Dir: Financial Services • Conduct a work study to decide if pooling the existing meter readers would solve the problem or if an additional post should be created 	28/02/08	<ul style="list-style-type: none"> • Dir: Financial Services 	H Dredge
DR 11	Holiday homes need to be quantified and a costing done on recovery of services to such properties	<ul style="list-style-type: none"> • Dir: Financial Services • Do not know how we are to do this 	31/03/08	<ul style="list-style-type: none"> • Dir: Financial Services PWC is looking at a tariff module to address this	H Dredge
DR 12	Access to holiday homes to be obtained	<ul style="list-style-type: none"> • Dir: Financial Services • Do not know how we are to do this 	31/03/08	<ul style="list-style-type: none"> • Dir: Financial Services 	H Dredge
DR 13	No record or control over unmetered properties	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Infrastructure to provide finance with all erven registered, meters connected, subdivisions and consolidations on a monthly basis to ensure that the finance directorate is charging all owners and consumers 	31/03/10	<ul style="list-style-type: none"> • Dir: Infrastructural Services 	X Masiza
DR 14	No access to billing system at the Bathurst office	<ul style="list-style-type: none"> • Dir: Financial Services • Tenders in process of been prepared to address the matter 	28/02/08	<ul style="list-style-type: none"> • Dir: Financial Services Tender out to address this	H Dredge
DR 15	Manual receipting at the Bathurst office	<ul style="list-style-type: none"> • Dir: Financial Services • Tenders in process of been prepared to address the matter 	28/02/08	<ul style="list-style-type: none"> • Dir: Financial Services Tender is out to address the problem	H Dredge
DR 16	Valuations not done on current debtors to determine VAT	<ul style="list-style-type: none"> • Dir: Financial Services • 		<ul style="list-style-type: none"> • Dir: Financial Services 	H Dredge
DR 17	Bad debts provision not sufficiently provided for.	<ul style="list-style-type: none"> • Dir: Financial Services • 		<ul style="list-style-type: none"> • Dir: Financial Services 	H Dredge
DR 18	Finance staff not familiar with the credit control policy	<ul style="list-style-type: none"> • Dir: Financial Services • Once draft credit control policy approved, hold a workshop with all finance staff to discuss the policy 	30/11/2007	<ul style="list-style-type: none"> • Dir: Financial Services 	H Dredge H Dredge
DR 19	No service level agreement is in place with attorneys collecting debt on the behalf of Council	<ul style="list-style-type: none"> • Dir: Financial Services • Place a tender calling for service providers to collect debt due to Ndlambe Municipality • On the appointment of the successful service provider a detailed service level agreement is to be entered into 	31/10/07 30/11/07	<ul style="list-style-type: none"> • Dir: Financial Services 	H Dredge H Dredge
DR 20	No review on tariffs once captured on ABAKUS	<ul style="list-style-type: none"> • Dir: Financial Services • Once tariffs captured they are reviewed by the Assistant Director: Income since July 	31/07/08	<ul style="list-style-type: none"> • Dir: Financial Services Only gets done when any tariff is amended	H Dredge

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		2007			
DR 21	Variance reports not independently reviewed	<ul style="list-style-type: none"> • Dir: Financial Services • Person responsible for the capturing of data to review and sign the variance reports on a monthly basis 	31/10/07	<ul style="list-style-type: none"> • Dir: Financial Services 	H Dredge
DR 22	Master file amendments not printed	<ul style="list-style-type: none"> • Dir: Financial Services • All amendments to the master file to be stored for future reference and not to be printed as storage space remains a challenge at finance 	31/10/07	<ul style="list-style-type: none"> • Dir: Financial Services 	H Dredge
DR 23	No review of journals posted to debtors accounts	<ul style="list-style-type: none"> • Dir: Financial Services • All employees responsible for posting journals to review and sign when the journals are posted 	31/10/07	<ul style="list-style-type: none"> • Dir: Financial Services 	H Dredge
	INDIGENTS	<ul style="list-style-type: none"> • 			
IND 1	Indigents are to be audited to ensure that they comply to the criteria of an indigent	<ul style="list-style-type: none"> • Dir: Financial Services • Develop an action plan to hire casuals on an incentive basis to conduct audits of all registered indigents to verify status 	31/03/10	<ul style="list-style-type: none"> • Dir: Financial Services <p>Discuss the employment of casuals with human resources and ward councillors to ensure the correct people are employed that can do the work</p>	H Dredge
IND 2	No cost analysis has been undertaken to ensure that it is affordable to provide indigents with 6kl of water and 50 kwh of electricity per month	<ul style="list-style-type: none"> • Dir: Financial Services • During the budget process for 2010/2011 undertake a detailed costing to ensure the budget reflects actual subsidies per each service. 	30/06/10	<ul style="list-style-type: none"> • Dir: Financial Services <p>To take place in the budget process that is underway.</p>	H Dredge
IND 3	Eskom's database not used to identify anomalies on the ABASKUS database for indigents	<ul style="list-style-type: none"> • Dir: Financial Services • ESKOM to be requested to provide us with their database to verify our records. Casuals to be employed to do verification 	Ongoing	<ul style="list-style-type: none"> • Dir: Financial Services <p>To be done on a quarterly basis</p>	H Dredge
IND 4	No documentation showing the breakdown of the equitable share with special reference to the free basic service component	<ul style="list-style-type: none"> • Dir: Financial Services • This will be enhanced on in the 2010/2011 budget 	30/06/10	<ul style="list-style-type: none"> • Dir: Financial Services <p>Analyse current allocations and revise where necessary</p>	H Dredge
IND 5	Equitable share for free basic services not reflected in the respected cost centres	<ul style="list-style-type: none"> • Dir: Financial Services • This will be enhanced on in the 2010/2011 budget 	30/06/10	<ul style="list-style-type: none"> • Dir: Financial Services <p>Ensure that correct allocations are under the correct cost centres per billing</p>	H Dredge
IND 6	Budget for indigents not done from reliable information or statistics	<ul style="list-style-type: none"> • Dir: Financial Services • Indigent statistics available and budget will be done per indigent statistics and equitable share received under each cost centre 	30/06/10	<ul style="list-style-type: none"> • Dir: Financial Services <p>Detailed registers now developed and to be used</p>	H Dredge

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IND 7	Water used by indigents not controlled to 6kl and no payment for consumption after 6kl is not been addressed per the credit control and indigent policy	<ul style="list-style-type: none"> • Dir: Infrastructural Services • This can only be addressed once all households are metered with prepaid and this is still a challenge at this stage due funding constraints. • Dir: Financial Services 		<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Financial Services 	X Masiza H Dredge
	IT - COMPUTERS	•			
IT 1	There is no adequate backup and recovery plans in place and processes are not documented and no log of the completed backups is kept by any directorates.	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • The backup and recovery plans for finance are in place and will be documented. A log of all daily backups is available 	June 2010 31/01/10	<ul style="list-style-type: none"> • Municipal Manager <p>Until all servers are under the control of I.T dept and other departments systems changed so that all users documents are backed up to servers this will not be addressed. A report will be compiled re the I.T setup with proposals as to where to go. Funding must be available to address this.</p> <ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Request service provider to document procedures for record purposes</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
IT 2	There are no regular scheduled testing of backups taking place at the respective directorate.	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns. • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 		<ul style="list-style-type: none"> • Municipal Manager <p>When IT is fully staffed this will be done together with all the other short comings. Funding must be available to address this.</p> <ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge

		<ul style="list-style-type: none"> • Dir: Financial Services • FINANCE RESPONSE: daily testing is done by our service providers of all finance systems and if the backup failed we are notified immediately 	Ongoing	<ul style="list-style-type: none"> • Dir: Financial Services 	
IT 3	There are no mechanisms in place at CIS to monitor adherence to policies and procedure.	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns 		<ul style="list-style-type: none"> • Municipal Manager • When I.T Fully staffed this will be done together with all the other short comings. Funding must be available to address. 	R Dumezweni
IT 4	No IT strategy or master systems plan exists in any directorate.	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns 	June 2010	<ul style="list-style-type: none"> • Municipal Manager • Only when stock of I.T equipment etc has been done this can be determined. Busy taking stock of IT. 	R Dumezweni
IT 5	No documented procedures in place governing the day-to-day operations of the IT environment	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns 	June 2010	<ul style="list-style-type: none"> • Municipal Manager • Policy to be drafted 	R Dumezweni
IT 6	No IT strategy that is aligned to the IDP	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns 	June 2011	<ul style="list-style-type: none"> • Municipal Manager • When matters in this plan come to conclusion. 	R Dumezweni
IT 7	There is no IT department to deal with the entire network administration	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns 		<ul style="list-style-type: none"> • Municipal Manager • Appointed a body to start up the department but to address the plan 2 assistants should be employed on contract basis for six months or until issue is addressed to assist. 	R Dumezweni
IT 8	Inadequate training and development plan for all staff assigned with IT responsibilities	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns 		<ul style="list-style-type: none"> • Municipal Manager • Appointed a body to start up the department but to address the plan 2 assistants should be employed on contract basis for six months or until issue is addressed to assist 	R Dumezweni

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IT 9	No documented procedures in place for providing, changing and removing of users access to all applications	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns 	June 2010	<ul style="list-style-type: none"> • Municipal Manager • Document to be drafted and implemented. 	R Dumezweni
IT 10	User account password controls on all applications should be strengthened	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Current and future users will complete the document referred to above with conditions i.e passwords etc. 	R Dumezweni
IT 11	Users access within all applications is not regularly reviewed	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Checks will be done 6 monthly on condition that staff is available to perform this. 	R Dumezweni
IT 12	No documented business continuity plan and disaster recovery plan in respect of all IT applications	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns 		<ul style="list-style-type: none"> • Municipal Manager <p>All relevant info to document recovery plan in progress. Busy getting plans of building as to show networks and equipment per building. Back up of info will be done to a server at Comm. Prot Serv. And tape back-ups will be kept off premises. A policy must be drafted to support the recovery plan. It funding is not available 80% of IT problems cannot be addresses.</p>	R Dumezweni
	Lack of physical security controls in respect of all IT servers and computers.	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Server room to be constructed 		<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>This is been carried out under the Municipal Manager so not certain of the plan</p>	X Masiza S Mvunelwa T Mali H Dredge

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IT 13	Lack of UPS's, fire extinguishers or fire detection devises in rooms housing IT servers	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • To be addressed when server room is constructed 		<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>This is been carried out under the Municipal Manager so not certain of the plan</p>	X Masiza S Mvunelwa T Mali H Dredge
IT 14	Anti-virus software not regularly updated on users computers	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • To be carried out by the IT manager under the Municipal Manager 		<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>This is been carried out under the Municipal Manager so not certain of the plan</p>	X Masiza S Mvunelwa T Mali H Dredge
IT 15	Internet – E-Mail policy is not implemented or communicated to all staff	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • This has been in place at finance for two years now 	Completed	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Ensure all new users are addressed</p>	X Masiza S Mvunelwa T Mali H Dredge
IT 16	No clear responsibilities set for monitoring internet usage and following up incidents connected with internet usage	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 		<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 	X Masiza S Mvunelwa T Mali H Dredge

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		<ul style="list-style-type: none"> • Dir: Financial Services • To be carried out by the IT manager 		<ul style="list-style-type: none"> • Dir: Financial Services <p>This is been carried out under the Municipal Manager so not certain of the plan</p>	
IT 17	Computer programs, disks, tapes and other media, on which data is stored, are not kept off-site.	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns <ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection <ul style="list-style-type: none"> • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services • Finance data now all stored on a server at community protection services 	June 2010	<ul style="list-style-type: none"> • Municipal Manager • Until all servers are under the control of IT dept and other departments system changed so that all users documents are backed up to servers this will not be addressed. A report will be compiled re the I.T setup with proposals as to where to go. Funding must be available to address this. <ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection <ul style="list-style-type: none"> • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services <p>Computer staff to ensure that the off site back ups are taking place as scheduled</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
IT 18	Backups of financial data is not performed daily and secured in a safe place	<ul style="list-style-type: none"> • Dir: Financial Services • Backups to be done daily and transferred to the server at community protection services 	Ongoing	<ul style="list-style-type: none"> • Dir: Financial Services <p>Computer staff to ensure that the off site back ups are taking place as scheduled</p>	H Dredge
IT 19	Inadequate protection of servers in all offices	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns <ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection 	June 2010	<ul style="list-style-type: none"> • Municipal Manager • Await quotations then appoint provider and move all servers to I.T section. <ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge

		<ul style="list-style-type: none"> • Dir: Corporate Services • Dir: Financial Services • Servers to be moved to a central secure server room 		<ul style="list-style-type: none"> • Dir: Corporate Services • Dir: Financial Services <p>This is been carried out under the Municipal Manager so not certain of the plan</p>	
IT 20	There is no record or review of software loaded on computers at all directorates.	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • FINANCE RESPONSE: A detailed record is kept of all software loaded onto the finance computers 	<p>June 2010</p> <p>Completed</p>	<ul style="list-style-type: none"> • Municipal Manager • Started Jan 2010. Documents will be available per computer. • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services 	<p>R Dumezweni X Masiza S Mvunelwa T Mali H Dredge</p>
IT 21	There is inadequate physical protection of servers and hardware in the case of destruction by fire and water, as these servers are not kept in environmentally secure server rooms.	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services 	<p>June 2010</p>	<ul style="list-style-type: none"> • Municipal Manager • Await quotations then appoint provider and move all servers to I.T section. • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services 	<p>R Dumezweni X Masiza S Mvunelwa T Mali H Dredge</p>

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		<ul style="list-style-type: none"> Servers to be moved to a central secure server room 		This is been carried out under the Municipal Manager so not certain of the plan	
IT 22	There are no documented and approved security policy or systems development life cycle methodology in place at any directorate	<ul style="list-style-type: none"> Municipal Manager Appoint IT manager on a contract basis IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services Request finance service providers to respond to the issue raised 	<p>June 2010</p> <p>28/02/10</p>	<ul style="list-style-type: none"> Municipal Manager Policy to be drafted Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services <p>Request a detailed report from ABAKUS regarding the issue raised</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
IT 23	Backups of all directorate not secured on a daily basis	<ul style="list-style-type: none"> Dir: Financial Services Backups done to a server at Community/Protection Services on a continuous basis throughout the day. 	Ongoing	<ul style="list-style-type: none"> Dir: Financial Services 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
IT 24	There is no management level IT steering committee in place to oversee the CSI function.	<ul style="list-style-type: none"> Municipal Manager 		<ul style="list-style-type: none"> Municipal Manager 	R Dumezweni
IT 25	No documented and approved security policy on IT in place	<ul style="list-style-type: none"> Municipal Manager Appoint IT manager on a contract basis IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns 	June 2010	<ul style="list-style-type: none"> Municipal Manager Policy to be drafted 	R Dumezweni
IT 26	No documented and approved policy on IT operating procedures	<ul style="list-style-type: none"> Municipal Manager Appoint IT manager on a contract basis IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns Dir: Infrastructural Services 		<ul style="list-style-type: none"> Municipal Manager Policy to be drafted Dir: Infrastructural Services 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge

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		<ul style="list-style-type: none"> • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Finance operating procedures in ABAKUS files and dealt with by service provider but policy not developed 		<ul style="list-style-type: none"> • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>IT Manager will be looking at the policy for Council approval</p>	
IT 27	No IT strategy or master systems plan exists	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns 	June 2010	<ul style="list-style-type: none"> • Municipal Manager • Only when stock of I.T equipment etc has been done this can be determined. Busy taking stock of I.T 	R Dumezweni
IT 28	Computer program discs not stored in a safe.	<ul style="list-style-type: none"> • Municipal Manager • Appoint IT manager on a contract basis • IT manager to be given terms of reference as part of contract to address all Auditor Generals concerns 	June 2010	<ul style="list-style-type: none"> • Municipal Manager • Started Jan 2010 collecting all discs and marry same to a pc 	R Dumezweni
	EMPLOYEE RELATED				
ER 1	Personnel files are not maintained, Employees that have taken leave but no leave form on file in certain cases Employees taking less than the required days leave in a cycle and the leave remaining is not written off in certain cases	<ul style="list-style-type: none"> • Dir: Corporate Services • Practice noted as subjective approach previously used by management or favouritism. However being rectified where record of leave is available updated • Dir: Corporate Services • Matter being looked into in line with SALGBC Collective Agreement on conditions of service 	30/10/07 30/10/07	<ul style="list-style-type: none"> • Dir: Corporate Services • Dir: Corporate Services 	T Mali T Mali
ER 2	Employees are working overtime hours in excess of the regulation.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection 		<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge

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		<ul style="list-style-type: none"> • Dir: Corporate Services • Dir: Financial Services • Section heads to monitor overtime worked by officials 	Ongoing	<ul style="list-style-type: none"> • Dir: Corporate Services • Dir: Financial Services <p>Section heads to check overtime worked by their staff on a monthly basis and motivate why any staff worked hours in excess of legislation</p>	
ER 3	Leave encashment calculations not checked for accuracy.	<ul style="list-style-type: none"> • Dir: Financial Services • Leave encashment calculations to be checked and signed by Assistant Director Expenditure 	Ongoing	<ul style="list-style-type: none"> • Dir: Financial Services <p>To nbe done for all leave encashed</p>	H Dredge
ER 4	Unorthorised encashment of leave by two employees	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Expenditure to ensure that only authorised encashment of leave is processed 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>No encashment of leave to be done unless authorised by the Municipal Manager</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
ER 5	Incorrect IRP5's handed out to employees	<ul style="list-style-type: none"> • Dir: Financial Services • IRP'5 to be balanced before handing out to employees 	Ongoing	<ul style="list-style-type: none"> • Dir: Financial Services <p>Assistant Director Expenditure to authorise the handing out of IRP'5 certificates after ensuring that they balance</p>	H Dredge
ER 6	Inadequate control over leave	<ul style="list-style-type: none"> • Dir: Corporate Services • Investigating the introduction of a total solution: Integrated e-HR solution 	30/11/07	<ul style="list-style-type: none"> • Dir: Corporate Services 	T Mali
ER 7	No policy on appointments, induction and termination of employees	<ul style="list-style-type: none"> • Dir: Corporate Services • Policy on appointment was adopted by Council in place and being implemented • Policy analysed and appointment process analysed by Director: Corporate Services and various legislative flaws identified 	30/11/07 30/11/07 30/11/07	<ul style="list-style-type: none"> • Dir: Corporate Services 	T Mali T Mali T Mali

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		<ul style="list-style-type: none"> The business process being analysed for improvement and streamlining Policy review process currently underway and a legally compliant policy to be formulated 	30/11/07		T Mali
ER 8	Inadequate safeguarding of personnel records	<ul style="list-style-type: none"> Dir: Corporate Services New records management procedures investigated and being implemented in a phased approach Investigation of Records Management Policy currently underway and compliance Investigation into an Electronic Document Management System currently in place Staff training of Records Management conducted to beef up records control 	30/11/07 30/06/08	<ul style="list-style-type: none"> Dir: Corporate Services 	T Mali T Mali T Mali T Mali
ER 9	Payroll monthly back-ups not secured	<ul style="list-style-type: none"> Dir: Financial Services Purchase a small fireproof safe to store all back-ups 	31/11/09	<ul style="list-style-type: none"> Dir: Financial Services Payoffice to purchase the safe 	H Dredge
ER 10	No scorecards for certain interviews	<ul style="list-style-type: none"> Dir: Corporate Services Conduct an analysis of HR Administration, HR Workflow, HR policy implementation HR Procedures and Record Mngement Procedures Conduct HR Business Process & Workflow Review Comparative analysis of HR Systems & ICT Support measures currently in place Alignment of HR Business Processes and systems overhaul-where funding allows 	15/12/07 15/12/07 15/12/07 15/12/07	<ul style="list-style-type: none"> Dir: Corporate Services 	T Mali T Mali T Mali T Mali
ER 11	Impact of training is not been measured	<ul style="list-style-type: none"> Dir: Corporate Services Impact analysis and measurement designed in line with effective PMS 	Ongoing	<ul style="list-style-type: none"> Dir: Corporate Services 	T Mali
ER 12	Termination procedures not adhered to and no termination policy	<ul style="list-style-type: none"> Dir: Corporate Services Termination policy and procedures to be aligned with HR-BPM 	15/12/2007	<ul style="list-style-type: none"> Dir: Corporate Services 	T Mali
ER 13	Leave forms are not timeously filed	<ul style="list-style-type: none"> Dir: Corporate Services Leave administration to be centralized at Corporate Services to avoid duplication between finance and HR Analysis and improvement as part of HR business process review exercise 		<ul style="list-style-type: none"> Dir: Corporate Services 	T Mali T Mali

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ER 14	Leave reports are not reviewed or reconciled	<ul style="list-style-type: none"> • Leave administration function to be centralized at HR 	01/11/07	<ul style="list-style-type: none"> • Dir: Corporate Services 	T Mali
ER 15	Timesheets do not reflect leave taken	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Reconciliation of timesheets and leave(T Mali) • Dir: Financial Services • Finance leave to be reflected in the attendance register 	Ongoing	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>To be signed on a monthly basis by the section head</p>	X Masiza S Mvunelwa T Mali H Dredge
ER 16	Timesheets are not signed by supervisors	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • All timesheets to be signed by supervisor (T Mali) • Dir: Financial Services • Section heads to sign attendance registers on a monthly basis 	Immediate Ongoing	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>To be signed on a monthly basis by the section head</p>	X Masiza S Mvunelwa T Mali H Dredge
ER 17	Occupational Health and Safety policy not passed by Council	<ul style="list-style-type: none"> • Dir: Corporate Services • Policy process for implementation of OHSA act to be put in place • Formulation of Occupational Health and Safety Policy – 1st Draft Policy 	15/11/07 15/12/07	<ul style="list-style-type: none"> • Dir: Corporate Services 	T Mali T Mali
	SUPPLY CHAIN MANAGEMENT	<ul style="list-style-type: none"> • 			
SCM 1	Supply chain policy requirements are ignored in many instances i.e no quotations, no competitive bidding and no reporting when policy not adhered to	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services This matter is being addressed and workshop has been held will all senior staff in the department • Dir: Community/Protection • Dir: Corporate Services 		<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge

		<ul style="list-style-type: none"> • Dir: Financial Services • Stricter control to be exercised by BTO and supply chain when signing requisitions and issuing of orders 	Ongoing	<ul style="list-style-type: none"> • Dir: Financial Services <p>No requisitions to be signed or orders issued if the policy is not adhered to</p>	
SCM 2	The quotations are received after the invoice has been issued.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services This matter is being addressed and workshop has been held will all senior staff in the department • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Municipal Manager to sign a deviation when quotations are received after the invoice date 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>No requisitions to be signed or orders issued if Municipal Manager has not signed a deviation form</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
SCM 3	Quotations being altered are used by directorates.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Stricter control to be exercised by BTO and supply chain when signing requisitions and issuing of orders 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>No requisitions to be signed or orders issued if quotations have been altered</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
SCM 4	The quotations do not have any company registration numbers, vat numbers and contact person.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection 		<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge

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		<ul style="list-style-type: none"> • Dir: Corporate Services • Dir: Financial Services • Stricter control to be exercised by BTO and supply chain when signing requisitions and issuing of orders 	Ongoing	<ul style="list-style-type: none"> • Dir: Corporate Services • Dir: Financial Services <p>No requisitions to be signed or orders issued if quotations does not contain all required information.</p>	
SCM 5	Quotation date and invoice date are the same.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services This matter is being addressed and workshop has been held will all senior staff in the department • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Stricter control to be exercised by BTO and supply chain when signing requisitions and issuing of orders 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Could happen in an emergency but each case to be looked at on merit</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
SCM 6	Quotations accepted after expiry date of quote.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Stricter control to be exercised by BTO and supply chain when signing requisitions and issuing of orders 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>No requisitions to be signed or orders issued if quotations have expired and no notification from the supplier that the price is still valid.</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
SCM	Providers used are not listed in the	<ul style="list-style-type: none"> • Municipal Manager 		<ul style="list-style-type: none"> • Municipal Manager 	R Dumezweni

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7	list of accredited service providers of the municipality.	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Suppliers to be encouraged to register on the supplier data base 	Ongoing	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Advertisement to be placed in the press half yearly and letters sent to suppliers not registered on an annual basis</p>	X Masiza S Mvunelwa T Mali H Dredge
SCM 8	Two payments made on the same invoice, requisition and order number for the same project.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Creditor section to put procedures in place to ensure that duplicate payments cannot be made 	30/06/10	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Get the entire supply chain function computerised so that duplications cannot occur</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
SCM 9	Payments made without receiving an invoice and no invoice numbers identified.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Procedure to be put in place by expenditure to ensure all payments have an invoice prior to the cheque being released 	28/02/10	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>Assistant Director Expenditure to develop the procedure and advise all directorates</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
SCM 10	Payments made for services not yet completed.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 		<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 	R Dumezweni X Masiza S Mvunelwa T Mali

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		<ul style="list-style-type: none"> • Dir: Financial Services • Payments to be made only if certified by the relevant official that the work is completed or goods have been received 	Ongoing	<ul style="list-style-type: none"> • Dir: Financial Services <p>Assistant Director Expenditure to ensure that all staff are aware of this</p>	H Dredge
SCM 11	Splitting invoices to avoid supply chain regulations	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services • Stricter control to be exercised by BTO and supply chain when signing requisitions and issuing of orders 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services <p>All finance staff to be advised to be vigilant in this regard and report such incidents to the Municipal Manager</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
SCM 12	Supply chain management review by audit unit still not finalized.	<ul style="list-style-type: none"> • Dir: Financial Services • Pricewaterhouse Coopers forensic unit to conclude investigation 	28/02/10	<ul style="list-style-type: none"> • Dir: Financial Services <p>Supply Chain Manager to liaise with Pricewaterhouse Coopers to ensure that the investigation is finalised</p>	H Dredge
SCM 13	No register of tenders available.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services • Municipal Manager to advise as to who is responsible for maintaining the register of all tenders 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services <p>Finance have details of all its tenders but need to know who the central office is that is to maintain a complete tender register</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
SCM 14	Three quotations where not available for audit for certain procurement of goods/services.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services 		<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge

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		<ul style="list-style-type: none"> • Municipal Manager to sign a deviation when three quotations are not received when procuring goods/services 	Ongoing	No requisitions to be signed or orders issued if Municipal Manager has not signed a deviation form	
SCM 15	Tax clearance authorization not received from suppliers for goods and services procured over R15 000.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • This matter is being addressed and workshop has been held will all senior staff in the department • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Stricter control to be exercised by BTO and supply chain when signing requisitions and issuing of orders 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>No requisitions to be signed, orders issued or payment made if tax clearance authorization not received from suppliers for goods and services procured over R15 000</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
SCM 16	Service providers not providing declarations of interest.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services This matter is being addressed and workshop has been held will all senior staff in the department • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Stricter control to be exercised by BTO and supply chain when signing requisitions and issuing of orders 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>No requisitions to be signed, orders issued or payment made if declarations of interest are not received from suppliers for goods and services procured over R30 000</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
SCM 17	Advertise for service providers to put their names on list of accredited	<ul style="list-style-type: none"> • Dir: Financial Services • Advertisement to be placed in the press 	28/02/10	<ul style="list-style-type: none"> • Dir: Financial Services <p>Supply Chain Manager to advertise on a</p>	H Dredge

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	service providers not done.	inviting suppliers to register on the data base		yearly basis	
SCM 18	Purchase orders signed and dated after the date of invoice at year end	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Stricter control to be exercised by BTO and supply chain when signing requisitions and issuing of orders 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>No requisitions to be signed or orders issued if Municipal Manager has not signed a deviation form</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
SCM 19	No motivation memorandums accompany orders when no quotations or less than three quotations received	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Stricter control to be exercised by BTO and supply chain when signing requisitions and issuing of orders 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>No requisitions to be signed or orders issued if Municipal Manager has not signed a deviation form that has a full motivation for the deviation</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
SCM 20	Invoices received and paid before order is issued	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Stricter control to be exercised by BTO and supply chain when signing requisitions and issuing of orders 	Ongoing	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>No requisitions to be signed or orders issued if Municipal Manager has not signed a deviation form</p>	X Masiza S Mvunelwa T Mali H Dredge
	STORES				
STO 1	Lack of control over vehicles filling up with petrol and diesel	<ul style="list-style-type: none"> • Dir: Financial Services • Drivers sign with every re-fuel and kilometre readings are taken. • Discussion to be held with store manager in 	30/01/10	<ul style="list-style-type: none"> • Dir: Financial Services 	H Dredge

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		<ul style="list-style-type: none"> order to improve control measures Fleet manager to do monthly reports to Council regarding the fuel 	30/01/10		
STO 2	Inventory disclosed on AFS Is overstated when compared to amount of stock counted	<ul style="list-style-type: none"> Dir: Financial Services This was adjusted on agreement with the Auditor General 	Completed	<ul style="list-style-type: none"> Dir: Financial Services 	H Dredge
STO 3	No support documentation used when performing monthly stock reconciliations from actual inventory count figures to theoretical figures	<ul style="list-style-type: none"> Dir: Financial Services Store manager to be instructed to keep a file with all documentation of the store items that are checked on a monthly basis 	30/01/10	<ul style="list-style-type: none"> Dir: Financial Services 	H Dredge
STO 4	Stock shortages when compared to bin cards not reported on and adjusted	<ul style="list-style-type: none"> Dir: Financial Services Store manager to be instructed to do a formal report to the Assistant Director: Expenditure on all stock shortages that are identified on a monthly basis. Reports to be handed to the Auditor General when the annual stoketake takes place 	30/01/10	<ul style="list-style-type: none"> Dir: Financial Services 	H Dredge
STO 5	Delivery notes not signed by directors when goods are delivered directly to the directorate offices.	<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services All goods received at stores have delivery notes. Discussions to be held with the Municipal Manager regarding goods not delivered to stores. 	28/02/10	<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
STO 6	Goods received not arthorised by the employee receiving the goods	<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services All goods received at stores are authorised. Discussions to be held with the Municipal Manager regarding goods not delivered to stores. 	28/02/10	<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
STO	Obsolete inventory not written off	<ul style="list-style-type: none"> Municipal Manager 		<ul style="list-style-type: none"> Municipal Manager 	R Dumezweni

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7	and no policy developed to deal with writing off of obsolete stock	<ul style="list-style-type: none"> Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services <ul style="list-style-type: none"> Dir: Financial Services Develop a policy dealing with the write off of obsolete stock and submit to Council for approval 	31/01/10	<ul style="list-style-type: none"> Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services <ul style="list-style-type: none"> Dir: Financial Services 	X Masiza S Mvunelwa T Mali H Dredge
STO 8	No controls in place to ensure that petrol dips are taken daily	<ul style="list-style-type: none"> Dir: Financial Services Dip readings taken daily and recorded 	Completed	<ul style="list-style-type: none"> Dir: Financial Services <p>To ensure that the store manager does the dips daily and records such</p>	H Dredge
STO 9	Not all employees signing as receiving petrol/diesel	<ul style="list-style-type: none"> Dir: Financial Services <p>Ensure that drivers and employees collecting petrol/diesel sign as per procedures</p>	26/02/10	<ul style="list-style-type: none"> Dir: Financial Services <p>Put documented procedures in place on signing for petrol/diesel and ensure procedures documented are adhered to</p>	H Dredge
STO 10	Goods returned notes do not reflect invoice numbers and order numbers for the goods returned.	<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services <ul style="list-style-type: none"> Dir: Financial Services Ensure all goods returned notes reflect invoice numbers and order numbers 	Ongoing	<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services <ul style="list-style-type: none"> Dir: Financial Services <p>Goods exchanged do not have the invoice number and order number</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
STO 11	Fuel expenditure not debited to correct cost centers	<ul style="list-style-type: none"> Dir: Financial Services <p>Fuel sheets to be captured monthly to the correct cost centres</p>	Ongoing	<ul style="list-style-type: none"> Dir: Financial Services <p>Stores to ensure that fuel is debited to the correct cost centre on a monthly basis</p>	H Dredge
STO 12	Goods returned to stores not accounted for	<ul style="list-style-type: none"> Dir: Financial Services <p>Employees that book stock out of the stores must be denied access to the stores so that they cannot put items back on the shelves without going through the proper procedures</p>	Ongoing	<ul style="list-style-type: none"> Dir: Financial Services 	H Dredge
STO 13	Store issue forms to be filed in date order	<ul style="list-style-type: none"> Dir: Financial Services <p>Procedure to be put in place that deals with the filing of all documentation at stores</p>	28/02/10	<ul style="list-style-type: none"> Dir: Financial Services <p>Assistant Director: Expenditure to ensure that written procedures are in place to</p>	H Dredge

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				deal with the filing of all stores documentation Stores staff to adhere to the procedures for filing of documentation	
STO 14	No formal procedures in place to do monthly stock reconciliations	<ul style="list-style-type: none"> Dir: Financial Services Procedure to be put in place that deals with the monthly stock reconciliations 	28/02/10	<ul style="list-style-type: none"> Dir: Financial Services Assistant Director: Expenditure to ensure that written procedures are in place to deal with the monthly stock reconciliations Stores staff to adhere to the procedures for monthly stock reconciliations	H Dredge
STO 15	Policies and procedures not in place on the valuation of store items	<ul style="list-style-type: none"> Dir: Financial Services Policy dealing with the valuation of stores items to be developed Written procedures dealing with the valuation to be drawn up 	38/02/10 31/03/10	<ul style="list-style-type: none"> Dir: Financial Services Assistant Director Expenditure to develop a policy on the valuation of stores items Assistant Director Expenditure to develop written procedures on the valuation of stores items	H Dredge
	CREDITORS	<ul style="list-style-type: none"> 			
CR 1	Tax invoices do not contain all the required particulars per the relevant legislation	<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services When tax invoice received they will be checked to ensure that all information is included as per legislation 	Ongoing	<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services To be done with immediate effect	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
CR 2	Creditor payments made after 30 days from date of invoice	<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services Invoices are all paid within 30 days of receipt by the finance directorate. Invoices received late from suppliers and other 	Ongoing	<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services Advise other directorates to ensure that invoices are passed to finance as soon as they are received and authorised	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge

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		directorates are paid after the 30 day period. All invoices received by finance are date stamped and paid within the 30 day period			
CR 3	No documentation as evidence on payment voucher for advertising.	<ul style="list-style-type: none"> • Dir: Financial Services • Procedures to be developed to ensure that comprehensive documentation is attached to all payment vouchers 	26/02/10	<ul style="list-style-type: none"> • Dir: Financial Services To be discussed at the policy review workshop	H Dredge
CR 4	Input VAT not claimed on audit fee	<ul style="list-style-type: none"> • Dir: Financial Services • This was corrected in July 2008 	Completed	<ul style="list-style-type: none"> • Dir: Financial Services To ensure that all future payments are treated correctly for VAT	H Dredge
CR 5	VAT apportionment basis not correct from date of new legislation	<ul style="list-style-type: none"> • Dir: Financial Services • This was corrected as from July 2008 	Completed	<ul style="list-style-type: none"> • Dir: Financial Services To be reviewed on a regular basis	H Dredge
CR 6	VAT accounts incorrectly stated due to joint venture established and accounting transactions not accounted for	<ul style="list-style-type: none"> • Dir: Financial Services • This was due to the Menscott agreement and has been correctly accounted for 	Completed	<ul style="list-style-type: none"> • Dir: Financial Services To ensure that such transactions to not happen in future	H Dredge
CR 7	VAT recovery done by Maxprof only accounted for in the following financial year	<ul style="list-style-type: none"> • Dir: Financial Services • This was corrected 	Completed	<ul style="list-style-type: none"> • Dir: Financial Services To ensure that all receipts and payments are recorded in the financial year that they are applicable to	H Dredge
CR 8	Prior year expenditure booked to current year expenditure	<ul style="list-style-type: none"> • Dir: Financial Services • Difficult to achieve as invoices for goods purchased in June and service providers provide invoices after financial statements have been completed remains a challenge. Need to interact with service providers to get June invoices by the latest middle of July 	31/07/10	<ul style="list-style-type: none"> • Dir: Financial Services This problem must be dealt with at the end of each financial year.	H Dredge
	PERFORMANCE MANAGEMENT	•			
PM 1	Service providers performance not measured by directorates receiving the goods and or services	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Require assistance w.r.t.measuring performance of service providers 		<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge

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		<ul style="list-style-type: none"> • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services • This will be done during the 2009/2010 financial year 	30/06/10	<ul style="list-style-type: none"> • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services <p>The supply chain manager is developing a form to review the performance of service providers</p>	
PM 2	Performance management System not cascaded to all staff	<ul style="list-style-type: none"> • Dir: Corporate Services • Current system quite complex • Comparative analysis being conducted to look into a more suitable and viable PMS solution 	30/11/07	<ul style="list-style-type: none"> • Dir: Corporate Services 	T Mali
PM 3	Performance of Section 57 employees not measured	<ul style="list-style-type: none"> • Dir: Corporate Services • Performance plan of section 57 employees served before Council • To be dealt with along the lines of a suitable and viable PMS solution across the board – (see 90 above) 	30/10/07 30/11/07	<ul style="list-style-type: none"> • Dir: Corporate Services 	T Mali
	LEGISLATION – BY-LAWS - POLICIES	<ul style="list-style-type: none"> • 			
LEG 1	Budget, rates and tariff policy not adequately work shopped with the community	<ul style="list-style-type: none"> • Dir: Financial Services • The budget and treasury office and interns to hold meetings with the community to discuss the finance policies during the IDP/Budget process 	30/06/10	<ul style="list-style-type: none"> • Dir: Financial Services <p>The policies will once again be incorporated with the draft budget and then work shopped with the community</p>	H Dredge
LEG 2	By-laws not aligned with new legislation, policies and tariffs	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services • FINANCE RESPONSE: Assistance from DPLG to ensure by-laws, policies, tariffs and fines aligned 	30/06/10	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
LEG 3	Banking and investment policy not adequately work shopped with staff dealing with cash	<ul style="list-style-type: none"> • Dir: Financial Services • The budget and treasury office and interns to have a meeting with the finance staff to 	31/01/10	<ul style="list-style-type: none"> • Dir: Financial Services <p>Policies have been given to all finance staff to read to ensure they have an</p>	H Dredge

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		discus the banking and investment policy		understanding of the policies before the work shop starts	
LEG 4	Credit control policy does not make reference to anticipated payments and bad debt levels	<ul style="list-style-type: none"> • Dir: Financial Services • Was addressed in the credit control policy that has been passed by Council on 7 August 2007 • PWC provide comments on the policies • Policy will be reviewed to ensure auditors concerns are adequately addressed 	Completed Completed 28/02/10	<ul style="list-style-type: none"> • Dir: Financial Services 	H Dredge
	BUDGETS	•			
BUD 1	Capital expenditure booked against operating votes.	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • An adjustment budget has been tabled to Council where funds were transferred from opex to capex • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • No capital items procured by finance were booked against an operating vote. 		<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
BUD 2	Non compliance with the procedures of preparing and tabling the annual budget	<ul style="list-style-type: none"> • Dir: Financial Services • Monitor the submission of information from directorate to ensure that there will be compliance for the 2010/2011 budget 	31/03/10	<ul style="list-style-type: none"> • Dir: Financial Services <p>Monitor submission of information on a daily basis and give early warning to the Municipal Manager of non submissions</p>	H Dredge
BUD 3	Budget schedule not adhered to	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Establish Budget Task Team departmental (T Mali) • Determine central budget point, departmental (T mali) • Adhere to budget timetable and schedule (T Mali) 	30/11/07 30/11/07 30/11/07	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 	X Masiza S Mvunelwa T Mali H Dredge

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		<ul style="list-style-type: none"> • Dir: Financial Services • BTO staff to advise Municipal Manager of any directorate not adhering to the budget schedule 	Ongoing	<ul style="list-style-type: none"> • Dir: Financial Services 	
BUD 4	Over and under expenditure of budget not reported on.	<ul style="list-style-type: none"> • Dir: Infrastructural Services • An adjustment budget was submitted to Council • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Connect all directors to the ABAKUS system for them to undertake budget control 	30/11/09	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services This has been done by Mr Buys 	X Masiza S Mvunelwa T Mali H Dredge
BUD 5	Budget implementation and service delivery for 2009/2010 financial year submitted late.	<ul style="list-style-type: none"> • Dir: Financial Services • Ensure guidelines given to directors to ensure that all information is received on time for the submission of the 2010/2011 budget 	Ongoing	<ul style="list-style-type: none"> • Dir: Financial Services Advise Municipal Manager of any late submissions 	H Dredge
BUD 6	No services delivery budget implementation plan drawn up and submitted by all directorates to Council for noting and oversight	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • BTO to amend 2009/2010 SDBIP and resubmit for 2010/2011 budget 	30/03/10	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services Meet with all section heads to update existing SDBIP 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
BUD 7	Advertisements for budgets not done in correct format	<ul style="list-style-type: none"> • Dir: Financial Services • Notice number and date of publication to be included in the advertisement 	31/05/10	<ul style="list-style-type: none"> • Dir: Financial Services Ensure the advertisement is in the correct format for the 2010/2011 budget 	H Dredge
BUD 8	Monthly routine reports of all directorates not presented to council within 30 days after each respective quarter dealing with compliance to their service delivery	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 		<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge

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	budget implementation plan.	<ul style="list-style-type: none"> Dir: Financial Services BTO to meet with Municipal Manager to address how he would like each directorate to submit their directorates report and how BTO is to consolidate the report 	28/02/10	<ul style="list-style-type: none"> Dir: Financial Services <p>Set up meeting with the Municipal Manager</p>	
BUD 9	Mid year budgets and performance assessments not submitted to council	<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services BTO to submit the reports as per legislation even though no performance system in place 	Ongoing	<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services <p>BTO to prepare item for submission to Council as required by legislation</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
BUD 10	Capital projects funded by grants not part of the budget or financial system	<ul style="list-style-type: none"> Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services Adjustment budget to be done to bring all funded projects relating to finance onto the 2009/2010 capital budget 	28/02/10	<ul style="list-style-type: none"> Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services <p>Budget and Treasury office to prepare an item to go to Council on the FMG and MSIG funding</p>	X Masiza S Mvunelwa T Mali H Dredge
BUD 11	Annual budget not submitted in correct format to National Treasury	<ul style="list-style-type: none"> Dir: Financial Services Obtain correct budget format return forms from National Treasury 	30/09/09	<ul style="list-style-type: none"> Dir: Financial Services <p>New formats obtained and are now completed</p>	H Dredge
BUD 12	Calculations of tariffs not calculated according to tariff policy.	<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services All directorates to ring fence there cost centres and then tariffs can be calculated per the policy 	30/06/10	<ul style="list-style-type: none"> Municipal Manager Dir: Infrastructural Services Dir: Community/Protection Dir: Corporate Services Dir: Financial Services <p>BTO to advise all directorates of ring fencing that needs to take place as part of the budget process</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
BUD 13	Votes are over spent through all directorates without the required	<ul style="list-style-type: none"> Municipal Manager 		<ul style="list-style-type: none"> Municipal Manager 	R Dumezweni X Masiza

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	adjustment budgets been done	<ul style="list-style-type: none"> • Dir: Infrastructural Services • An adjustment budget was submitted to Council • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Adjustment budget for finance to go to the Mach 2010 Council meeting for approval 	30/03/10	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>BTO to submit the item for an adjustment budget to Council at its March 2010 meeting</p>	S Mvunelwa T Mali H Dredge
	Audit fee provision is understated in the budget	<ul style="list-style-type: none"> • Correct budget in the 2008/2009 financial year 	Completed	This was addressed once again in the 2009/2010 budget	H Dredge
BUD 14	Monthly budget statements to be forwarded to Provincial Treasury	<ul style="list-style-type: none"> • Dir: Financial Services • Interns to forward all NT returns as required 	Ongoing	<ul style="list-style-type: none"> • Dir: Financial Services <p>Interns are complying to reporting requirements</p>	H Dredge
BUD 15	Not all MIG and other funding budgeted for in the Ndlambe Municipality budget	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Funding received by finance to be incorporated in the budget 	ongoing	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>BTO to do as part of the finance budget preparation</p>	X Masiza S Mvunelwa T Mali H Dredge
BUD 16	Incorrect votes used for certain expenditure items with no adjustment budget	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services • Incorrect votes to be journalised to correct votes and adjustment budget submitted to Council if necessary 	30/03/10	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services • Dir: Financial Services <p>BTO office to analyse all finance votes</p>	X Masiza S Mvunelwa T Mali H Dredge
BUD 17	Possible unauthorized expenditure not disclosed by directorates that have exceeded their budget allocations	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 		<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services 	X Masiza S Mvunelwa T Mali H Dredge

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		<ul style="list-style-type: none"> • Dir: Financial Services • Submit adjustment budgets to Council for all budgets that are exceeded in the finance budget 	Ongoing	<ul style="list-style-type: none"> • Dir: Financial Services <p>Adjustment budgets for 2008/2009 submitted to Council Adjustment budget for 2009/2010 to be submitted to Council in March 2010 if needed</p>	
BUD 18	Grant expenditure received not adjusted on budget	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services • All finance grants received to be brought onto the budget 	Ongoing	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services <p>Finance receives mainly the two grants, FMG and MSIG and these are on the budget</p>	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge
	INTEGRATED DEVELOPMENT PLAN	<ul style="list-style-type: none"> • 			
IDP 1	Objectives within the IDP are not addressed adequately	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services • Finance directorate management meetings to have a standard agenda point to access as to if the IDP objectives are met in the finance directorate 	Ongoing	<ul style="list-style-type: none"> • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services 	X Masiza S Mvunelwa T Mali H Dredge
IDP 2	Reports on implementation of the integrated development plan not done as per legislation	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services • IDP not yet integrated into a performance system so our monthly reports used to deal with the metter 	ongoing	<ul style="list-style-type: none"> • Municipal Manager • Dir: Infrastructural Services • Dir: Community/Protection • Dir: Corporate Services <ul style="list-style-type: none"> • Dir: Financial Services 	R Dumezweni X Masiza S Mvunelwa T Mali H Dredge

1.2.6 AUDIT COMMITTEE REPORT ON THE AUDITOR-GENERALS REPORT

1.2.7 GRANTS AND TRANSFER SPENDING

Grant details			Amount received and spent each quarter											
Project name	Donor name	BF amount	1/04/ to 30/06		01/07 to 30/09		01/10 to 30/12		01/01 to 30/03		01/04 to 30/06		Total	
			Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent
ASSEST VALUATION	MSIG - DPLG				200					19		182	200	200
PROPERT RATES	MSIG - DPLG				400							400	400	400
WARD PARTICIPATION	MSIG - DPLG				135	71		40		24			135	135
UPGRADE OF BULK WATER PHASE 2	MIG				2500		3541						2500	3541
UPGRADE FINANCE COMPUTER SYSTEMS	FMG				1500	500	1500	635		450		1415	3000	3000
NEMATO SIDEWARKS	MIG		250	11		68		108		55		19	250	261
COMPLETION NEMATO SEWER	MIG		9012		2275	3859	3888	2810	2841	1243			9012	7912
MANALEC-HIGH MAST	DME				5000		5000	4826		1		1769	10000	6598

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THORNHILL ALBANY REGIONAL SCHEME	DWAF	398		106	0.4							0.4	106
ASSET REGISTER	DWAF	800						397					397
BULK WATER- MARSELLE	DWAF	139									130		130
BOREHOLES- TRAPPESVALL EY	DWAF	120									84		84
UPGRADE BATHURST WATER	DWAF	95						149					
UPGRADE DNU SUPPLY PA	DWAF	50		1				51					51
GIS DATABASE	DWAF	40					36						36
WATER SERVICE BY- LAW	DWAF	198		149									149
BOKNESS/CAN NON ROCKS PLANT UPGRADE	DWAF	2000	1011	3005								1011	3005
O&M MANUALS	DWAF		165					165				165	165
WCWDM:PREP ARE STRATEGY	DWAF						587	203				587	203
IMPROVE DWQ SAMPLING	DWAF						460	347				460	347

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WSDF	DWAF								315				315	
RAINWATER HARVESTING	CACADU DM						1500						1500	
ESSENTIAL OILS PROGRAM	DEDEA	211					230	264					230	264
YOUTH FUND	UMSOBO MVU								250	190			250	190
BATHURST COMMONAGE	CACADU DM				110	38							110	38
CHICORY PROJECT	CACADU DM				500	6							500	6

1.2.8 CONSUMER BILLING: JUNE 2008 – JUNE 2009

**TOTAL MONTHLY VALUE OF BILLINGS FOR THE PERIOD 01
JULY 2008 TO 30 JUNE 2009**

Category Description	Jun '09	May '09	Apr '09	Mar '09	Feb '09	Jan '09	Dec '08	Nov '08	Oct '08	Sep '08	Aug '08	Jul '08	Total
Rates (Monthly&Annually)	1,847,620	1,849,731	1,858,626	1,862,569	1,866,767	1,875,583	1,883,723	1,880,493	1,866,157	1,866,191	1,867,008	12,504,726	33,029,193
Service Charge	190,734	167,355	167,516	193,247	170,150	170,150	172,570	172,408	173,537	176,118	176,225	176,172	2,106,183
Water	1,640,772	1,407,943	1,410,987	1,680,981	1,524,613	2,201,882	1,503,543	3,054,119	1,687,028	1,364,872	1,759,179	1,551,788	20,787,708
Sewerage	644,187	561,390	552,306	641,013	552,558	555,242	2,216,007	5,375,636	2,492,109	2,093,952	2,514,719	2,267,417	20,466,536
Sanitation	75,514	55,596	58,369	53,304	56,708	118,079	89,658	107,299	19,883	66,362	55,539	88,926	845,236
Refuse	852,278	748,334	748,486	853,924	747,156	746,320	746,092	745,788	744,952	743,432	743,508	833,114	9,253,383
Electricity	1,544,507	1,559,692	1,673,661	1,602,063	1,156,298	1,897,597	1,665,458	1,605,629	1,899,967	5,361,992	1,934,468	1,969,354	23,870,685
Housing (70,77,79,81,82,83)	18,479	14,676	14,676	17,380	14,676	17,024	16,091	14,657	14,657	14,657	15,714	14,656	187,344
Instalment	5	5	5	5	5	5	5	5	5	5	5	5	54
Insurance	35	35	35	35	35	35	35	35	35	35	35	35	417
Legal Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigent Charge	3,270	3,270	3,250	3,705	3,250	3,260	3,230	3,210	3,190	3,200	3,180	3,170	39,185
Indigent													
Sundries	65,034	70,374	63,617	68,556	66,316	201,628	67,849	64,988	59,532	59,186	66,531	65,128	918,738
Sub Total	6,882,435	6,438,400	6,551,533	6,976,781	6,158,532	7,786,806	8,364,261	13,024,266	8,961,051	11,750,000	9,136,110	19,474,490	111,504,663

1.2. DEBTOR RECEIPTS – JULY 2008 / JUNE 2009

**TOTAL MONTHLY VALUE OF RECEIPTS FOR THE PERIOD 01 JULY 2008
TO 30 JUNE 2009**

Category Description	Jun '09	May '09	Apr '09	Mar '09	Feb '09	Jan '09	Dec '08	Nov '08	Oct '08	Sep '08	Aug '08	Jul '08	Total
Rates (Monthly&Annuall y)	2,139,967	2,122,544	1,887,802	1,983,689	1,863,695	2,013,911	2,104,132	2,328,362	2,790,025	4,956,718	5,793,423	1,558,248	31,542,515
Service Charge	155,872	164,108	155,684	165,212	168,720	164,059	164,646	165,567	161,690	168,104	240,180	94,864	1,968,706
Water	1,239,339	1,283,186	1,356,412	1,480,648	1,552,108	1,390,955	1,317,457	1,449,422	1,364,472	1,408,410	1,378,696	1,092,668	16,313,773
Sewerage	546,380	578,208	565,901	571,891	553,999	575,044	574,281	573,078	543,199	560,919	726,711	401,821	6,771,431
Sanitation	80,747	88,500	70,490	95,232	112,888	147,310	128,864	48,807	75,612	81,818	66,730	95,528	1,092,528
Refuse	985,668	960,318	940,992	1,004,904	967,302	964,740	1,021,187	1,004,721	925,811	1,015,431	1,073,973	761,689	11,626,735
Electricity	1,738,878	1,935,828	1,798,359	1,969,986	2,017,759	2,059,484	1,834,237	2,062,723	2,012,867	2,285,017	1,908,437	1,509,306	23,132,878
Housing (70,77,79,81,82,83)	2,997	3,225	5,142	14,947	4,394	4,678	6,561	2,408	8,831	8,743	3,547	8,907	74,380
Instalment	40	14	185	24	40	15	60	64	102	14	59	49	666
Insurance	44	16	92	10	11	28	16	30	30	7	6	26	317
Legal Fees	76,208	66,259	87,725	77,998	63,440	34,864	77,002	29,123	37,940	42,446	60,614	11,513	665,132
Indigent Charge	3,798	2,596	7,855	5,826	6,446	3,303	79,825	17,041	15,233	4,142	21,910	4,078	172,053
Indigent													
Sundries	84,270	79,386	87,954	172,206	148,407	117,556	427	70,760	72,795	123,524	93,587	91,292	1,142,163
Total	7,054,207	7,284,187	6,964,593	7,542,571	7,459,209	7,475,948	7,308,695	7,752,106	8,008,607	10,655,292	11,367,872	5,629,989	94,503,277

1.2.10 DEBTORS AGE ANALYSIS AS AT 30 JUNE 2009

NDLAMBE DEBTOR ANALYSIS AS AT 30 JUNE 2009

	HAND OVERS	PENALTY INTEREST	+ 90 DAYS	60 DAYS	30 DAYS	CURRENT	TOTAL
Rates (Yearly)	38,757	52,944	742,714	692	9,756	-26,066	818,796
Rates (Monthly)	19,691	26,739	837,221	33,716	34,302	10,257	961,927
Service Charge	120,375	1,397,748	8,424,709	108,973	124,978	70,822	10,247,605
Water	153,978	183,389	10,910,689	433,547	459,615	398,438	12,539,656
Sewage	143,456	31,196	2,148,160	193,468	223,223	176,685	2,916,188
Sanitation	0	1165.37	30020.61	0	258.28	-875.43	30,569
Refuse	105,284	30,174	2,459,156	206,328	246,158	152,887	3,199,986
Electricity	1,281	1,501	44,415	4,882	9,267	9,889	71,233
Housing	15,950	202,030	758,970	6,486	6,550	2,430	992,416
Legal Fees	-617	8,737	646,515	5,808	6,592	-12,053	654,982
Indigent Charge	3,143	97,175	902,164	3,764	3,823	-21,044	989,026
Sundry	147	25,445	103,349	1,778	1,949	422	133,089
TOTAL : JUNE 2009	601,444	2,058,242	28,008,082	999,440	1,126,473	761,791	33,555,473

1.2.11 DEBTORS WRITTEN OFF – JULY 2008 – JUNE 2009

**DEBTOR AMOUNTS WRITTEN OFF during 2008/2009
FINANCIAL YEAR**

Categories	ALEX	FEB '09		JUL/AUG '09		NOV '08		Subtotal		Grand Total
		Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest	
RATES	63,070	6,593	1,209	30,298	10,989	4,097	1,426	104,058	13,624	117,682
Service Charge	681,380	30,422	8,078	8,608	2,004	8,107	2,995	728,518	13,077	741,595
Water	90,916	65,622	7,897	12,083	291	13,259	3,739	181,880	11,927	193,807
Sanitation	-	-	-	154	-	-	-	154	-	154
Refuse	41,571	23,609	4,621	7,901	485	8,674	2,163	81,756	7,269	89,025
Indigent Charge	-	3,454	418	1,671	274	2,185	395	7,310	1,087	8,398
Legal Fees	2,621	7,402	80	2,383	-	868	65	13,274	145	13,419
Sewerage	151,078	28,324	4,398	8,583	116	10,784	1,911	198,769	6,425	205,194
Housing	5,596	5,605	2,552	193	-	1,873	251	13,267	2,803	16,070
Electricity	4,041	2,096	310	2,786	612	150	96	9,073	1,018	10,091
Sundries	2,676	284	59	75	28	103	35	3,138	123	3,261
Total written off	1,042,949	173,412	29,623	74,735	14,799	50,101	13,077	1,341,197	57,499	1,398,696

1.2.12 PROPERTY RATES – RESIDENTIAL AND COMMERCIAL

Property Rates : Residential and Commercial

TOWN	Non Rateable	Rateable	Municipality	Government
Port Alfred	93,193,470	2,223,645,542	28,275,177	21,600,000
Seafiel	6,266,508	348,775,801	4,270,000	-
Kenton	14,344,014	980,118,571	1,336,413	10,335,005
Boknes	6,430,541	230,517,880	1,572,850	-
Cannon Rocks	11,203,000	242,504,220	802,500	-
Bathurst	5,051,233	112,369,532	7,700,965	20,000
Bushmans	12,105,801	335,041,700	6,152,900	-
Alexandria	10,199,500	121,779,187	16,932,201	199,750
Nkwenkwezi	15,065,650	76,834,401	-	-
Total	173,859,717	4,671,586,834	67,043,006	32,154,755
Total Number per Category	3170	21000	2070	31

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Total Rates Collectible : Current year :	35,000,000
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N.B. Current reports do not provide split between Residential & Commercial properties

1.2.13 CUSTOMER SATISFACTION SURVEY

NDLAMBE MUNICIPALITY – FINANCE DIRECTORATE
CUSTOMER SURVEY – DEBTORS

In order to enable the Finance Directorate of the Ndlambe Municipality to supply our customers with excellent service we need to know from you, our customer, what you expect from us as a service provider.

Therefore, it would be appreciated if you would take the time to complete the following questionnaire and return it to: Director: Financial Management, P.O.Box 13, Port Alfred, 6170 or drop it off at one of the finance offices situated in Port Alfred, Kenton-on-Sea or Alexandria.

Using the rating scale 1 is very poor and 5 is excellent, how would you rate the following: **Average:**

ACCOUNTS:

1	Are the accounts you receive clear both in content and presentation?	4.4
2	Have you found that account statements are received on time?	3.3
3	Would you suggest any changes to the content of the account?	3.9
4	Have you found the account statements to be accurate?	3.8
5	Have you found that payment of accounts is easy?	4.4

STAFF CONDUCT:

1	Are staff members friendly, courteous and helpful?	4
2	Have you found that staff members treat you with respect?	4
3	Have you found the staff members to be competent?	3.7
4	Have you found that staff members are efficient?	3.7
5	Have you found that staff members are attentive?	3.7
6	Have you found that staff members listen to your problems?	3.8
7	Have you found that staff members go out their way to help you?	3.6

Queries:

1	Have you found that queries are resolved to your satisfaction?	3.4
2	Have you found that queries are resolved in time?	3.3
3	Have you found that you are helped with minimal referrals?	3.4

Municipal Facilities:

1	Have you found that municipality working hours are convenient?	3.8
2	Have you found that facilities are accessible?	3.9

GENERAL:

1	Do you have to stand in long queues when at the finance office?	Most answered no.
2	Would you like to receive new or updates via email?	

A lot of the Debtors have asked to have their accounts e-mailed to them. Most of them have emailed us directly and not put their emails onto the survey.

3	Have you visited the finance website www.ndlambe.gov.za	Most answered no.
4	Are there any suggestions you would like to make that will make your visit to and/or contact with the finance directorate offices more acceptable?	

The following comments were made:

- Put more information on accounts to convey information such as evaluation statistics.
- Have had problems with evaluations and information relating there to. The evaluation process has been a huge disappointment and hope that we need never to go through this again.
- Payment date is conflict with most salaried workers' pay day - account attracts unnecessary interest because of that - maybe payment date could be made to be the last day of the month.
- The environmental levy has still not been explained.
- Note- Not everyone has a computer - how do you communicate with them? For the payments of accounts introduce a credit card facility.
- Please explain thoroughly the rates levy, Interest and Penalties if account is current.
- M.Reynolds at enquiries is a huge asset
- C.Davis-Taylor very helpful.
- Why are we paying water, electricity and refuse removal on a bare piece of land? And our property is valued to high and we are unable to get resolution on this.
- Be quicker in answering the phone and more friendly.
- A smile would be great when paying my account and if the cashier could please put her phone down when assisting me.
- Messages left with switchboard to return calls when staff are busy should be honoured.
- Cannot find changing property valuation objection forms.
- Pay by cheque
- Would it be possible to print the account in Afrikaans to?
- The refuse that is scattered all over by dogs is not removed
- Please start sending accounts by email.
- As an owner of a property who does not live in port Alfred I find it unfair to pay for water, electricity etc.
- Accurate, logical accounts that arrive on time.
- I would like to receive a property valuation notification and tariffs.
- Need a staff member in Kenton with wider financial knowledge.
- Why are accounts sent out 30 days late?
- Breakdown of how charges are arrived at should be shown on invoice.
- Financial service has improved over the past two years.
- Why are water meters not read every month?
- Garden refuse removal is non existent in Alex.
- People answering the phones need to know to whom they must put you through to so you don't have to waist time.
- Problems never solved or attended to. Always being referred from one person to another or one department to the other. No one seems to know who is responsible for what.
- Could be open later on a Friday afternoon.
- Staff need to be trained in public relations.
- Very happy with the finance departments performance and staff.
- No feedback on plots in cannon rocks
- It is very disrespectful when the staff are talking privately on the phone when helping you.

**OVERSIGHT COMMITTEE REPORT ON THE 2008/2009
ANNUAL REPORT**

NDLAMBE MUNICIPALITY



OVERSIGHT REPORT ON THE 2008/2009 ANNUAL REPORT

Accountability Framework for Local Government

It is important to have some understanding of the accountability framework for municipalities in order to correctly understand the role of the Oversight Report as distinct from that of the Annual Report and any other reports required from the municipality. The following table displays the nature of the accountability framework for local government:

	Responsible for	Oversight over	Accountable to
<i>Council</i>	Approving policy and budget	Mayor & Executive Committee	Community
<i>Mayor & Executive Committee</i>	Policy, budgets, outcomes, management of/oversight over municipal manager	Municipal Manager	Council
<i>Municipal Manager</i>	Outputs and implementation	Administration	Mayor & Executive Committee (Council)
<i>Chief Financial Officer and Senior Managers</i>	Outputs and implementation	Financial management and operational functions	Municipal Manager

The Oversight Report is the final major step in the annual reporting process of a municipality. Section 129 of the Municipal Finance Management Act requires the Council to consider the annual report of its Municipality and to adopt an “oversight report” containing the Council’s comments on the annual report.

The Oversight Report must include a statement whether the council:

- has approved the annual report, with or without reservations;
- has rejected the annual report; or
- has referred the annual report back for revision of those components that can be revised.

The Oversight Report is a separate product from the Annual Report. The Annual Report is submitted to the Council by the Accounting Officer and the Mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving objectives and goals set by the Municipality in the relevant financial year. The Oversight Report follows consideration and consultation on the Annual Report and is considered to be a report of the Municipal Council to the community disclosing the level of success or otherwise, obtained with meeting the priority needs and stated desires of the community as contained in the IDP.

The Oversight Committee

The appointment and compilation of Council’s Oversight Committee in January 2010, was handled according to Section 127(3) of the Municipal Finance Management Act. The Oversight Committee is comprised of non-executive Councillors represented by all political parties and a Chairperson was chosen from amongst them.

The Ndlambe Oversight Committee consists of the following Councillors:

- Councillor G. Cannon (DA)
- Councillor T. Mayinje (ANC)
- Councillor D. Mbumba (ANC)
- Councillor K. Mileham (DA)
- Councillor A. Taai (ANC)

Councillor K. Mileham (DA) serves as Chairperson of the Committee.

The Functions of the Oversight Committee:

- a) Undertake a review and analysis of the Annual Report.
- b) Invite, receive and consider inputs from Councillors and officials on the Annual Report.
- c) Consider written comments received on the Annual Report from the public consultation process.
- d) Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report.
- e) Preparation of the draft Oversight Report, taking into consideration the views and inputs of the public, representative(s) of the Auditor General, organs of state, Council's Audit Committee and Councillors.
- f) Receive and consider Council's Audit Committee views and comments on the annual financial statements and the performance report.

Summary of Representations received from the Community and Others

The following table reflects the key written representations received from the respective bodies/individuals relating to the contents of the Annual Report:

Representation Submitted by:	Key Issues Raised:
<i>Individual councillors (in particular, ward Councillors)</i>	None
<i>Private individuals</i> Mr. R. Sutton	<ul style="list-style-type: none"> • Blatant misreporting on Heritage/LED in the Annual Report. Contrary to the report, the following items are incomplete: <ul style="list-style-type: none"> ▪ Township heritage survey (2 failed attempts) ▪ Rural heritage survey ▪ Computerising of heritage survey and register ▪ Restoration of heritage sites • Typing of the heritage survey and register is of very poor quality and took far too long (6 hour job took 6 weeks!) • Long waits for approved funding.
<i>Civic organisations</i> Sunshine Coast Women's Forum	<ul style="list-style-type: none"> • Failure of Municipal officials to implement resolutions of Council – in particular, the issues raised in the Oversight Report of the 2007/08 Annual Report.

Representation Submitted by:	Key Issues Raised:
<i>Other organised community structures (business, churches, sporting bodies, agriculture, labour, etc.)</i>	None
<i>Auditor-General</i>	<ul style="list-style-type: none"> • Certain formatting irregularities. • Failure to split benefits of officials. • Lack of information in KPA/KPI reporting. • Lack of information regarding challenges in implementing Local Economic Development. • Failure to address performance of Community Development Workers. • Failure to address Anti-corruption strategy, • Failure to address Intergovernmental Relations. • Failure to address the establishment of a legal unit. • Failure to address management of litigation. • Incomplete HR-related action plans.
<i>Audit Committee</i>	<ul style="list-style-type: none"> • Major issues regarding performance management systems - no performance management assessments conducted by municipality. • Lack of correlation between Inter-governmental Grant (IGG) and actual municipal indigent subsidies. • Lack of control over indigent use of services (esp. water) • Capital funds are utilised to fund operational expenditure. Cash flow is not balanced to municipal budgets. • No planned maintenance program. • Inadequate debtors control and associated costs of collection. • No policy for the writing off of Bad/Doubtful Debts • Overambitious Audit Action Plan • Audit Action Plan not reviewed by Audit Committee
<i>Other spheres of government Municipal Performance Management Sub-Directorate – Provincial Treasury</i>	<ul style="list-style-type: none"> • No organogram of the Municipality is provided. • No page numbers in the Table of Contents • Certain KPA tables omitted. • Failure to split benefits of officials. • Municipal LED Framework Implementation omits: <ul style="list-style-type: none"> ○ Section on Improving Public and Market

Representation Submitted by:	Key Issues Raised:
	<p>Confidence</p> <ul style="list-style-type: none"> ○ Section on Supporting Social Investment Programmes ○ Challenges regarding LED strategy implementation • Annual Performance as per KPIs is excluded. • No monitoring of CDW performance. • No mention is made of the Municipal Communication Strategy. • Intergovernmental Relations has been omitted from the Report. • There is no information under Legal Matters: <ul style="list-style-type: none"> ○ Setting up of legal units ○ Management of Litigation • No reflection on Planning and Development Function's performance. • No reflection on the performance of the Executive and the Council.

The Oversight Committee noted with concern the lack of comment in respect of the Annual Report from the Ward Committees and Portfolio Councillors. Additionally, the failure of the Director: Corporate Services to attend any of the Oversight meetings – despite a specific request that all Directors do so – is regrettable, and the Municipal Manager is requested to take steps to address this matter.

2008/2009 Annual Report Consultation Process

- a) The Annual Report was tabled at an open Council Meeting on 29 January 2010.
- b) The communities were advised, through the print media, ward committees, and the Municipal website of the availability of the annual report and were invited to submit representations on the report.
- c) The Annual Report was available at all municipal libraries and identified offices. The Annual Report was also submitted to the Auditor General, Provincial Treasury and the Department of Local Government and Traditional Affairs.
- d) At the closing date for public submissions (8 March 2010), two submissions had been received:
 - Mr Rob Sutton – re: Heritage issues and funding
 - Sunshine Coast Women's Forum – re: failure of officials to implement council resolutions
- e) No formal public hearings were held, however, the Oversight Committee meetings were advertised and attendees were invited to participate in open discussion. The attendance registers are attached to this report.

Summary of Comments on the 2008/2009 Annual Report

- a) The Oversight Committee discussed the 2008/2009 Annual Report at the following meetings:
 - i. 17 February 2010
 - ii. 22 February 2010
 - iii. 1 March 2010
 - iv. 15 March 2010
 - v. 22 March 2010
- b) In these meetings, the Annual Report for 2008/2009 together with the Auditor General's basis for disclaimers of opinion was discussed.
- c) A report has been compiled on matters that should be considered by Council to rectify the basis of the qualified opinions of the Auditor General to prevent any recapitulated reservations and/or possible disclaimers in future and to address the inadequacies of the current Annual Report (refer to Annexure A).
- d) In order to approve the Annual Report **without reservations**, Council should be able to agree that the information contained in the report is a fair and reasonable record of the performance of the municipality and properly accounts for the actions of the municipality in the financial year reported upon. Approval means the executive and administration have discharged **in full** their accountability for decisions and actions and that their performance meets the criteria set by performance objectives and measures and is also **acceptable to the community**.
- e) To promote continuous improvement in the performance of the Municipality, it is strongly recommended that Council reward performance in a manner that is commensurate with achievement of policy outcomes. Therefore, the payment of performance bonuses should be measurable with the extent of outcomes achieved. Where reservations exist, the seriousness of such should be taken into account before considering any part-payment of bonuses.

Recommended Resolution to be adopted by Council, in accordance with MFMA Section 129(1):

- a) That cognisance be taken of the Oversight Report on the 2008/2009 Annual Report, as submitted by the Oversight Committee together with the recommended corrective actions as set out in Annexure A.
- b) That Council, having fully considered the Annual Report of the Municipality for the financial year 2008/2009 representations thereon, adopts the Oversight Report.
- c) That the 2008/2009 Annual Report be adopted ***subject to the reservations and recommended corrective actions*** as contained in Annexure A of the Oversight Report.
- d) That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act, 56 of 2003.
- e) That the Oversight Report on Ndlambe's Annual Report 2008/2009 be submitted to the provincial legislature in accordance with Section 132(2) of the Municipal Finance Management Act, 56 of 2003.
- f) That recommendations will be monitored and form part of the Council Resolution Matrix.
- g) That the Municipal Manager make it a point that resolutions are implemented at all times and Officials be open and explain the reasons for not

Comments/Concerns/Reservations	Recommendation
<p>Overall Presentation & Format</p> <ul style="list-style-type: none"> • Committee noted that the Annual Report was not “user-friendly”, did not encourage investment in the municipal region and appeared to have been “thrown together at the last minute”. • Committee noted that large sections of data state “unknown”, and that little reference is made to achievements/challenges over the past financial year. • Committee noted that the Annual Report did not follow the format laid down in MFMA Circular 11. 	<p>Committee recommends that:</p> <ol style="list-style-type: none"> 1. Preparation of the Annual Report commence on 1 July each year. 2. The Annual Report (prepared for audit purposes) be presented to Council at the end of August each year, with the final document being presented to Council before 31 January the following year. 3. A professional local graphic designer/design company be employed to package the report for presentation. 4. The Municipal Manager be held responsible for ensuring that the quality of the Annual Report be improved
<p>Debt Control</p> <ul style="list-style-type: none"> • Committee noted that Council’ policy for writing off of bad/doubtful debts does not meet the requirements of the Auditor General. • Committee noted that debt collection had been erratic during the year under review. • Committee noted that national and provincial government owe the municipality in excess of R2 million for rates and services. • Committee noted that improper/inaccurate registration of indigent households had resulted in imbalances 	<p>Committee recommends that:</p> <ol style="list-style-type: none"> 8. A revised policy be drafted and presented to Council before 30 May 2010 addressing the writing off of bad/doubtful debts. 9. The Mayor and Municipal Manager be tasked with liaising with National and Provincial Government to address the backlog in rates and services payments from Government Departments and report to Council by 30 April 2010. 10. The mayor must include a detailed analysis of any outstanding debt owed by National/Provincial Government departments in his quarterly financial report to Council
<p>Performance Management</p> <ul style="list-style-type: none"> • Committee noted that no performance management assessments had been conducted during the year under review, despite this being a legislative requirement. • Committee noted that Council had not formally adopted a new performance management system to replace the Howard Cook System, nor had it formally rejected the latter system. • Committee noted that KPIs were not reported in the Annual Report, and the municipality had failed to comply with s46 of the Local Government: Municipal Systems Act. 	<p>Committee recommends that:</p> <ol style="list-style-type: none"> 13. Council formally acknowledge the replacement of the Howard Cook System of Performance Management with the Balanced Scorecard system. 14. The Municipal Manager present a report on the implementation of the new performance management system by 30 June 2010, including Municipal KPAs and the performance objectives and agreements of all senior management (to Assistant Director level). 15. The IDP objectives be clearly stated in the Annual Report, and that the municipal manager be responsible for reporting performance against these objectives in the report.

Comments/Concerns/Reservations	Recommendation
<p>Asset Register</p> <ul style="list-style-type: none"> • Committee noted that this issue remained contentious and had been on the AG report for several years. • Committee noted that the National Treasury had (according to the Director: Finance) granted Municipalities 3 years (from and including the 2009/2010 report) to rectify their asset registers, in particular with regard to the valuation of fixed infrastructure. 	<p>Committee recommends that:</p> <p>16. The Director: Finance be tasked with obtaining guidelines on how to value infrastructural assets, and that a report in this regard be presented to Council by 30 November 2010.</p>
<p>Landfill Sites & Waste Management</p> <ul style="list-style-type: none"> • Committee noted that of the 9 landfill sites, only 1 was legally certified. A further 4 were in the process of obtaining permits. • Committee noted that the AG had found that no analysis existed of the lifespan of the landfill sites, and that no plan or financial provision had been made for the rehabilitation thereof. • Committee noted that funds intended to address landfill rehabilitation in the 2008/2009 MIG were diverted for other purposes. 	<p>Committee recommends that:</p> <p>17. The Director: Community & Protection Services be tasked with ensuring that all landfill sites receive permits by 30 December 2010.</p> <p>18. The Integrated Waste Management Plan be formally presented to the AG, as this addresses the lifespan of the various landfill sites.</p> <p>19. The Director: Finance and the Director: Community and Protection Services jointly advise Council prior to the presentation of the 2011/2012 budget how they intend to provide for the rehabilitation of landfill sites on the Annual Financial Statements.</p>
<p>Local Economic Development</p> <ul style="list-style-type: none"> • Committee noted that the section on Local Economic Development in the Annual Report is lacking in detail, contains no project register and no analysis of the performance of the municipality in this regard. 	<p>Committee recommends that:</p> <p>20. The Speaker be requested to convene a Special Council Meeting/Workshop to review the status of Local Economic Development in Ndlambe, with particular emphasis on the implementation of the LED strategy by 15 August 2010.</p> <p>21. A comprehensive report on the functioning of the LED unit, its objectives and performance to date, be provided to Council by 30 April 2010.</p>
<p>IT Risk Management</p> <ul style="list-style-type: none"> • Committee noted that data security and backup remained a problem, but that steps were being taken to address this issue. • Committee noted that the municipal archives and large 	<p>Committee recommends that:</p> <p>22. The Director: Corporate Services be tasked with preparing an inventory of municipal archives and documentation and present a report on the best method of managing these materials in a secure fashion by 30 June 2010.</p>

quantities of documentation were improperly stored in insecure locations.

Supply Chain Management

- **Committee noted that** there existed numerous deviations and unnecessary expenditures arising out of poor supply chain management practices.

Committee recommends that:

23. An annual tender for smaller, regular purchases be initiated, with tenders to be awarded in the first week of the new financial year (i.e. the call for tenders must go out prior to the end of the previous financial year).

Comments/Concerns/Reservations

Outstanding Issues

- **Committee noted that** the following issues were outstanding from the 2009 Oversight Committee recommendations (which had become resolutions of Council):
 - Development of a comprehensive communications strategy for the municipality (Director: Corporate Services)
 - Updated disaster management strategy and rural response plan (Director: Community & Protection Services)
 - Attendance of municipal officials at meetings (Municipal Manager)
 - Assessment of the state of the Thornhill Development and Albany Regional Water Services Scheme (Speaker)
 - Long-term capital expenditure plan to be tabled to Council.
 - A register of donor funding be tabled in Council, including the degree to which conditions associated with this funding have been complied with. (Municipal Manager)
 - A customer satisfaction survey on all Municipal services to be completed annually, and included in

Recommendation

Committee recommends that:

24. The Municipal Manager be instructed to urgently address the non-compliance with Council resolutions.
25. That all Council resolutions be incorporated into an on-going and continuously updated Resolutions Matrix.

- the Annual Report. (Director: Corporate Services)
- The SDBIP to be tabled with the budget, and written reports be submitted to Council as part of the quarterly reporting as required by legislation. (Director: Finance)
 - A special Council meeting be convened to discuss the ICT situation in the Municipality, with written inputs from all directorates (Speaker)
 - That an analysis of Municipal workflow be conducted and a plan addressing Council support and interdepartmental co-ordination be presented in Council before end June 2009.

General

- **Committee noted that** Council resolutions are ignored or overruled by municipal officials.
- **Committee noted that** certain municipal officials had ignored the Oversight Committee's instruction to account for their directorates.

Committee recommends that:

26. The Municipal Manager be instructed to discipline any official who ignores/overrules a legal resolution of Council.
27. The Municipal Manager report to Council on actions taken in this regard by the end of May 2010.

1.2.15 COUNCIL RESOLUTIONS ADOPTING THE ANNUAL REPORT

**MINUTES OF THE SPECIAL OPEN NDLAMBE COUNCIL MEETING HELD ON WEDNESDAY,
31 MARCH 2010 AT 10H00**

**NCM303/03/2010
OVERSIGHT COMMITTEE**

COUNCIL RESOLVED

1. That the Oversight Report on the 2008/2009 Annual Report, a copy of which appeared as **Annexure C.01**, BE ADOPTED with the following recommendations:
2. That cognisance be taken of the Oversight Report on the 2008/2009 Annual Report, as submitted by the Oversight Committee together with the recommended corrective actions as set out in Annexure A.
3. That Council, having fully considered the Annual Report of the Municipality for the financial year 2008/2009 representations thereon, adopts the Oversight Report.
4. That the 2008/2009 Annual Report be adopted ***subject to the reservations and recommended corrective actions*** as contained in Annexure A of the Oversight Report.
5. That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act, 56 of 2003.
6. That the corrective actions in Annexure A of the Oversight Report be adopted as amended as formal resolutions of the Council and that feedback and action be taken by the Municipality in this regard be included in the following years Annual Report.
7. That the Oversight Report on Ndlambe's Annual Report 2008/2009 be submitted to the provincial legislature in accordance with Section 132(2) of the Municipal Finance Management Act, 56 of 2003.
8. That recommendations will be monitored and form part of the Council Resolution Matrix.
9. That the Municipal Manager make it a point that resolutions are implemented at all times and Officials be open and explain the reasons for not implementing.
10. That the minutes of the Oversight Committee meetings held on 17 February 2010, 22 February 2010, 01 March 2010, 15 March 2010 and 23 March 2010, copies of which were attached as **Annexure C.02**, BE NOTED.
11. That it BE NOTED that the Chairperson of the Oversight Committee thanked all Members of the Oversight Committee and Officials for their contributions on the Oversight.
12. That it BE NOTED that no Ward Committee Councillors / Members have submitted any written input on the Annual Report.
13. That it BE NOTED that only one Member of the Public submitted a written report, namely : Mr Rob Sutton.
14. That it BE NOTED that Councillor M-L Swanepoel thanked the Oversight Committee, Directors and especially the Members of the Public who made contributions.
15. That it BE NOTED that Councillor A F Taai commended Councillor K Mileham for his commitment to the Oversight Committee.

RECOMMENDATIONS MADE BY THE OVERSIGHT COMMITTEE AND ADOPTED BY COUNCIL:

1. that preparation of the Annual Report commence on 1 July each year;

2. that the Annual Report (prepared for audit purposes) be presented to Council at the end of August each year, with the final document being presented to Council before 31 January the following year;
3. that a professional local graphic designer / design company be employed to package the report for presentation (funds permitting);
4. That the Municipal Manager be held responsible for ensuring that the quality of the Annual Report be improved;
5. That the Annual Report be prepared in terms of the new draft regulations;
6. That Departmental Reports be submitted to the EXCO for review in May each year;
7. That a revised Policy be drafted and presented to Council before 30 May 2010 addressing the writing off of bad / doubtful debts;
8. That the Mayor and the Municipal Manager be tasked with liaising with National and Provincial Government to address the backlog in rates and services payments from Government Departments and report to Council by 30 April 2010;
9. That the Mayor must include a detailed analysis of any outstanding debt owed by National / Provincial Government Departments in his quarterly financial report to Council;
10. That all Councillors must encourage Members of the Community who qualify to register for IGG and administration be tasked with verifying the register of indigents (to be updated annually by 30 June each year), Finance to forward a strategy and the process plan to Council for adoption;
11. That random spot check audits of indigent grants be conducted by the Finance Directorate on a monthly basis;
12. That Council formally acknowledge the replacement of the Howard Cook System of Performance Management with the Balanced Scorecard System;
13. That the Municipal Manager present a report on the implementation of the new performance management system by 30 June 2010, including Municipal KPA's and the performance objectives and agreements of all senior management, time frames for the adoption be presented to Council by 30 June 2010 and the roll-out plan to the next level be specified;
14. That Integrated Development Plan objectives be clearly stated in the Annual Report, and that the Municipal Manager be responsible for reporting performance against these objectives in the report;
15. That the Director : Finance be tasked with obtaining guidelines on how to value infrastructural assets, and that a report in this regard be presented to Council by 30 November 2010;
16. That the Director : Community & Protection Services be tasked with ensuring that all landfill sites receive permits by 30 December 2010 depending on the availability of funds;
17. That the Integrated Waste Management Plan be formally presented to the AG, as this addresses the lifespan of the various landfill sites;
18. That the Director : Finance and the Director : Community & Protection Services jointly advise Council prior to the presentation of the 2011/2012 budget how they intend to provide for the rehabilitation of landfill sites on the Annual Financial Statements;
19. That the Speaker be requested to convene a Special Council Meeting / Workshop to review the status of the Local Economic Development in Ndlambe, with particular emphasis on the implementation of the LED Strategy by 15 August 2010, reports on all LED projects be made available to Council. Based on the report submitted to Council, it will be determined whether a workshop be held or not ;
20. That a comprehensive report on the functioning of the LED unit, its objectives and performance to date, be provided to Council by 30 April 2010,

21. That the Director : Corporate Services be tasked with preparing an inventory of Municipal archives and documentation and present a report on the best method of managing these materials in a secure fashion by 30 June 2010;
22. That an annual tender for small, regular purchases be initiated, with tenders to be awarded in the first week of the new financial year (i.e. the call for tenders must go out prior to the end of the previous financial year).
23. That all Council resolutions be incorporated onto an on-going and continuously updated Resolutions Matrix;