



Ikwezi Local Municipality

Draft Annual Report
01 June 2011-30 June 2012

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GENERAL INFORMATION

Submission of the Draft Annual Report to the Speaker/Mayor

To the Speaker/Mayor, Cllr Sizwe Alfred Mngwevu; I have the honour of presenting the 2011/12 Draft Annual Report.

Mr Thembani Gutas

Municipal Manager

MAYOR'S FOREWORD

a. Vision:

"We strive to be an economically self-sustainable and socially responsive municipality, committed to improve the quality of life of Ikwezi residents" " We believe our primary responsibility is with the residents of Ikwezi by providing quality services promoting and deepening democracy, stimulate socio-economic development and promote active citizenship, whilst recognising the value and mutual benefits of networking and strategic partnership"

b. Key Policy Development

- c. Economic development in Ikwezi Municipality is largely driven through an Economic Development Strategy (EDS). The strategy's vision is to ensure that *"Ikwezi as a powerful regional economic centre, a world capital town of mohair that is built on the foundation of a dynamic, vibrant, sustainable and investor-friendly economy"*. The strategy's economic development thrusts centres around: attracting new investment in Ikwezi; diversification of the economy into a balanced assortment of economic sectors; tourism development as a means of growing the local economy and creating jobs, and rural development. Nearly a third of Ikwezi land is farmland which hosts approximately 6% of the population. The rural development strategy provides powerful pointers in terms of how to grow the economic base of rural areas and improve the livelihoods of its residents. The strategy focuses in the main on SMMEs and agricultural projects – mostly livestock rearing.

We remain committed to the realization of the 5 National Key Performance Areas of municipality, being the following:

1. Good Governance and Public Participation.
2. Municipal Transformation and Organisational Development.
3. Basic Infrastructure and Service Delivery.
4. Local Economic Development.
5. Municipal Financial Viability and Management

d. Key Service Delivery Improvements:

The annual report is for 2011/12 financial year which was from 01st July 2011 to 30th June 2012. The infrastructure and community development section has been assigned with the following functions within the municipal core functions of the institution:

- Solid Waste Management (Refuse removal, Street cleaning and the Solid waste disposal sites)
- Waste Water Management
- Provision, operation and maintenance of water and sanitation services in all towns of Ikwezi.
- Construction and Maintenance of roads and storm water
- Distribution, operation and maintenance of electricity in Jansenville.

- Planning and implementation of Municipal Infrastructure Programmes

Job Creation:

The implementation of the EPWP Programme.

- Ikwezi Local Municipality, has committed its resources towards the national goal of creation 500,000 job opportunities through the EPWP initiative programme which was announced by the state President. In 2011/12 financial year, the municipality has managed to reduce the levels of poverty to the following number of people within the jurisdiction of Ikwezi:
 - b. Creation of part-time equivalent jobs and 3130 work
 - c. Opportunities through EPWP Programme.

The municipal has allocated an annual operation and maintenance budget of R2, 600,000 for the overall maintenance of infrastructure. During the year under review, the municipality was able to implement the project of only one roads project, which was College Street.

The amount of R3, 700,000 million was allocated for the project. Due to poor workmanship that has been experienced on the site, it has been very difficult for the municipality to actually close the project. The mains reason being that the contractor or the service provider that was appointed did not perform according to expectations.

The municipality is unable to implement any roads projects form the municipal core funds. Most of the capital projects are being implemented by grand funding. Ikwezi has actually embarked on the process of purchasing some machinery in order to fast track the implementation of the roads project. Base on the topographic spread of the area it was deemed very much critical that the municipality should indeed purchase its own machinery in order to deliver the services of roads infrastructure.

d. Public Participation

Public participation is an institutionalised function in our Municipality. Ikwezi is renowned for having pioneered what is now called ward-based planning. Since the establishment of wards and ward committees for the first time in 2011 local government election, public participation has become second nature to our Municipality. Our communities have learned to appreciate the elaborative process which ensures that all interested residents are afforded ample opportunity to make meaningful contributions to policy development and planning for developments in the municipal jurisdiction. The evolution of ward-based planning and the related establishment of ward committee system have elevated community participation to higher level in terms of legal provision and institutionalisation of the process. Ikwezi Local Municipality, through the Office of the Speaker, liaise continuously with communities

through ward committee members and other stakeholder forums. In order to facilitate maximum participation by ward committee members, the Municipality provide stipends of R500.00 for each member. Ward committees are functioning pretty well in all 4 four wards. Reports are received monthly and follow-ups made where necessary. Stakeholder forums have also been established. Inputs are regularly solicited from these constituencies on a constant basis. Meetings are held as the need dictates. Otherwise, maximum participation takes place during annual IDP reviews and the tabling of annual budget.

A Public Participation Policy is in place, it must be reviewed and work shopped to the Management and Council and taken to Council for Adoption. Management is planning to develop a Community/ Public Participation Strategy informed by the Policy. The Process Plan was adopted by the Council on the 29 September 2011 outlining a clear path to be undertaken. The following mechanisms for public participation were identified.

- Ikwezi IDP Rep Forum
- Ikwezi IDP Steering Committee
- Ward Based Planning Approach and Outreaches
- Ward Public Meetings
- Ward Committee Meetings
- Stakeholders Forum
- Youth Development Forum
- Ward Based Offices
- LED Forum

Water Demand Management and Conservation Awareness

Invariable, in most cases it is in schools where losses due to leakages and lack of care for water tend to take place. It is for this reason that schools were the focus for this programme. This by no means suggested that other areas are not important, hence the on-going initiative. A competition for schools was running as part of this programme and it concluded with a schools awards ceremony. For the community part, bill messages as well as water saving tips were disseminated. It is intended to integrate this programme with the 2020 vision.

During the year under review, council set aside February 2012 to conduct a Ward Based Planning in all four wards. to assist communities in the process of detecting ward priorities through a Ward Based Planning approach The process was conducted with unquestionable success. The approach was an attempt by the municipality to increase community participation and improve communities' control over planning and development that impact on their lives

e. Future Actions:

Support Social Investment Programme

The role of the municipality is to assist all the prospective business people with different information and access to resources. The establishment of co-operatives as well as the continuous development of skills of the members of the cooperative is vital for their sustainability and relevance. Self-employment is being encouraged locally because there are no factories that can employ many people like in the big cities where there are huge factories employing thousands of people. The local people have started to venture seriously on self-employment to improve their socio-economic situation

The Wool and Mohair initiatives have received financial injections and other support from Mohair South Africa, SAMIL, Department of Rural Development and Land Reform, Department of Rural Development and Agrarian Reform, Mohair Empowerment Trust, CDM and DEDEA.

Agreements / Partnerships:

In order to attract investment and economic growth, Ikwezi Municipality has established partnerships with a number of stakeholders. In this endeavour, Ikwezi has entered into twinning agreements with municipalities from Post Dam University in Germany and five star lodge in Ikwezi by Slovaks . These agreements are aimed at promoting investment in Ikwezi. The hosting of the second International Investment Mohair Summit in Ikwezi progress is being made in this regard.

Achievements

Despite the challenges stated above, the Municipality still managed to record progress in achieving its objectives in all five key performance areas applicable to local government, which will be outlined in this Annual Report.

Performance highlights over the review period include the following:

- Receipt of an unqualified audit opinion from the Auditor-General for the fourth year in succession.
- Provision of potable water within a 200 m radius to 100% of Households, with the exception of some smallholdings and farms.
- National recognition for the quality of water provided (Blue Drop status award from the Department of Water Affairs).
 - Altogether 295 new houses were constructed.
- Provision of electricity to 100% of households on built land demarcated by the Municipality for residential purposes.

The year ahead:

(a) Stabilising the administration inter alia by filling key strategic vacancies, and tightening discipline and performance.

(b) Prioritising job creation and developmental initiatives focusing on the youth, gender, people with disabilities and other marginalised sectors.

(c) Prioritising intergovernmental challenges such as weak systems, uncoordinated planning, and unintegrated budget planning.

(d) Addressing service delivery challenges such as the slow progress in the provision of integrated and sustainable human settlements.

(e) Addressing the irregular, fruitless and wasteful expenditure and other findings reflected in the Auditor-General's report.

Conclusion:

I would like to express my sincere gratitude to all Councillors, officials, Ward Committees and the communities of Ikwezi Municipality and stakeholders for their efforts, support and hard work, which enabled the institution to record service delivery progress during the year under review.

Signed by: _____

Cllr Sizwe Alfred Mngwevu

Mayor

3. YEARLY PROGRAMME PRIORITY STATEMENT

JULY 2011

DATE	TIME	DESCRIPTION
14-17 July 2011	14h00	Strategic Planning Session
28 July 2011	10h00	Ordinary Council Meeting
20-21 July 2011	8h30	Clrs Induction Workshop

AUGUST 2011

DATE	TIME	DESCRIPTION
30 August 2011	10h00	Tabling of IDP Process Plan to Council
31 August 2011	14h00	Submission of Annual Financial Statements to Auditor General

SEPTEMBER 2011

DATE	TIME	DESCRIPTION
1 st week September 2011	10h00 14h00	IDP Public Participation meetings
2 nd week September 2011	17h00	CBP Meetings
15 September 2011	10h00	IDP Steering Committee
18 September 2011	10h00	Portfolio Committee Finance & Administration
16 September 2011	10h00	CWP Reference Group meeting
11 September 2011	10h00	Portfolio Committee LED
01 September 2011	9h00	Launch of CWP in Klipplaat

OCTOBER 2011

DATE	TIME	DESCRIPTION
03 October 2011	10h00	Council Special meeting

05 2011	October	10h00	LISSC Meeting
14 2011	October	14h00	IDP Steering Committee
21 2011	October	10h00	IDP Rep Forum
29 2011	October	06h00	Study Tour to George, Knysna & PE (Khanya Aiccd)

NOVEMBER 2011

DATE	TIME	DESCRIPTION
01-30 November	08h00-16h30 daily	Visit by German Students to Ikwezi
15 November 2011	10h00	Council Special Meeting
19-27 November 2011		Visit by the mayor and LED Manager to Northern Ireland

DECEMBER 2011

DATE	TIME	DESCRIPTION
06 December 2011	10h00	SMME Workshop
12 December 2011	10h00	Ordinary Council Meeting

JANUARY 2012

DATE	TIME	DESCRIPTION
23 January 2012	10h00	Ordinary Council Meeting
23 January 2012	10h00	Tabling of Draft Annual Report
23 January 2012	10h00	Tabling of the Drat Mid-Year Report to Council

FEBRUARY 2012

DATE	TIME	DESCRIPTION
27 February 2012	10h00	Special Council Meeting
27 February 2012	10h00	Tabling of the Draft Organogram to Council

MARCH 2012

DATE	TIME	DESCRIPTION
29 March 2011	10h00	Adoption of Final Annual Report to Council
29 March 2012	10h00	Ordinary Council Meeting
29 March 2012	10h00	Tabling of Draft IDP & Budget to Council

APRIL 2012

DATE	TIME	DESCRIPTION
-	-	-

MAY 2012

DATE	TIME	DESCRIPTION
11 May 2011	10h00	Special Council Meeting
21 May 2012	10h00	Special Council Meeting
31 May 2012	10h00	Ordinary Council Meeting
31 May 2012	10h00	Tabling of Final Budget to Council
31 May 2012	10h00	Tabling of Final IDP to Council

JUNE 2012

DATE	TIME	DESCRIPTION
29 June 2012	10h00	Ordinary Council Meeting

4. OVERVIEW OF IKWEZI MUNICIPALITY

Ikwezi Local Municipality is located within the Eastern Cape Province, one of nine local municipalities located within Cacadu District Municipality (CDM). Jansenville is bordered by the Sundays River south of the town. Klipplaat is dominated by predominantly defunct railway lines and shunting yards whereas Waterford may be characterised as a small rural node historically established to serve the surrounding farming community. The municipal area has a population of 11 452 (2 588 households) and covers an area of 4,449.7 km² (census 2007).

It is an area characterized by low population density and high levels of poverty. 76% of households earn less than R1 600 per month. Economic studies generally describe the area as having very limited economic potential with all settlements rated as level 1 settlement hierarchy (ABP 2009). The area is challenged with excessive bulk water constraints as well as very poor quality water.

Since 1996, the population of Ikwezi Municipal area grew at an average annual growth rate of 0.1% per annum compared to the 1.1 district population growth rate, the 0.3% population growth rate provincially and the 1.2% population growth rate nationally.

In 2007, children under the age of 15 accounted for approximately 27.69% of Ikwezi Local Municipality's population whereas in 1996, children under the age of 15 accounted for 34.19% of Ikwezi Local Municipality's population which is reflective of the decline in year on year population growth rates within the municipal area.

In 1996, 2001 and 2007 the population of Ikwezi Municipal area who were HIV positive numbered 160, 788, and 1 068 respectively. In 1996, 2001 and 2007 the percentage of the population of Ikwezi Municipal area who were HIV positive were 1.54%, 7.55% and 10.25% respectively.

In 2007, Ikwezi Local Municipality's Human Development Index was 0.53, lower than Cacadu District's HDI (0.57) and equal to the Provincial index of 0.53.

The distribution of income within the municipal area has worsened between 1996 and 2007 from 0,57 to 0,66. The percentage of people in poverty has increased from

48% in 1996 to 56% in 2007 representing a total population of 5 837 people living in poverty.

The level of education composition reveals that there has been an increase in higher levels of schooling with the Ikwezi Municipal area. 7 % of the population had a minimum of a matric (grade 12) in 1996 whereas 15 % of the population had a minimum of a matric (grade 12) in 2007. Considering the skills shortages that currently exist, greater emphasis must be placed on the delivery of educational services. In 2007, Ikwezi Local Municipality was 68.8% urbanised as compared to 71.4% for the Cacadu District.

The percentage of people unemployed within Ikwezi Municipal area in 2007 is 39.4%. There has been a gradual increase in the unemployment rate from 1996 which originally stood at 29.3%. Total employment within the Ikwezi Municipal area is dominated by the agricultural sector comprising 32.5%. The highest levels of employment in the formal sector are in the Agricultural sector (43%) and the Community Services sector (25%). The dominant sector in the informal sector is day to day trading which accounts for 38% of informal sector employment.

Ikwezi Local Municipality's economy registered positive growth during the past decade. The municipal area will have to maintain its growth rate to have a significant improvement on welfare indicators. The economic production structure of Ikwezi Local Municipality is more diversified as compared to the Eastern Cape Provincial economy. The level of vulnerability for the Ikwezi Local Municipality has decreased slightly between 1996 and 2007.

5. EXECUTIVE SUMMARY BY THE MUNICIPAL MANAGER

Ikwezi Local Municipality is a Plenary System where the Speaker serves as a Mayor. There are seven councillors in total, five from the African National Congress (ANC) including the Speaker/Mayor which is the ruling party, and two from the Democratic Alliance (DA). We currently have four wards.

Ikwezi Municipal Council has seven Councillors, four of which were directly elected to present a specific ward and the remaining three, to represent parties proportionally in the council. After the Local Government elections in 2011, one councillor was proportionally elected to serve on the Cacadu District to represent Ikwezi Municipality. The Mayor is full time public office bearer. The political and executive authority is vested in the council. Council determines developmental needs that must be addressed to improve the quality of life, of the citizens of Ikwezi.

There is an oversight and four Portfolio Committees that have been established in terms of section 79 of the Local Government Municipal Structures Act 117 of 1998 to serve in the following committees.

- Finance and Administration
- Strategic Planning
- Infrastructure and
- Community Services

Ikwezi Municipality has stabilised at senior management level as it had high staff turnover at this level. This stability has brought remarkable progress in the implementation of municipal grand strategy.

Management also introduced the second layer leadership of managers reporting to section 57 managers. The absence of the second layer of leadership was posing a serious challenge in terms checks and balances (segregation of duties) and capacity.

Performance assessments have improved significantly during the year under review. This can be attributed to the stability at senior management level as already alluded to. The performance assessments for senior managers have been sitting quarterly with those of the managers reporting to the Municipal Manager being chaired by the chairperson of Audit Committee. The assessment for the Municipal Manager has been chaired by the Mayor.

The municipality is prioritising this important aspect of its strategic planning process. The municipality has applied to the district for funding in the new financial year.

The municipality managed to increase the number of registered projects on MIG and was fully committed for the whole Medium Term Expenditure Framework (MTEF) period. This is the first time that the municipality is in such a good position. We have worked very hard to improve and addressing challenges as Supply Chain Management as this was seriously hampering service delivery as a result of delays in assessing tenders.

Housing continues to pose a serious challenge to the municipality. Municipal and housing officials are working tirelessly to sort out all blockages in the completion of all housing projects in Ikwezi.

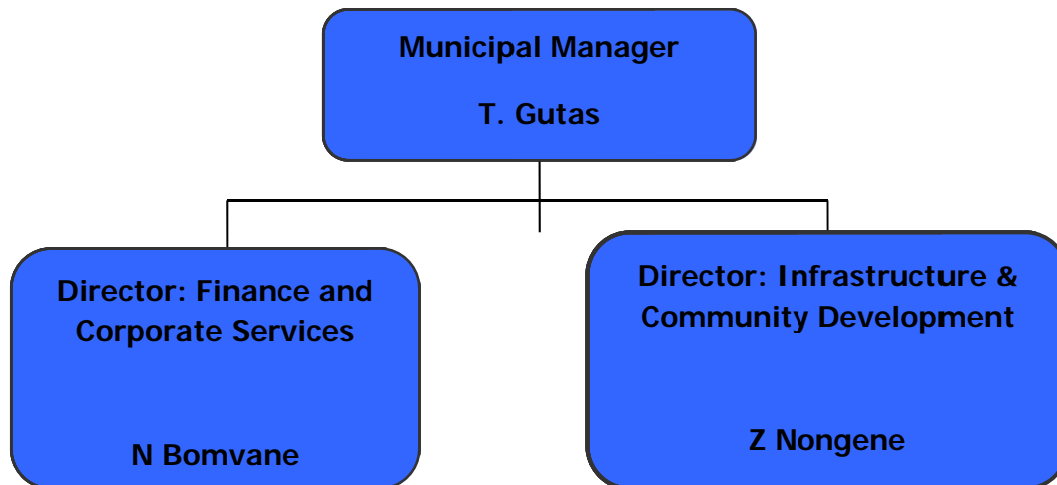
The municipality continues to improve its financial position and for the first time, the municipality will be reporting on GRAP during the year under review. As a low capacity municipality, this is a huge step for the municipality. Council has done all the right things to ensure smooth transition. Council is working very hard to maintain an unqualified audit opinion.

Council established portfolio committees to ensure that political oversight is maximised. This milestone also seeks to ensure that good governance and accountability is maintained. A Risk Register was developed and managed on a

monthly basis by the Municipal Manager and reported quarterly to the Audit Committee for comment and advice.

The following diagram shows the administrative leadership of the municipality during the year under review:

Diagram 1: Ikwezi Administration



CHAPTER 1: INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

In July 2011, the municipality filled all middle management and junior positions that were vacant. The positions were advertised internally to give an opportunity for growth to staff members. The new structure was adopted by council in May 2012 with employment equity targets met in terms of S57 appointments. The organisational structure had the following status by end June 2012:

Total no of employees	Total number of posts budgeted for	No of vacant posts	No of vacant posts budgeted for	% vacancy rate as per budgeted posts	No of contract employees
86	54	25	0	0	22

Ikwezi municipality is a low capacity municipality with a staff compliment of 86 employees and 7 councillors. The municipality is graded as a grade 2 municipality.

1.1 Human Resource Development Plan

With the assistance from the Department of Local Government and Traditional Affairs, the municipality was able to develop a comprehensive HR plan which has since been tabled to Council as a draft. In addition to the HR plan, the municipality has reviewed its comprehensive HR policy document that encompass all essential policies required by council.

1. 2 Employment Equity Plan

The municipality developed and implemented the above mentioned plan during the year under review. The plan was approved by Council on 29 June 2012 and was also submitted to the Department of Labour in time as required by law.

1.3 Workplace Skills Plan

The municipality developed and implemented the above mentioned plan during the year under review. The plan was approved by council and submitted to the Local Government Sector Education and Training Authority (LGSETA). Council had identified the need for additional training for all employees. To this end, Council set aside R261,980 for all training requirements for the financial year.

1.4 The Municipal Strategic Planning Session

The session was held in July 2011 and the theme was “vision 2030”. The intention was to craft a way forward toward positioning Ikwezi and to become a self-sustainable municipality by 2030.

The session had, amongst other things, the following outcomes:

- Ikwezi as a green energy hub of South Africa
- Revisiting our former dominant status with regards to production of mohair
- The revitalising of Ikwezi as a small town

The session was highly successful and added value to the municipality. It was clear from the session that it was not going to be business as usual. The municipality is in the process of transforming itself to be self-sustainable. Council felt that the 2011 strategic session was a perfect platform to set its agenda for the next five years.

1.5 The Municipal Turnaround Strategy

In April 2010, management tabled draft MTAS to council for adoption and further consultation with both internal and external stakeholders. In May 2010, management tabled the final MTAS to council for adoption and implementation. The municipality is making significant strides in terms of implementing its turnaround strategy.

The final MTAS focuses on the following:

- Problem Statement
- Situational Analysis
- Legislative Framework of Local Government
- Municipal Approach to MTAS and
- Action Plan

Ikwezi Municipality's MTAS has an annexure called "Annexure B" that seeks to mobilise an integrated support from the district, sector departments and state owned enterprises. This annexure forms the basis by which the municipality mobilises resources to assist it.

1.6 Performance Management

The municipality has developed a performance appraisal policy for non-section 57 employees. The policy is still under – going internal consultative processes. The System has not been implemented effectively as scheduled for 2011/12 financial year. The resignation of two Section 56/57 Managers and lack of institutional preparedness have a great contribution in the problem that led to non-implementation of the PMS. The state of affairs has placed the municipality in a high risk of non-compliance. Management however has committed to rectify the incorrectness and implement the system efficiently in the current financial year 2012/13.

Section 57 Managers are going to be assessed quarterly in the 2012/13 financial year. This process is limited to section 56 & 57 managers for now.

1.7 Challenges facing the municipality

The following are key challenges relating to institutional transformation and organizational development:

- **The geographical location of the municipality** - remoteness and rural nature of the municipality poses a huge challenge. The municipality is not in a position to attract much needed skills due to this factor and limited financial resources.
- **Low revenue base** – inhibits Ikwezi Municipality to attract suitably qualified applicants. Generally, it takes longer for the municipality to fill its vacant positions due to the above factors. The municipality relies on developing its own skills from relatively inexperienced employees. Unfortunately, the time and money invested in grooming and developing these employees is never realized as bigger municipalities move in and attract such skills. Council will be developing a bursary scheme in the next financial year. This is done in order to target local Matriculants and offer them bursaries to further their studies in these scarce skills.
- **Inappropriate funding model for local government** – the Equitable Share formula still poses serious challenges to low capacity municipalities like Ikwezi Municipality. Currently, the funding formula is informed by other factors (e.g. population size, own income) rather than the need for financial resources.

CHAPTER 2: BASIC SERVICE DELIVERY

2.1 OVERVIEW

The annual report is for 2011/12 financial year which was from 01st July 2011 to 30th June 2012. The infrastructure and community development section has been assigned with the following functions within the municipal core functions of the institution:

- Solid Waste Management (Refuse removal, Street cleaning and the Solid waste disposal sites)
- Waste Water Management
- Provision, operation and maintenance of water and sanitation services in all towns of Ikwezi.
- Construction and Maintenance of roads and storm water
- Distribution, operation and maintenance of electricity in Jansenville.
- Planning and implementation of Municipal Infrastructure Programmes.

The municipality of Ikwezi has commenced with the huge project of Upgrading the Jansenville Town Hall, which is anticipated to be completed towards the end of September 2013. A budget of R4, 694,727.70 for direct and indirect cost has been set aside to deal with this massive project. The actual main aim of the municipality is to ensure that Ikwezi Municipality as the founder of mohair product remains the main venue to host the annual summits for Mohair. Also, the municipality has identified the project as the catalyst project to ensure stimulation of local economic development in the area.

The project mentioned above, it's not different from other project but its co- aim of attracting investors to the area remains the most imported aim. During the start of the financial year, Ikwezi Local Municipality, has committed its resources towards the national goal of creation 500,000 job opportunities through the EPWP initiative programme which was announced by the state President. In 2011/12 financial year, the municipality has managed to reduce the levels of poverty to the following number of people within the jurisdiction of Ikwezi:

People Employed	64 people were employed, using the rotation system. All personnel were recruited on fourth night basis.
Payment made on their salaries	R1,040,000
Total Men days	16,000
Program Duration	01 July 2011 to 30 June 2012

This project benefited and focused on the community of Ikwezi for the duration of twelfth months. It was mainly focusing on two towns of Ikwezi. The municipality has also embarked on the process of ensuring that the funding or the incentive grant from EPWP will be channelled towards the creation of job opportunities within the boundaries of Ikwezi.

2.2 WATER MANAGEMENT BUSINESS

During 2011/12 financial year, the municipality got some worse score in terms of managing the water processes within the municipality. The programme called “Blue Drop” was introduced by the National Department of Water Affairs in terms of ensuring proper compliance with pieces of legislation. Ikwezi Municipality was the second from bottom in terms of the scores with 7.2% as the overall score of the municipality.

It was very much clear to all the councillors of the municipality that Ikwezi should definitely do something with the state of Water Business within the municipality. Hence the programme of “Boil Water Notice” and the response to the National Minister of Water Affairs was submitted on the 23 May 2012. In the response that was submitted to the minister, the Mayor of Ikwezi municipality stated very much clearly in not so many words that the problem of water quality has been in existence for more than 50 years in the area, particularly the town of Jansenville which is mainly depending on ground water.

2.3 SANITATION PROVISION

Provision of Sanitation, was also identified as the major problem in the area of Ikwezi. Hence the municipality decided to ensure that the few households which are currently not provided with water borne sanitation must be addressed as soon as possible. Indeed during the same financial year 60% of the households in the area of Jansenville were addressed by the municipality. There are some few units in the area of Dan Sandi in Klipplaat which are currently being identified as the next phase of the project to eradicate the bucket system.

The municipality has embarked on the process to ensure that the score for the municipality on the Green Drop Assessment should increase significantly. Hence the programmes of registering process controllers are being initiated.

2.4 PROJECT MANAGEMENT UNIT

The unit was established in 2011 and the first business plan was approved by COGTA in 2010. PMU funding comes from the MIG wherein 5% of the grant is dedicated for the overall PMU support. The unit had only one civil engineering technician and one intern to deal with

projects accounting. Due to the nature and the number of projects that were implemented by the municipality it was deemed enough by the municipality to have those positions.

During 2011/12 financial year the following projects which brought about change in the living condition of the communities were implemented successfully and some with critical challenges to be addressed:

Project Name	Allocated Budget	Source of Funding	Project Status
Jansenville: College Street	R3,700,000	MIG	Project incomplete with snags to be rectified.
Jansenville: High Must Lights	R1,000,000	MIG	Complete
Klipplaat: High Must Light	R1,900,000	MIG	Awaiting for Eskom Connection
Wolwefontein: Electrification	R24,000	INEP	Complete
Wolwefontein: Ventilated Improved Pits(VIP's)	R500,000	CDM	Complete
Installation of Bulk Water Meters	R1,000,000	DWA	Complete
Refurbishment of Jansenville Reservoirs and Boreholes Chambers	R1,000,000	DWA	Complete
Klipplaat: Waste Water Treatment Works: Phase 2	R699,690	MIG	Design Stage
Jansenville: Cemetery	R1,500,000	MIG	Complete
Fencing of Jansenville Park	R223,000	MIG	Complete
PMU	R422,000	MIG	Complete

2.5 SOLID WASTE MANAGEMENT

The main objective of this function is to primarily ensure that the municipal towns are kept clean and to promote a sustainable healthy environment. Another objective is to maintain and operate municipal permitted waste disposal sites as per the conditions of the permits. The two landfill sites of Ikwezi are currently undergoing the processes of being registered as proper landfill sites. Solid or refuse collection systems is currently being rendered in all four towns of Ikwezi, the percentage of refuse collection has been increased from 70% to 95%

during the year under review, with the clear intension of reaching 100% during 2012/13 financial year.

In order to increase the revenue streams of the municipality, it has also been noticed that the municipality must start with the processes of collecting more revenue of business premises in order to cover any lost that the municipality may incurred on the services.

The municipality is currently having three solid waste sites. The two sites in Jansenville and Klipplaat are currently at the stage of being registered as permitted landfill sites. The process of having licensed solid waste sites has been prolonged by quite a number of challenges. Also it has been made clear to the municipality, that once the sites are being registered, the municipality must set a certain budget aside in order to deal with the daily operational cost of the landfill site as required by the legislation.

2.6 ROADS AND STORMWATER

The municipal has allocated an annual operation and maintenance budget of R2, 600,000 for the overall maintenance of infrastructure. During the year under review, the municipality was able to implement the project of only one roads project, which was College Street.

The amount of R3, 700,000 million was allocated for the project. Due to poor workmanship that has been experienced on the site, it has been very difficult for the municipality to actually close the project. The mains reason being that the contractor or the service provider that was appointed did not perform according to expectations.

The municipality is unable to implement any roads projects form the municipal core funds. Most of the capital projects are being implemented by grand funding. Ikwezi has actually embarked on the process of purchasing some machinery in order to fast track the implementation of the roads project. Base on the topographic spread of the area it was deemed very much critical that the municipality should indeed purchase its own machinery in order to deliver the services of roads infrastructure.

In terms of forward planning, the municipality has already registered the project of R27 million for the upgrading of the roads in the area of Klipplaat.

2.7 ELECTRICITY

The municipality has a distribution license for the area of Jansenville, the other areas like Klipplaat, Wolwefontein and Waterford are being licensed under Eskom. The municipality has submitted the NERSA distribution forms which primarily report on the operations and maintenance of the area for which we have a license including costs incurred. NERSA approved the municipal tariffs following submission of the D- Forms. DME and the municipality embarked on the programme of ensuring the upgrading of MV/LV lines including the substation.

During the 2011/12 financial year, the municipality was able to complete the project successfully, as the result an amount of R11,2million was spend on the actual upgrading of the project.

The project of rolling out the High Must Lights was also implemented very much successfully on the two areas of the municipality. In Jansenville 15 High Must Lights were installed and commissioned. The municipality is currently busy with the programme of finalizing the commissioning of the 17 High Must Lights which are being installed in Klipplaat.

Ikwezi Local Municipality, has also agreed to declare the area as the Green Energy Hub. This decision was based on the weather temperatures that are extremely hot in the area. In line with energy saving tips, the municipality has also embarked on the programme of installing solar geyser in all the households of Jansenville with the intension of rolling over the project to Klipplaat and Wolwefontein. The area of Waterford will be covered during the implementation of the 66 Waterford Housing Units.

2.8 HOUSING DEVELOPMENT

Ikwezi Local Municipality used to enjoy the status of being the Developer, but during the year under review. It was agreed that the municipality must handover the status of being the Developer back to the Department of Human Settlement. The process was done based on the assessment and the criteria which were used to determine the level of capacity for the different municipalities in the province or the country.

Currently, the municipality has a limited backlog in terms of housing delivery. There are few beneficiaries that are currently being registered on the waiting list of the municipality. Base of the new criteria of housing development, it has been indicated that the municipality must confirm the availability of Bulk Services before any construction of Housing delivery can resume.

The process of starting the Rectification work has been initiated for the next financial year in order to ensure that newly constructed housing units are being done in line with NHBRC standards and guidelines.

The municipality has got some intentions of construction middle class units, but due to water quality and quantity which are not sufficient; those initiatives will be delayed until the problem of water has been addressed.

The Provincial Department of Housing is the major role player in Housing Development, where after receiving the information (as application for housing development) by the Municipality as per the responsibility highlighted above, considers and approves the same. Such approval should be accompanied by funding allocation for the projects applied for. As per the vision explained above, housing is not just shelter over the beneficiary's head, but access to socio-economic opportunities, complementary facilities and amenities, qualitative services and security of tenure.

Spatial Planning is a precursor to all land use and services in development and its role cannot be over emphasized. It determines suitability of land for use, establishes availability of land for development, and acquires land for development where necessary. It is also worth noting that, spatial planning ensures assessment for environmental impact in relation to proposed development. It is for this reason that spatial planning is a municipal function that deals with spatial expression of development initiatives. Various actors are therefore responsible for the delivery of each relevant service within their Competences.

COMMUNITY SERVICES



Klipplaat high	17	27.4%	32	21.9%	18	33.3%
AVERAGE	62	64.5%	75	64.4%	59	71.1%

Table 1: Grade 12 Pass Rate

HIV/AIDS

The CDM Socio-economic profile suggests that the prevalence of HIV/AIDS have increase from 160 (1996) to 1 068 (2007). The percentage of community infected rose from 1.54% to 10.25%.

Unit	2001	2006 / 2007
------	------	-------------

South Africa	24.8	29.1
Eastern Cape	21.7	29
Cacadu	16.5	19.0 (2004)
Ikwezi	7.55%	10.25%

Table 2: HIV/AIDS Prevalence (Annual Ante-natal Survey-DoH)

There are different CBO's supporting households affected by HIV/AIDS, these include:

- Masiphilisane Aids group
- Love life and Phelo care
- Council of Churches
- Traditional leaders
- Administrative Unit Committees
- Youth forum
- Women forum
- Sports forum
- Hospice



- Currently the municipality interacts with these special groups through Local Aids Council which is chaired by the Mayor and comprised of different stakeholders. The municipality has recently appointed a coordinator/ secretariat to ensure proper functioning of the council. This council meets once a month to discuss progress in terms of its programmes. Despite all of this the Local Aids Council still experiences challenges in terms of:

- Conducting regular meetings
- There is no clear programme in place and as a result the Municipality cannot allocate financial assistance
- The various stakeholders are continuing with individual efforts instead of integrated approach.

In order to raise awareness with regard to the most vulnerable groups consider the following table:

Age group (years)	2001 prevalence %	2002 prevalence %	2003 prevalence %	2004 prevalence %	2005 prevalence %	2006 prevalence %
<20	15.4	14.8	15.8	16.1	15.9	13.7
20-24	28.4	29.1	30.3	30.8	30.6	28.0
25-29	31.4	34.5	35.4	38.5	39.5	38.7
30-34	25.6	29.5	30.9	34.4	36.4	37.0
35-39	19.3	19.8	23.4	24.5	28.0	29.6
40+	9.8	17.2	15.8	17.5	19.8	21.3

Table 3: HIV/AIDS by Age Group (Source: National HIV/AIDS Survey – 2005)

Ikwezi municipality has to consider the consequences in terms of:

- Additional pressure and demands on clinic services for example voluntary testing services, improved access to ARV's and dealing with related diseases including TB
- Improving spatial planning / land availability for cemeteries
- The ensuing barriers to economic development

2.4 Disability:

The CDM Integrated Transport Plan (2005) provides the following information regarding disability in Ikwezi.

Form of Disability	Ikwezi LM	Cacadu DM
Communication	18	693
Sight	162	4494
Hearing	66	2728
Physical	237	8110
Intellectual	45	1593
Emotional	102	3425
Multiple	84	2498
Total	714	23541
% of Population (10367)	6.9%	

Table 4: Overview of Disability

Currently there is a structure in place “Disabled Forum” however it is not functioning as effective as envisaged. As a result of the poor functioning of the organisation, disabled people as a special interest group remain largely marginalized with regard to development dialogues and access to provincial programmes. Ikwezi LM does participate in all Provincial and National events with regard to disabled persons.

Challenges include:

1. Buildings including municipal facilities and schools are not conducive for disabled people
2. Houses built are also not disabled friendly

3. Allocation of housing / access to basic services do not prioritize households affected by disability
4. The mobility of disabled persons are hampered due to transportation difficulties.
5. Services at clinics do not consider the unique challenges faced by disabled persons. Disabled people are expected to arrive early and queue until late in the day.

The table below demonstrate the current level of grant dependency in Ikwezi.

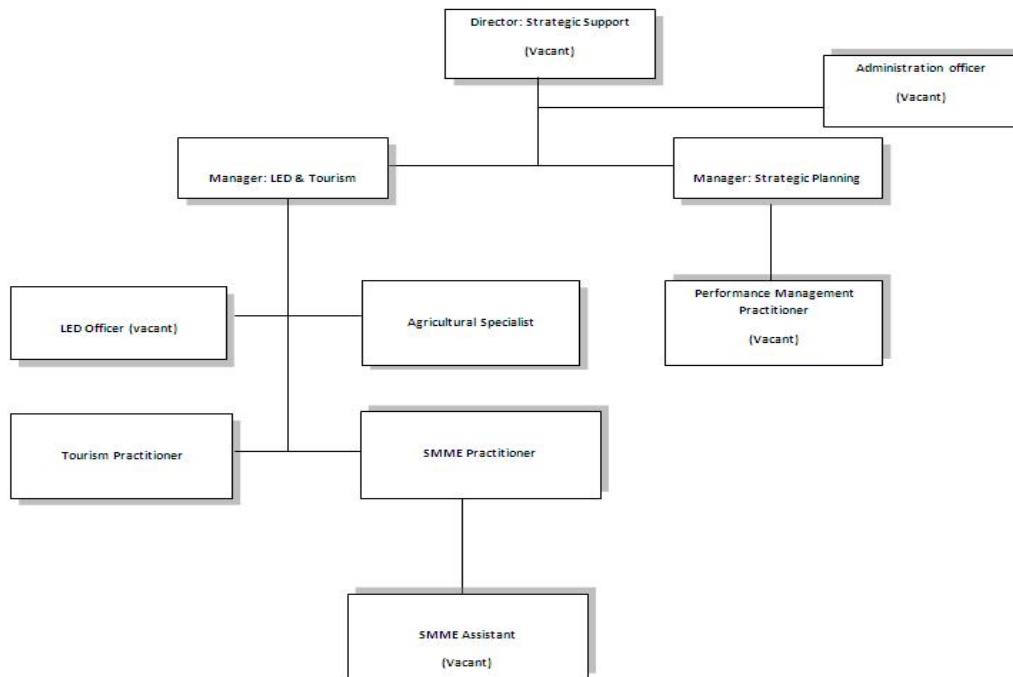
Location	Grant Type	April 2008		March 2009	
		Total Grants	Total Amount	Total Grants	Total Amount
Jansenville	Old Age	146	R 141 140	130	R 134 120
	Disability Grant	158	R 164 250	91	R 91 550
	Foster Care	23	R 18 200	17	R 14 300
	Care Combination			1	R 2 260
	Care Dependency	9	R 9 330	7	R 6 720
	Child Support	344	R 118 030	254	R 95 110
Total		680	R 450 950	500	R 344 060
Klipplaat Community Hall	Old Age	73	R 69 390	75	R 71 880
	Disability Grant	116	R 112 830	95	R 94 490
	Foster Care	13	R 11 050	8	R 7 800
	Care Combination	1	R 1 590	2	R 2 910
	Care Dependency	1	R 940	2	R 1 920
	Child Support	190	R 63 920	172	R 65 940
Total		394	R 259 720	354	R 244 940
Ikwezi LM Totals		1 074	R 710 670	854	R 589 000

CHAPTER 3: LOCAL ECONOMIC DEVELOPMENT

IKWEZI LOCAL MUNICIPALITY (EC103)

Department: Municipal Manager

Section: Strategic Support



3.1 BRIEF PRESENTATION OF THE LED STRATEGY/PLAN

The Municipality completed its LED Strategy in February 2010 and was adopted by Council in April 2010. The Strategic Pillars listed in the LED Strategy are:

- ❖ Sector Focus
- ❖ Infrastructure Development
- ❖ Business Support Initiatives
- ❖ Skills Development
- ❖ Poverty Alleviation
- ❖ Strategic Approach

Main Role players involved:

- ❖ Cacadu District Municipality
- ❖ Khanya Aiccd

- ❖ Department of Economic Development and Environmental Affairs
- ❖ Department of Local Government and Traditional Affairs
- ❖ CoGTA
- ❖ Department of Rural Development and Agrarian Reform
- ❖ Department of Social Development & Special Programmes
- ❖ Mohair South Africa
- ❖ Office of The Premier
- ❖ Eastern Cape Development Cooperation
- ❖ Department of Public Works
- ❖ EC Department of Transport
- ❖ Transnet Freight Rail
- ❖ GIZ
- ❖ NGOs
- ❖ Department of Rural Development and Land Reform
- ❖ Department of Rural Development & Agrarian Reform
- ❖ National Youth Development Agency
- ❖ Small Enterprise Development Agency
- ❖ Addo Elephant National Park

3.2 PROGRESS TOWARDS ACHIEVING THE LED KEY OBJECTIVES

(a). Creation of market and public confidence

In order to achieve its LED objectives, the municipality is implementing the strategic recommendations made in its LED Strategy. The aim is to create the desired state described in Ikwezi Vision Statement:

“We strive to be an economically self-sustainable and socially responsive municipality, committed to improve the quality of life of Ikwezi residents”

This is based on the premise of Ikwezi Mission statement:

“ We believe our primary responsibility is with the residents of Ikwezi by providing quality services promoting and deepening democracy, stimulate socio-economic

development and promote active citizenship, whilst recognising the value and mutual benefits of networking and strategic partnership”

(b) Exploit Comparative and Competitive advantages for Industrial Activities

Ikwezi Municipality has no industries but few small business enterprises. The number of SMMEs has increased significantly during the year under review. The municipality is in a process of reviewing its Special Development Framework (SDF). Our area compares favourably with the neighbouring municipalities in terms of economic activities, and development including tourism.

The Wool and Mohair initiatives have received financial injections and other support from Mohair South Africa, SAMIL, Department of Rural Development and Land Reform, Department of Rural Development and Agrarian Reform, Mohair Empowerment Trust, CDM and DEDEA.

(c) Intensify Enterprise Support and Business Development

The municipality has prioritised the development of the Small, Medium and Micro Enterprises (SMMEs) because entrepreneurship is considered as the engine of economic development. The SMME sector has the potential to address socio-economic challenges facing the municipal area. Without business development, it is argued that economies stagnate, unemployment levels continue to rise and the general standard of living deteriorates.

There is a significant number of SMMEs that have been established, especially in Jansenville and Klipplaat. The role of the Municipality with the assistance of the National Youth Development Agency (NYDA), SANACO, CDM and DEDEA is to assist the prospective businesses to have access to information and provide training and networking opportunities/ sessions. The Local Tourism Organisation also assists with economic development initiatives in the entire area.

The following SMMEs have submitted branding voucher applications through NYDA:

#	Company name	Type of business	Entity	Approved
1	Khayalesizwe Burial Society	Funeral Services	Co-operative	Yes
2	Masiphuhlisane Piggery	Piggery production	Co-operative	Yes
3	Fresh and Delicious egg production	Egg production	Co-operative	Yes
4	Hardwood Agricultural Co- operative	Tomato and Green Pepper	Co-operative	Yes
5	Bread of Life	Bakery	Co-operative	Yes
6	Sizozama Trading Enterprise	Catering Services	Close co- operative	Yes
7	Ezezwe	Computing	Co-operative	Yes
8	JP Hope Trading	Telecommunications	Private Company	Yes
9	JD Gymnasium and Club	Gymnasium	Private Co.	Yes
10	Jobo's Printing and Internet Café'	Printing and marketing	CC	Yes
11	Masiphathisane Waterford (Saamstaan)	Community Garden	Co-operative	Yes

The municipality conducted the following SMME Workshops and Trainings during the year under review.

Type of training	Service provider	Duration	No. of SMMEs attended
Basic Business Skills	SEDA	19 – 21 October 2011	18
Job Preparedness	NYDA	25 January	39

		2012	
Business Skills	NYDA	26 January 2012	34
Agri-Seta	ENTEKOM	24 February 2012	25
Food Handlers	Cacadu District Municipality	28 March 2012	20
Business Skills	NYDA	17 April 2012	30
Job preparedness	NYDA	18 April 2012	9
Co-operative Workshops	SMME Officer(Ikwezi Municipality)	4 hours	6 Different Groups of persons want to start a Co-operative

The municipality has registered the following businesses during the year under review:

Type of business	Status	Challenges
Telecommunications, Welding and Catering	Trading on Catering.	Trading Place and Access to Finance
Piggery	Trading and busy with Business Plan	Access to Finance and land
Catering	In Process of SARS Compliance	Trading place
Transport	Trading	Access to Finance
Construction	In Process of SARS Compliance	Access to Finance
Gymnasium	In Process of SARS Compliance	Access to Finance and Trading place
Building Construction	In Process of SARS Compliance	Access to Finance
Piggery	Trading	Access to finance and infrastructure
Goat and Mohair	Trading	Access to Finance and Land

(d) Support Social Investment Programme

The role of the municipality is to assist all the prospective business people with different information and access to resources. The establishment of co-operatives as well as the continuous development of skills of the members of the cooperative is vital for their sustainability and relevance. Self-employment is being encouraged locally because there are no factories that can employ many people like in the big cities where there are huge factories employing thousands of people. The local people have started to venture seriously on self-employment to improve their socio-economic situation.

Job creation during the year under review:

Programme/ Project	No.of jobs created	Duration
NARYSEC	5	12 Months
CWP	1000	4 years ending (2014)
EC Elimination of Invasive Species	145	10 months
Tarring of College Street	15	6 months
Working for water	36	3 years
Installation of High Mast Lights in Klipplaat	17	6 months
Sakhisizwe	348	3 years ending March 2013

3.3 ANNUAL PERFORMANCE AS PER KY PERFORMANCE INDICATORS IN LED

2	Number of LED stakeholders forum held	4	3	90%
3	Percentage of SMME that have benefitted from a SMME support	25	18	85%

	program			
4	Number of job opportunities created through EPWP	348	348	100%
5	Number of jobs created through PPP	35	35	100%

3.4 CHALLENGES REGARDING LED STRATEGY IMPLEMENTATION

- No dedicated Capital budget allocated for LED programmes
- Non- adherence on 5% MIG allocation for LED
- Failure of the provincial sphere to provide the necessary support to municipalities after municipalities have made request for such support.
- Provincial sector department's budgets not talking to municipal priorities in the IDP.
- Sector departments are not using the IDP as a tool to facilitate greater integration of development initiatives across the three spheres of government. There must however be a shared common vision and a willingness to work towards a set of common objectives.

CHAPTER 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

4.1 The 2011/12 annual financial statements

The purpose of this report is to report on matters as they occurred during the financial year to 30 June 2012. The report has been compiled to reflect the financial position and the subsequent performance of the institution throughout the reporting year. The 2011/2 annual financial statements were submitted on time. The 2011/12 financial year has been declared a year where all municipalities are expected to comply fully with the standards of GRAP and as such, an additional responsibility has placed on the municipality to comply. The major challenge with full compliance with GRAP is always going to be assets.

4.2 Statement of financial performance

4.2.1 Operating results

Table 11: Revenue from exchange transactions

	<u>Actual 2012</u>	<u>Actual 2011</u>	<u>Variance</u> <u>2010/11</u>	<u>Variance 2011</u>
	<u>R</u>	<u>R</u>	<u>%</u>	<u>R</u>
Total revenue	36 890 827	41 504 333	11.12%	4 613 506
Total Expenditure	33 589 191	34 694 698	3.19 %	1 105 507

4.2.2 Trading services

Table12: Electricity

	<u>Actual 2012</u>	<u>Actual 2011</u>	<u>Variance</u> <u>2010/11</u>	<u>Budget 2011</u>
	<u>R</u>	<u>R</u>	<u>%</u>	<u>R</u>
Income	5 546 180	15 080 507	63.22	4 745 580
Expenditure	6 579 148	4 833 553	36.11	4 752 080
Suplus/(deficit)	(1 032 968)	10 246 954		6 500

Table13: Water Services

	<u>Actual 2012</u>	<u>Actual 2011</u>	<u>Variance</u>	<u>Budget 2011</u>
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	<u>R</u>	<u>R</u>	<u>2010/11</u> <u>%</u>	<u>R</u>
Income	3 797 654	1 994 097	90.44	2 261 890
Expenditure	2 843 194	1 984 566	43.26	2 654 253
Surplus/(deficit)	954 460	9 531		392 363

4.3 Statement of financial position

4.3.1 Capital expenditure and financing

Table 14: Other fixed assets

<u>Other fixed assets:</u>	<u>Actual 2012</u>	<u>Actual 2011</u>	<u>Budget 2011</u>
Investment Property	123 870	0	2 115 623
Property, Plant & Equipment	6 451 680	25 748 436	16 585 000
Intangible Assets	0	730 453	290 000
	6 575 550	26 478 889	18 990 623

4.3.2 Grants and transfers' spending

Table 15: Grants and expenditure

<u>GRANT DETAILS</u>	<u>TOTAL AMOUNT RECEIVED DURING 2011/12</u>	<u>TOTAL AMOUNT SPENT DURING 2011/12</u>

Finance Management Grant	R 1,450,000	R 1,450,000
Municipal Infrastructure Grant	R 8,446,000	R 8,446,000
Municipal Systems Improvement Grant	R 790,000	R 532,174

4.4 Adherence to Donor requirements in respect of conditional grants

The conditions of grant have been strictly adhered to for all Ikwezi's allocations for the 2011/12 financial year. The municipality has complied with the reporting requirements as required by section 71 of the Municipal Finance Management Act.

4.5 Updated indigent register

The indigent register at 30 June 2012 had 1336 beneficiaries. This is due to the fact the municipality is beginning to review its indigents register on an annual basis. During the year under review, the municipality restructured its indigents committee to include members of ward committees. This is to ensure that more and more people benefit from the free basic programs of government.

The municipality continues to roll out indigents programs in line with the newly established wards. During its Council meeting in JUNE 2012, council wrote off a total amount of R502, 322 from indigent debtors. This amount is still very low compared to the outstanding debt over one year and more must still be done to overcome this challenge.

Annual performance as per key performance indicators in financial viability

Table 19: Key performance indicators

<u>No</u>	<u>Indicator name</u>	<u>Target set for the year</u> <u>R(000)</u>	<u>Achievement level during the year</u> <u>R(000)</u>	<u>Achievement percentage during the</u>
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				<u>year</u>
1	Percentage expenditure of capital budget	R8.446m	R8.446m	100%
2	Salary budget as a percentage of the total operational budget	R16.5 m	R33.1m	50%
3	Total actual trade creditors as a percentage of total actual revenue	R10.4m	R36.8m	28%
4	Total municipal own revenue as a percentage of the total actual budget	R8.9	R18.3m	49%
5	Percentage of MSIG budget appropriately spent	R790	R532	67%

4.8 The Audit committee functionality

The audit committee meetings were functional throughout the financial year. The committee was able to sit for all four quarters of the financial year and also reviewed the draft annual financial statements before submission to the Auditor General. The term of the current audit committee was then extended until 30 September 2012 to assist the municipality during the 2011/12 audit.

4.9 Arrears in property rates and service charges

The municipality's collection rate is around 50%. Council has put processes in place to implement its credit control policies and by laws vigorously. The municipality was also able to compile its general valuation roll during the 2011/12 financial year. This

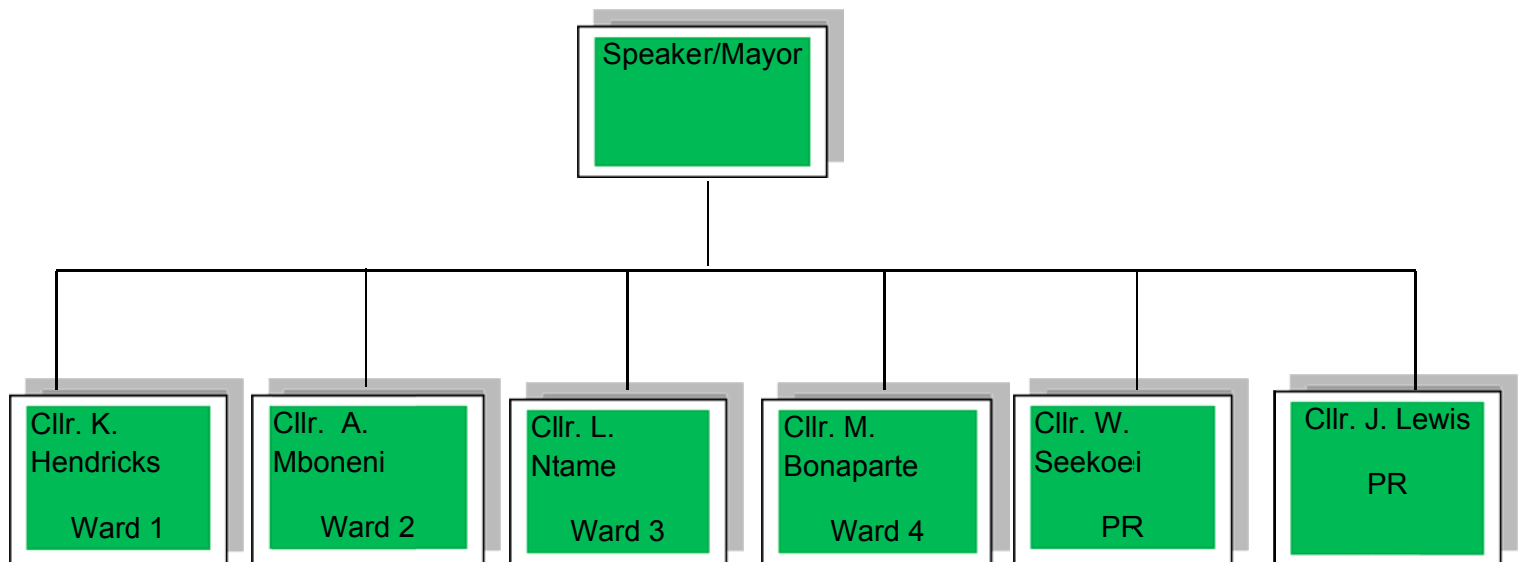
project was a great success and the intervention from Local Government and Traditional Affairs played a significant role in the smooth running of the project.

CHAPTER 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION

5.1 MUNICIPAL COUNCIL

The municipality is a Category B Municipality (local municipality) with a Plenary Executive System combined with a ward participatory system with the Speaker serving as Mayor. The functioning of Council is administered by the Office of the Mayor and Municipal Manager. All decisions are taken by Council, the Mayor and Municipal Manager in terms of authority delegated by legislation and delegations of authority as approved by Council.

Council Structure



COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Council Member	Full/ time	Part	Committees Allocated	Ward/ Part Represented	Percentage Council Meetings Attendance
1.Cllr. Sizwe Mngwevu	Part time		Finance &	ANC	100%

(Speaker/Mayor)		Administration		
2.Cllr. Katie Hendricks (Chief Whip)	Part time	Infrastructure	Ward 1 (ANC)	100%
3.Cllr. Asanda Mboneni	Part time	Strategic Planning	Ward 2 (ANC)	80%
3. Margaret Bonaparte.	Part time	Community Development	Ward 4 (ANC)	100%
1. Cllr . Lundi Ntame	Part time	Training & Development Sub-Committee	Ward 3	90%
2. Cllr. Bradley Seekoei	Part time	Training & Development member	PR (DA)	100%
3. Cllr. Johnny Lewis.	Part time	MPAC	PR (DA)	100%

There were four functional portfolio committee during the year under review:

- Finance and Administration
- Strategic Planning
- Community Development and
- Infrastructure

Council has established the MPAC which is fully functional to perform an oversight role in the affairs of the municipality.

3 Establishment of ward committees and functionality

The municipality did not have any ward committees; however in 2011 the municipality was established as a new plenary type of municipality combined with ward participatory system. Four wards have been established for the first time in the history of the municipality. The concept of functionality of ward committees therefore is relatively new. Each ward has a ward committee of ten members chaired by the Ward Councillor as listed in the table below:

Chairpersons of Ward Committees

Ward Councillors	Ward Number
Clr Katie Hendricks	1
Clr Asanda Mboneni	2
Clr Lundi Ntame	3
Clr Margaret Bonaparte	4

The Ward committees enhance participatory democracy and interact with the municipality on behalf of the community. They also make recommendations on issues affecting their wards through the ward councilors. They assist in community mobilization for public participation during the IDP/ Budget review process.

5.4 Community Development Workers

There are four CDWs in Ikwezi, serving ward 1, 2, 3 and 4. CDW's are placed in the respective wards where they reside in offices of ward councilors. They are working together with the ward committees.

CDW'S report to the Office of the Mayor but administratively, they report to the Office of the Municipal Manager. The municipality has a responsibility to assist the communities to understand the roles and responsibilities of CDW's to eliminate unnecessary barriers and speed up service delivery.

5.5 Communications

District Communicator's Forums (DCF) is fully functional. The municipality is the member of the DCF, submits reports and attends quarterly meetings. Local Communicator's Forum was established and collapsed, it needs to be reestablished. A draft Communications Strategy has been developed. The strategy will be tabled to council in the new financial year for final approval. Management is in the process of reviewing the Communications Policy to be in tandem with the strategy. Aggressive internal consultation has already taken place and the two documents will be in full operation in 2012/13.

5.6 Risk Management

During the 2011/2012 financial year, (KPMG) together with Council conducted another Risk Assessment Workshop. The following risks which have the potential to impede Council in achieving its objectives were identified:

Top 10 Risks from Risk Assessment 2011/12

Risk number	Risk name	Risk number	Risk name
1	Lack of quality / quantity of water supply	6	Inappropriate / Inadequate skilled employees
2	Lack of a quality infrastructure	7	Lack of IT Governance
3	Poor supervision	8	Inadequate implementation of policies and decisions
4	Inadequate funding	9	Inadequate asset management
5	Poor communication with all stakeholders	10	Lack of SMME development

(Source: Ikwezi Municipality Risk Assessment Report 2009/2010)

Through this process, the municipality developed a Risk Register that also shows how management intends to address both tolerable and intolerable risks. The Municipal Manager through the monthly Extended Management Meetings, monitors progress and then report quarterly to the Audit Committee.

5.7 Intergovernmental Relations

District Communicator's Forums (DCF) is fully functional. The municipality is the member of the DCF, submits reports and attends quarterly meetings. Local Communicator's Forum was established and collapsed, it needs to be reestablished.

Ikwezi Development Initiative (intervention by the Office of the Premier in Ikwezi) is functioning well. The initiative provided an opportunity to access some provincial departments.

Ikwezi Municipality has also been recently declared as a **Rural Development Node**

by the national Ministry: Rural Development. This means that the municipality will serve as one of pilot municipalities in the country for serious development interventions by national and provincial government.

Ikwezi Municipality hereby proposes the following national and provincial interventions:

- Service delivery through elimination of infrastructure backlogs – the Department of Local Government and Traditional Affairs, Cooperative Governance and Traditional Affairs and National Treasury must secure funds to implement Comprehensive Infrastructure Plans (CIPs) that were developed in 2008.
- Reviewing of the formula for Equitable Share to be bias to financially distressed municipalities.
- A discussion to incentives senior managers (section 57 managers) serving in rural municipalities which do not have financial capacity to attract skilled professionals and/or retain them.
- Provincial government strengthens its supporting role of municipalities especially during IDP Review Processes (IGR) and Performance Management processes.
- National government attends to legislation that impedes service delivery.
- Provision of skilled personnel (qualified engineer, town planner and communications practitioner) through Siyenza Manje Programme of the DBSA.

The municipality is sharing the Audit Committee with Camdeboo and Blue Crane Route Municipalities

LEGAL MATTERS

The municipality has outsourced the function as it does not have financial capacity to have an in – house legal unit. The municipality has outsourced the function to Patel and Associates based in Port Elizabeth. The following case has been finalized during the year under review.

CASE NUMBER	CASE NAME	DATE
ECD110476	M BLOUW v IKWEZI	DECEMBER 2011 (RE-EMPLOYMENT)

Management of legal risks is integrated in the overall Municipal Risk Management Strategy. There were no default judgments during the year under review.