

Quarterly Report

July to September 2011



Cllr Z Busuku: Honourable Mayor

This report covers the first 90-days of the financial year but also reflects on the last days of the last financial year.

1. Introduction

The report is compiled in terms of circular 13 of 2005 that deals with in year reporting as a mechanism to ensure that the end of the year targets are indeed met and there is a way of detecting deviations earlier. The report attached here-with seeks to brief the Municipal Council about performance since the beginning of the financial year in July 2011.

It is also important to note that some contextual issues that made it to be a bit difficult to function and deliver services as expected have also affected such performance. The protests that were at the beginning of the term of council and absence of a 'permanent Municipal `Manager' were some of the issues that made performance of the Municipality to be weakened. At some stage some of the Municipal Employees were involved in the protest that was largely a party organizational issue. By so doing, those employees breached the code of conduct; as such we are pursuing such matters in terms of applicable process and legislation.

There are areas of concern that the Executive Council has looked into and has decided to give a particular focus on. The these areas will be given under the following headings or departments below:

- A. Community Services Department
- B. Planning and Infrastructure Department
- C. Budget and Treasury Office
- D. Corporate Services Department
- E. General Staff Matters
- F. Strategic planning
- G. Integrated Development Plan

2. Functional issues

A. Community Services

Structure of the department

From the onset, it is clear that this department would not be able to function optimally precisely because it is over loaded and cluttered with functions that are sometimes not even closely related. It is unlikely that you would find a director who would have an intimate understanding of all these functional areas under his area of management. Consequently, performance would be compromised, as there is a no concerted focus on certain areas. This would be a breeding ground for mal-administration or mismanagement.

Recommendation

The Executive committee recommends that the matter be looked at in detail during the upcoming strategic planning session of Council

Waste Management

The concern has been the use of hired trucks for the purpose of garbage collection. This has been fuelled by the fact that the Municipal trucks were perpetually in repairs. This issue has had two related and unfortunate effects; the first is that this has cost the Municipality a total of R 262,232.72 over the period from July 2011 to end of September 2011. This cost is inclusive of cost of private truck hire and the cost of repairs of Municipal trucks. There is a general agreement that this has to come to an end because there has been a strong allegation that the breakdown of the Municipal trucks has been due to poor management of the trucks in terms of maintenance. The Executive Committee wants to inform the Council that we are in a process of purchasing a new garbage truck to strengthen our ability to manage garbage.

The second area of concern related to the above has been the cleanliness of the town and general garbage management. The Executive Committee has noticed that workers were demotivated and as such there were interactions with them. This was a result of inadequacy of working tools, including the trucks that were continuously on repairs. There is a positive change on this aspect; workers have shown commitment to doing their work and the Municipal Manager has prioritized this area of work. However, there is a lot of work to be done regarding garbage management. Currently there are no Municipal authorized and legal dumpsites. This has resulted in the Municipality receiving a negative audit opinion; we therefore have to do all possible to ensure that by the end of this calendar year there is significant progress in this regard. The Executive Committee is confident that we will turn the corner in this regard soon.

Recommendation

We prioritise the identification of alternative dumping sites before the end of this calendar year.

Security

There is also a matter of a stolen vehicle that was reported but nothing much has come from the investigation by the police. The office of the Municipal Manager has struggled to find the investigating office but it has also been over-shadowed by other competing issues in the institution. It will be attended to during the current month and a report will be forwarded in due course.

On an overall review of the security of the institution, the Executive Committee has mandated the office of the Municipal Manager to review the current contract of the security company.

Recommendation

The Executive Committee recommends that Council supports the termination of the current contract and advertise for a new security company in short to medium term. In long term, the Executive Committee suggests that the upcoming strategic plan must assess whether or not it is working for the institution to have an external security company in view of the bungling by the current security company.

Private Security for the Acting Municipal Manager

There is still an outstanding matter of the payment for a private security company that was assigned to the Acting Municipal Manager after the local government elections. The company, Fidelity is claiming R 64,892.54 from the Municipality; the unfortunate situation and reality is that this expenditure was not budgeted for and as a result we are unable to pay.

Recommendation

Exco proposes that an urgent meeting be convened between the office of the Mayor and the MEC to find a solution. It is not practical for a small municipality like Mbizana to be able to incur such a cost.

In the meantime it is recommended that the current invoice from Fidelity Security Company be honoured by the Municipality.

B. Planning and Infrastructure Department

Structure of the department

Once more this department is also over loaded and there are sections that are not prioritized. The areas that are not prioritized are not neglected out of irresponsibility but it is the nature of Infrastructure to focus on hard-core infrastructure programmes. Issues like Land Administration, Building Control, Town Planning, Advertising and related matters are not receiving adequate attention. This is as a result of structural problems that must be addressed as a matter of urgency.

Recommendations

Once more it is recommended that the structure of this department be reviewed during the upcoming strategic planning session .The Executive Committee has also not been happy with the expenditure levels of our Municipal Infrastructure Grant (MIG). We are currently seating on 12.79 % of expenditure to date excluding Vat and as such we have adopted a turn around strategy to fast-track procurement processes. The turnaround strategy includes developing a programme of seating of all bid committees that must not be missed. We also have agreed that there will be no standing committees (permanent members on bid committees). Bid committees

will be appointed on an ad hoc basis by the Municipal Manager for each bid. The Office of the Municipal Manager has also introduced a new regime of procurement for the whole institution to ensure that turn around time is improved.

A major concern in this department other than the MIG expenditure is the fact that there are roads that were not completed from the previous financial year or projects whose quality is under serious doubt. As a result the Planning and Infrastructure Director is expected to give an extensive report regarding these problematic roads and as such the office of the Municipal Manager is exploring means through which some of these challenges may be managed.

Recommendations

A special focus must be given to this department in relation to expenditure and quality of work by the Forensic investigation.

IEC Funded Roads

It also important to indicate that there were roads that were prioritized for the IEC funding in the last financial year. The following were the roads that were prioritized:

Table 1. Roads bladed through IEC funding

Road No	Road Name	KM	Work Done
Dr 08123	Bukuveni to Qhasa	25	Completed
Dr 08020	R61 Gun Drift	17	Completed
Dr 08021	R61 Mpunzi Drift	14	Complete
Dr 08116	R61 to Monti	43	Complete
None	Bulala to Xholobeni	40	Not done yet

Recommendations

A contractor must be appointed with immediate effect following the procurement processes in terms of the Municipal policy and National Treasury Regulations. The IEC Budget must be used for this purpose. Further, a detailed report on why Bulala to Xholobeni access road was not done must be submitted by the Municipal Manager to the Office of the Mayor.

C. Budget and Treasury Office

This office is currently focusing much on the process of auditing that we have prioritized to ensure that we respond to the requirements by auditors. Whilst the audit process is largely centered in the CFOs office, all Directors are expected to actively participate so as to ensure success.

For the period under review there is no major issues that have emerged except that there are cost centers that have shown to be moving ahead of planned expenditures. The major area is accommodation and travel.

Recommendation

- To this extent Exco has proposed to change some of the means of travelling so as to accommodate challenges that we may face in a long term. This has included discouraging officials and councilors using air travel from Durban to East London.
- However the Office of the Mayor and the Municipal Manager will continue to exercise discretions on the above matter taking into consideration of a case by case situation.
- This measure has been adopted though there is still a need to review our travel policy going forward. We plead with the Council to support this measure.
- We also have suggested that there are meetings that may have to be ignored, particularly those that may be ceremonial. We also are going to plead to councilors and officials to consider using same transport means when going to the same meeting, as this may also be a cost saving measure.

Security at Revenue section

There are other operational issues that need Council to deal with as a matter of urgency. The security of the revenue section is seriously compromised; as such both the CFO and the Planning and Infrastructure Director have been instructed to ensure that the situation is changed before the end of this month.

Recommendations

Planning and Infrastructure must use maintenance and repairs vote to ensure that the situation is addressed by the end of October 2011.

Quarterly Financials

From what the financials are showing on a month-to-month basis, the Municipality is not facing an immediate crisis. The only challenge is a universal challenge to all rural municipality and that is dependency on grant funding for surviving. (Please see the attached quarterly financial statements in terms of the SDBIP)

Supply Chain Management

On the side of the Supply Chain management, there are reviews that we have employed that we have spoken about earlier. The only thing to indicate now is that there is an indication of improving the whole system of SCM to address the rate at which we make decisions.

Recommendations

The Supply chain Management policy has to be reviewed in view of the delegation Framework of the Municipality during the upcoming strategic planning session.

D. Corporate Services

The one major issue that has been observed in this department is that the organizational establishment that has been approved does not reflect all the positions that are approved; this is an anomaly. It also appears that there are positions that were created but their job descriptions were not properly spelt out. This has resulted in some officials wondering about not knowing what to do.

Local Labour Forum

There is also an issue of the Local Labour Forum, which is allegedly not seating accordingly. This is so amongst other issues confusion in terms of responsibilities. The current Delegation Framework and system is clear that the Corporate Services Director is delegated to deal with and manage functioning of the LLF.

Recommendation

It is the Executive Committee's considered view that the delegation system be used as it is until it is reviewed. In terms of the Delegation Framework, the Corporate Services Director is delegated to perform duties of the Municipal Manager in relation to the Local Labour Forum.

Work Place Skills Plan

The Executive Council has also noted that there are departments that either ignore or are not aware of the Workplace Skills Plan (WSP). This is resulting in other departments getting more attention in relation to training or others identifying training needs that are not communicated to the Corporate Services.

Recommendations

All departments must suggest training and skills development of staff in line with the approved Workplace Skills Plan

Clocking System

The Executive Committee also expects that the electronic clocking system is working and is utilized by departments. A full report on the use of the system would be expected at the end of the month of October 2011.

Recommendation

The Corporate Services Department has to submit a print out of the clocking system to the office of the Municipal Manager by the end of the month. Necessary steps must be taken against those who deliberately ignored the use of the clocking system.

Pay roll issues

There are issues that are around the payroll section which need attention. There is an issue of a councilor who has been remunerated as an EXCO member for two months and yet she was not an EXCO member.

Recommendation

Means to recover such monies has to be followed; on the converse there are other councilors who have not been paid appropriately. The Municipal Manager must pursue the recovery of incorrectly paid money and ensure correct payment to all those who were paid incorrectly. The Office of the Municipal Manager is to keep the Office of the Speaker and the Mayor informed.

Labour Relations

There are two cases that were brought by the Municipality against two employees. The two employees have, according to the decision of the presiding officer won the cases against the Municipality on a technical procedural flaw. It has been recommended that they be reinstated with immediate effect.

Recommendation

There is no reason why the Municipality should not implement the recommendation; however there is a need for a follow up on other avenues in relation to where there is an allegation of missing funds.

There will be an updated of all the labour related litigations by the end of October 2011.

Fleet Management

The function of fleet management has not been a strong function in the Municipality and that needs to be changed. This has been proven amongst other things by the fact that the vehicles are not centrally controlled; this is fertile ground for abuse and probably even theft. The Executive Council is not certain if our vehicles have trackers on them? Why there is an issue with licensing municipal vehicles; how do we license other vehicles when we can't license our?

Recommendation

The strategic plan will have to consider this as a policy matter.

E. General staff matters

The staff has been generally been demotivated for various reasons; others were heavily involved in the politics of the area and thereby compromising their commitment to their work. With the constant touch with employees at all levels, we seek to change that. Already there are signs that the bigger number of employees are committed to their work and must be supported with the necessary tools and equipment.

Recommendation

The staff meetings on a weekly basis are mandatory and not optional, all directors are expected to hold meetings with their staff to ensure that there is a team effort in delivering services but also to listen what workers are concerned about or need assistance on? This must also be an evaluation area for each Director. Top management seats on a weekly basis and extended management convene on a fortnightly basis.

Remuneration of section 56 Managers and others on contract

Regarding the remuneration of managers reporting to the Municipal Manager and other managers on contract.

Recommendation

It is important that a remuneration committee be constituted to address the issue of salary increase of the Section 56 Managers. The Executive Committee recommends that the Remuneration Committee must be constituted as follows:

- The Mayor
- The Municipal Manager
- The Chairperson of the Standing Committee Budget and Treasury
- One Executive Committee Member

F. Strategic Planning of council

The EXCO has already made resolved on the matter, however there month of October seems to be very busy and as such it may not be possible to convene a strategic planning session during this month. There is also our Mayoral out reach program in the first two weeks of November.

Recommendation

Therefore we propose that the planning session be held on the week beginning on the 14th November to the 18th November 2011.

G. Integrated Development Plan

The process plan has already been adopted; the mayoral imbizos will also be used as a feeder to the IDP process as well.

Recommendation

There must be a common message that is developed for the purpose of imbizos so as to avoid sending conflicting and at times confusing messages to the citizens.

H. Appointment for positions that are not in the Organogram

The Department of Planning and Infrastructure has proposed to appoint personnel that are budgeted for but not in the organizational structure. These are appointments for the plant unit that has been acquired by the Municipality.

Recommendation

It is recommended that the staff be appointed as the budget is available and the equipment is standing idle.

I. Appointment of Audit Committee

The Advert for the Audit Committee was published on the 19th of August 2011 in the Daily Dispatch. There were eight respondents and they are the following:

- Miss Mathumbu N.V.
- Mr. Tshangana V.
- Miss Siqendu K.F.
- Mr. Mbutuma S.S.
- Mr. Radebe T.L.
- Mr .Sikramza L.
- Mr Dwenga M.L.
- Mr Mbewu S.M.

Recommendation

The office of the Municipal Manager proposed the following to be short listed on the basis of their CV's and informed the Executive Committee and the Office of the Speaker; therefore Council is advised to confirm the appointments as proposed. The following were shortlisted:

- Miss Siqendu k.F.
- Mr .Tshangana V.
- Miss Nolizwi Mathumbu

Mr is Tshangana is proposed to be the Chairperson of the Audit Committee.

J. Forensic Investigation

The Executive Committee of 29th September 2011 considered the terms of reference for the Forensic Investigation which was resolved by the Council Meeting of the 4th February 2009. It appears that the resolution was never executed due to lack of terms of reference. The Executive Committee adopted the terms of reference and the advertisement of procurement of the service was publicized.

Recommendation

- The Executive Committee recommends that this Council re affirms the resolution of the Council Meeting of the 4th of February 2009.
- This Council ratifies the work that has been done in relation to the procurement of the services for Forensic Investigation.
- The Councils adopts the terms of reference as drafted by the office of the Municipal Manager and recommended by the Executive Committee.
- The report of the Forensic Investigation once completed is tabled to the Council for consideration.
- The Municipal Manager must locate funding for the Forensic Investigation.

K. Speaker's Car

It has become clear that the Office of the Speaker and the Speaker in particular need to be given practical assistance in terms of mobility.

Recommendation

- The Executive Committee recommends that some of the overrun vehicles that are costly to maintain be disposed by the way of public auction viz Jeep Mbiz 1 and the Mercedes Benz FHT 775 EC.
- The Office of the Municipal Manager must facilitate the purchase of the Vehicle for the Office of the Speaker.

H. Municipal Manager's employment contract

The Municipal Manager was employed and assumed duties on the 19th September 2011. An employment contract was concluded between the Mayor representing Council and the Municipal Manager; however the performance contract has not yet been concluded.

Recommendation

The Office of the Mayor must ensure that a performance contract is signed between the Municipal Manager and the Mayor representing Council within 60 days of the signing of the employment contract.

I. Quarterly Report

The Quarterly report was presented by the Municipal Manager and was adopted by the Executive Committee with the following recommendations:

- The SDBIP needs to be amended looking into the budget and the IDP priorities.
- The billing of electricity has to be improved by installing meters within two months.
- Councilor Ganyile's debt must be dealt with through the executor of his estate before Council takes a decision of writing off the debt.
- The Status quo reported was adopted.
- A news letter must be published on a quarterly basis and the Municipal Manager must be the Editor in Chief.
- Procurement of banking services must be completed as a matter of urgency
- As the SDBIP is not clear on special programmes that must be funded, a detailed program with specific projects must be submitted to the Office of the Mayor.
- The office of the Municipal Manager must consider identifying funds for the construction of the road to Ntshamathe dumping site as it was earlier promised.
- The community of Ntshamathe must be engaged in relation to the land claim that seems to be impeding service delivery, however failure to resolve the matter through engagement the Municipal Manager is granted authority to approach the court for a relief.

3. Conclusion

It is clear that there are challenges ahead and we all have to roll up our sleeves and get to work; it is indeed possible. In the past few months despite the difficulties that were there the following are some of the highlights that we may consider as successes.

- i. The current leadership brought stability in the municipality
- ii. The IDP and budget was adopted even if we have to make some adjustments going forward
- iii. The IDP process plan was adopted in good time for compliance
- iv. There are prioritized areas for electrification and are on tender already
- v. Management saved R 20 m from being taken away for now
- vi. There are 15 roads that are on a scoping and design levels (see the quarterly report on Planning and Infrastructure)
- vii. 4 access roads are at bid evaluation level. (Laleni, Taleni bridge, Mgomanzi access road & Qobo to Mthamvuna)
- viii. One sports field will be maintained
- ix. New sport field will be reconstructed
- x. Road maintenance in the CBD is going on
- xi. We are purchasing equipment for road maintenance
- xii. Purchased a new Mayoral vehicle
- xiii. Council has employed a Municipal Manager

- xiv. We have advertised and about to appoint an audit committee
- xv. We getting the town clean

These achievements may not be huge but very significant for ensuring a smooth well coordinated service delivery. We also have to realize that as a small municipality, it is not possible that we will do all what we wish to do. Let us focus on matters that matter the most for us. Our resources will not allow to have all we want to have; it is the political leadership that must lead in this important aspect of realizing that we can only do this much with the resources that we have. We have to keep check of our wage bill; we have to make savings on our operational budget but we have to go all out in our capital expenditure.