

02



Performance Highlights and Service  
Delivery Approach



## 2.1 PERFORMANCE HIGHLIGHTS

As per the Integrated Development Plan (IDP) and identified areas of prioritization, Senqu Municipality remains committed to the provision of many and varied services to its community. Service provision is at times provided by the internal structures within Senqu Municipality, and at other times occurs with assistance and partnerships with other organisations; spheres of government; businesses; and/or non-governmental organisations.

Within this section of the report the performance of Senqu Municipality will be examined within each Department and a detailed review will be provided regarding the prioritized objectives, the level of success achieved and the areas that remain challenging. In this manner a thorough understanding will be obtained regarding the performance highlights and challenges that have presented themselves over the last year.

### A) MUNICIPAL MANAGER'S OFFICE

Within the Municipal Managers Office each area of functioning will be examined in terms of its strategic functioning and related performance highlights and challenges. Of particular note is the structural change, which culminated in the establishment of the Strategic Planning and Development unit within the Municipal Manager's office (incorporating Communication, IDP, SDBIP, Performance Management, Public Participation, Governance, Administration, LED, Tourism, Business Development, and Agricultural Development).

In the detail which follows each area which falls under the Municipal Managers Office will be examined further in terms of highlights:

#### a. Communication and Customer Relations

Within the area of communication it must be understood that there is a distinct focus on both internal and external communication and the customers at each point.

Areas of focus and actual performance are reflected as follows:

#### Improving internal communication structures and reporting

It is acknowledged that communication shortfalls have existed internally in the past. More specifically it has been felt that departments were functioning separately and with little cohesion and communication between. Management and staff meetings had not occurred as scheduled and similarly required meetings between the Mayor, Speaker and Municipal Manager had not occurred as required. Generally feedback was not effective between all parties at all levels (Council, management and staff) and efforts were clearly required to remedy these issues. Accordingly the following progress was made:

- The meetings between the Mayor, Speaker, and Municipal Manager are now held quarterly
- Management meetings are held as scheduled and staff meetings will be increased through the Performance Management System;
- Strategic meetings were held away from the place of work in order to facilitate total commitment of time to this process and sessions were held at the Gariiep Dam; Aliwal North and Bloemfontein. The input from these sessions has impacted on the way forward in all areas of functioning and strategy.
- Portfolio Councillors are influencing the Standing Committees as is required and relations are being fostered between portfolio heads and the relevant managers
- Protocol is being improved, and policies and procedures to this effect have been concluded
- All recommendations of all the Standing Committee are being tabled at EXCO
- Ward Councillors and PR Councillors have been trained to ensure that Local Government is clearly understood
- Communication amongst the Councillors on matters of service delivery/ budget processes has been improved
- The Speaker has been appointed to address the welfare needs of the Councillors
- Staff have been trained and work shopped re- Council Policies
- Administrative support is provided with a newly acquired printing and recording system, scheduled Council and Committee meetings, and the provision of all related and required documentary proof in the manner prescribed.

Notwithstanding and moving forward clear challenges remain and are required to be addressed. Requiring urgent attention and focus would be the introduction of the following:

- Performance Management measures;
- Effective SDBIP functioning and reporting;
- Ward Committee training;
- Quarterly Council meetings and report backs to the Speaker;
- Efforts to appoint a Chief of Staff who would be more effective in responding quickly to correspondence and community complaints.

#### **Improving customer relations and communication between and within the internal and external clients**

- In an effort to improve communication internally this section has developed an internal newsletter for the municipality, and this is issued to staff monthly (covering news about activities, events, and service delivery matters relating to Senqu).
- In an effort to improve communication amongst staff and in an effort to build morale a number of team building activities have been held with the staff of the municipality. The challenge remains to sustain these efforts and to ensure that commitment to these initiatives do not wane. It is intended that a team building activities calendar will be compiled in order to ensure consistent and continuous team building activities.
- An annual year-end function has been improved and is structured with the express purpose of ensuring that the staff remain motivated. Improving team building and improving staff morale remains an ongoing challenge.

#### **Developing a Communications Plan & Implementation of Communications Strategy**

- The Internal Communication Strategy has been drafted, but was referred back to the section by council, for the inclusion of customer care information.
- The broad Communication Strategy is in a draft stage, and will be completed by 23 February 2010 (LCF seating) after which it will be referred to Council for approval.

#### **Engaging with local communities as to their satisfaction with services rendered by the Municipality (Mayoral Outreach Programme)**

- This objective is currently being achieved by the Mayoral Outreach Programmes that are undertaken and through the formally structured engagement of communities whilst undertaking the IDP Review and Budget processes.

#### **Utilizing the municipality's website as an information, education and marketing portal**

- Within this area great strides have been made and the website has certainly reached a level where we can take great pride in acknowledging that it portrays an accurate and professional account of Senqu Municipality.

#### **Marketing and Branding**

- The marketing challenges that remain relate to the high costs of printing and advertising, which in turn limits the production of publications and adverts.
- Branded materials and items, such as t-shirts, posters, calendars, and diaries have been procured and at this point there is clearly more to be achieved.

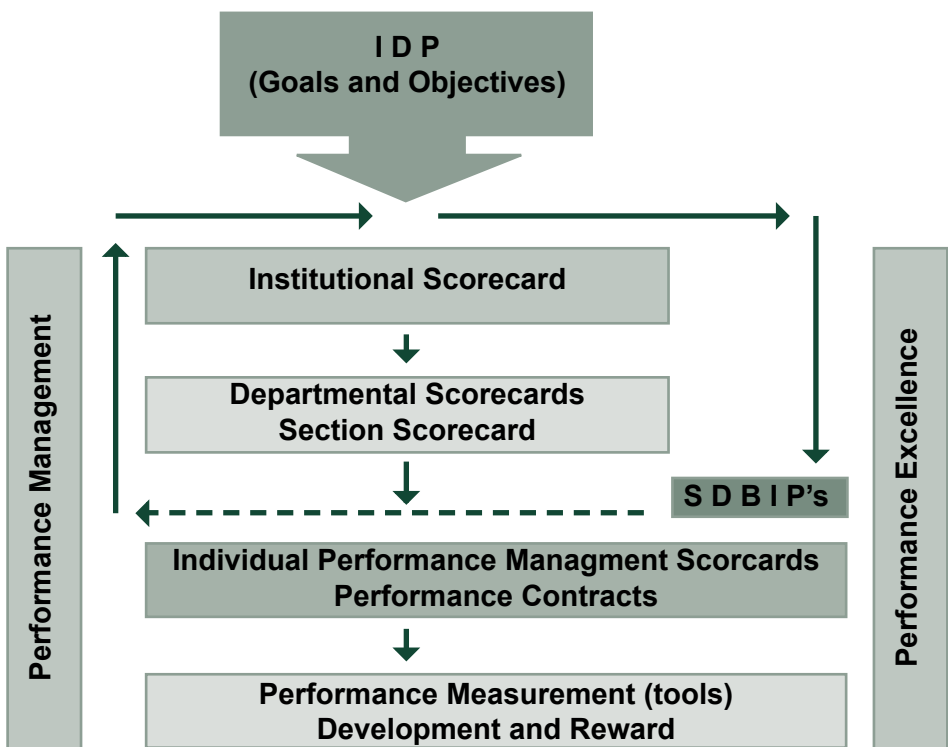
**B) INTEGRATED DEVELOPMENT PLAN (IDP), SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANNING (SDBIP), AND PERFORMANCE MANAGEMENT**

As per the diagram below it is noted that the IDP (as a 5 year strategic document based on community needs and input) is translated into the annual strategic priorities and objectives that must be achieved for the period under review. In order to ensure alignment these targets are cascaded down through the organization in the form of the Institutional Scorecard, which in turn is translated into the Departmental Scorecards and these too are then reflected within the SDBIP's (which require quarterly progress reporting).

From the departmental and sectional scorecards these annual targets are further translated into personal and therefore individual targets/scorecards, from the s57 managers to the staff below (in this instance down to the middle management level).

In terms of assessments of performance as per the PMS system in place, at least two formal assessments would be required to be conducted and at the last assessment it would be ascertained whether any performance bonus or reward was applicable. A further two reviews would be conducted (first and third quarter) in order to enable the developmental needs of each staff member to be determined, and this in turn would allow for skills training and development to be conducted. In this manner Performance Management is likely to lead to Performance Excellence.

## Performance management process flow



With these concepts in mind and the overall objectives understood, these concepts will be discussed further as follows:

## **IDP**

The strategic objectives relating to the IDP were generally well achieved in performance and these included:

- The management and implementation of integrated IDP;
- Ensuring an approved IDP and Budget Policy
- Strategically managing timeous implementation of projects and expenditure control

Successes in relation to the IDP goals and objectives relate to the following:

- The IDP Review/budget process was completed;
- IDP developed and reviewed annually;
- Budget Policy Approved;
- Plans aligned to budget and SDBIP's;
- Timeous planning to enhance implementation of and financial expenditure
- Improve service delivery and financial viability and growth for the Municipality

## **SDBIP**

2008/2009 has been a challenging period in respect of the SDBIP structure itself. Not only did its function move to the Office of the Municipal Manager but it took on a "new face". It was also established that the SDBIP required re-formatting so as to ensure that it took on more qualitative reporting.

Accordingly a new reporting structure was established and the new SDBIP provided for approval to Council. At this point Council did not approve the SDBIP as there were concerns around the manner in which this reporting had taken place. At this point Council had concerns around the structure of the report and in terms of the content provided. While this report had been structured around the National Indicators the reported information did not appear to be of the desired quality and the report was sent back for amendment and re-submission. Correct quarterly reporting in the manner prescribed remains a challenge, notwithstanding the progress to date.

Correct quarterly reporting in the manner prescribed and a better defined SDBIP remain challenges.

## **Performance Management**

During the period under review Performance Management was governed by the Municipal Performance Regulations (2006) and as such the following successes were enjoyed as per strategic priorities:

- To date Performance management has been applied to the s57 Managers;
- Charmaine Van Schalkwyk Consulting was appointed to populate the s57 performance agreements and scorecards for 2008/2009 and 2009/2010 and this was completed as required. This has been achieved and all scorecards have been aligned to the IDP, Budget, and SDBIP in terms of their format and content requirements.
- It is worth noting that greater effort will be required to re-write these documents in future years in order to ensure that all aspects are thoroughly covered;
- These documents have been concluded with the required linkages to the new SDBIP and therefore to the National Indicators;
- Evaluations have been held and have been made as per the regulations and the updates.
- The PMS Policy was drafted and approved incorporating the regulated guidelines on Performance Management.
- A number of workshops have been held regarding implementation and policy content.

## Moving Ahead

Efforts are underway to utilize the current Financial Management System (SEBATA) to assist with Performance Management (PMS) reporting and administrative requirements. One of the SEBATA modules would then be designated for Performance Management (PMS) and extensive programming would be required to ensure that this is programmed correctly and that all the required information is inputted into the system.

As interesting and as exciting as this project appears, it must be acknowledged that practical application of the electronic system will have certain challenges and it must be remembered that with any system of this nature the information extracted is only as good as the information inputted into the system. In this regard it must be noted that the implementation of an electronic system will not on its own provide the answers to all the practical challenges previously and currently experienced with Performance Management (PMS) implementation and assessment. While an electronic system may be created to support this process it can in no way replace the practical aspect of assessment. It must be emphasized that this system will only be as good as the information and detail that is captured within the system itself.

Overall the objective remains --- that of taking this system forward and in cascading and applying it to the levels below the s57's until this is applied throughout the organization at every level.

## C) LOCAL ECONOMIC DEVELOPMENT

The LED Strategy was developed by consultants during 2007 and was developed with involvement from the municipality; Communities; District Municipality; Sector Departments, and Private Sectors. The focus area relating to this strategy surrounds:

- Agriculture
- Tourism
- Poverty Alleviation
- SMME's

*Funded programmes for LED are reflected in the following table:*

PROGRAMME	DONOR	AMOUNT	ACTIVITY
Holo-Hlahatsi	DEAT	R 4 million	Tourism related activities
Development of Cooperatives	Thina-Sinako	No Funding	Development of Cooperatives
Masakhane Rossouw Agri-projects	Department of Local government & Traditional Affairs	R1,5 million	Crop and Vegetable Production
Khwezi Lokusa Textile	Department of Social Development	R1,1 million	Manufacturing bags, clothing and carpets
Sinenjongo Cultural Craft Project		No Funding	Community based tourism activity
Land Care Project	Department of Agriculture	R 3 million	To improve Land, fencing and Contour development

Of particular note was the formation of the LED and Agricultural Forum.

## D) SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The LED Spatial Development Framework has identified primary and secondary nodes for economic development focus and has suggested that these nodes should become service centres so that the communities would be able to access basic services, and in order to improve the economic outlook of the Municipality.

The SDF has also assisted in the process of Land Use Management as it had identified much needed land in Sterkspruit which could be used to expand the Central Business District (CBD) – relieving the heavy congestion.

## Agriculture and Tourism

These two areas represent the leading aspects of the municipality's Local Economic Development. Natural resources (especially farms and agriculture) have been identified as critical to the contribution of our economy.

Within the transport sector areas such as: posts and telecommunication subsectors, as well as land transport, provide the greater share of Growth Geographic Value Added, while the latter contributes to one of the highest levels of employment.

In many ways Senqu Municipality must be acknowledged for its "competitive advantage" and the wealth of the area in terms of naturally beauty and unique features together with cultural diversity and historical assets cannot be overstated.

Taking heed of this it remains the intention of this section to develop strategies to promote sustained economic development.

## SMME and Business Development and Growth

The Municipality has supported the business development by making available the Office of Small Enterprise Development Agency (SEDA) at the Municipal Offices.

### Annual Performance LED Targets as per Performance Indicators

The following table summarizes LED progress towards targets. Additionally a number of successful projects must be noted:

- A number of new formal SMME's have been established e.g. Business Chamber, Caterers, Co-operatives, Transport, B&B's and Guest Houses and Accommodation.
- 1000 job opportunities were created through the Expanded Public Works Programme (EPWP) for people (mostly women) from wards 1 & 7 and this was implemented by Teba Bank Development Agency

	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.	R7, 5 million	R6, 560,000.00	87.46%
2	Number of LED stakeholder forum held	3	3	100%
3	Percentage of SMME that have benefited from a SMME support program	200	55	27.5%
4	Number of job opportunities created through EPWP	1000	1000	100%

PROJECT NAME	PROGRESS REPORT	CHALLENGES	BUDGETED	SPENT FUNDS	UNSPENT FUNDS
Rossouw Agricultural	Planting of seeds and the erection of fencing and construction of the building completed	There is a scarcity of seeds i.e. potato seed	R300, 000	R201, 000	R99, 000
Pele Pele Poultry project -	The building for poultry was built	Structural Defects	R500, 000 Department of Local Government and Traditional Affairs funding	R200, 000	R300, 000
Lady Grey Commonage	Very good progress. More than 2500 of Lucerne bales were harvested	Marketing of the product in terms of securing an adequate client base is proving to be a challenge - No commitment	R110, 000	R184, 000	Over spent by R74, 000 00
Lady Grey Plastic Project	Machinery purchased. Installation of electricity is underway	Delays with Machinery sourced & bought from China. Limited funds. Land allocated but building has not been constructed	R1,3 million	R1,3 million	Over spent R20, 000
Note: Lady Grey Plastics Project * R1,3 Million shown as unspent due to delays in delivery of the machinery bought from China.					
Plastics Industry Youth Project is funded by DEDEA and R54 Million is required to fund the projects. The status of the project is estimated to be at 10%					
Brick making	Good progress	Top up funds exhausted	R300, 000	R320, 000	Over spent R20, 000
Commonage	Stocks are correctly allocated to defined camps	Shortage of fencing materials and water	R60, 000	R1, 000	R59, 000.00

## LED Challenges

Overall the following LED challenges remain and every effort will be made to effectively address these over time.

- The Strategy is required to be refined and reworked for a number of reasons which include: absence of the required seven (7) principles of a credible strategy; it is not found to be implementable; it is not relevant to the current challenges and economic status of the Senqu community; it is outdated and not reflective of the current reality; the statistics are not accurate and alignment with Senqu's policies, and between the Local Strategy, the Districts Strategy and other important planning documents that we have at the Municipality, Provincial and National level is of critical importance.
- The Municipality is currently developing Sector Plans for informal businesses, co-operatives, SMMEs' and various business associations. The Municipality is required to improve the services/products that they provide by attempting to assist them financially, technically and by capacitating them in their different categories. Over time, this process would then give the Municipality a platform to access their products, providing us with data to evaluate whether their services are up to standard, so that the necessary support is then made possible.



## E) BASIC SERVICE DELIVERY

As per the National Directives the following strategic objectives were applicable in ensuring access to free basic services:

- 90% of households who are earning less than R1600 pm have access to free basic services

FREE BASIC SERVICES: 2008/2009			
Baseline	Baseline	Target	Achieved
Water	59,2%	65%	65%
Sanitation	77,6%	80%	80%
Electricity	77%	80%	80%
Solid Waste	37,7%	40%	40%

Whilst; these target set for 2008/2009 were achieved the figures determined, are dependant on the accuracy of the database for income levels and users. This remains an ongoing challenge.

## F) CORPORATE GOVERNANCE AND PUBLIC PARTICIPATION

The municipal environment is bound by numerous and varied pieces of legislation, policies, procedures and practices. These in turn require that management and staff develop and abide by the appropriate prescriptions and that good governance is obtained at all times.

The following strategic objectives are noted:

- Ensuring that Governance issues are processed correctly
- The Audit Committee is to enhance internal controls and to receive an improved Audit report;
- Development of the Remuneration Policy and appointment of the remuneration committee;
- Register of Interest has been completed;
- Ongoing implementation of the Delegations Register;
- Implement control document on meeting requirements in terms of Chapter 4 of the Municipal Systems Act; no 32 of 2000.
- Fraud Prevention Policy to be established and anti-Fraud and Corruption measures to be introduced;
- Improved organizational efficiency; and
- Presentations of Codes of Conduct to staff and Councillors.

In terms of successes and direction it is noted that:

- Governance issues are being processed more effectively;
- The Audit Committee has facilitated the achievement together with the CFO and members of the Finance Department, of an unqualified audit report.
- The Remuneration Policy is in place, approved and being implemented.
- The delegations Register has been implemented and reviewed annually and accordingly workshopped.
- The Fraud Prevention Policy has been approved by Council and Strategies have been established and are being implemented regarding anti-fraud and corruption. Control measures are required to be tightened further.
- Codes of Conduct have been presented to staff and Councillors.

Overall and as referenced within the Auditor Generals Report, additional controls will be required to be instituted to monitor and control risk even more effectively.

## **G) PUBLIC PARTICIPATION**

A public participation policy is currently in place and is being implemented.

Public Participation efforts occur on many levels and in keeping with the strategic objectives; the following are particularly relevant and have enjoyed much success:

- Meetings are conducted according to the prescriptions of Chapter 4 of the Systems Act and this requires that a Meeting Control document is in place.
- Ward Committee members have been trained in an ongoing effort to ensure functional Ward Committees
- Through designated mayoral Outreach Programmes and while undertaking the IDP review and throughout the Budget approval process, designated meetings are held and every effort made to engage the community at large.

## **H) GENERAL ADMINISTRATION**

Compliance in respect of general administration has been exceptionally well handled, which has undoubtedly also contributed towards the unqualified Audit Report.

Accordingly the following areas achieved compliance in respect of legislation:

- The Annual Report and Oversight Report were achieved within the legislated timeframes;
- Compliance was achieved in respect of the manner in which both the Annual Report and the Oversight Report were submitted.
- SDBIP reporting is an area for improvement although the mid-year performance reporting was conducted. The revised SDBIP report format required refinement before final approval from Council.

## **I) ORGANISATIONAL RESTRUCTURING AND MANAGEMENT**

As per the strategic objectives the following performance targets were required to be achieved and were managed as detailed:

### **• Annual Organisational Review (Structure)**

The organisational structure (although requiring formal approval from Council), has been reviewed and designated changes have resulted in the establishment of the Strategic and Development Unit within the Municipal Managers Office and a few other changes between departments i.e. the move of GIS to the Technical PMU's office and the move of Housing to the Technical Services Department.

The changes are being effectively applied.

Funding to fill approved vacant posts remains a challenge especially when coupled with the challenge of scarce skills. It must be noted that following the restructuring process and after application to SALGA regarding the grade of Senqu, a determination was made to place Senqu Municipality in a Grade 6 Municipality as opposed to the previous Grade 3 status. In terms of the Bargaining Council Salary Structures, staff are now remunerated on a Grade 6 Municipality.

### **• Scarce skill and Retention Strategy**

A Retention Strategy has been formulated together with a Scarce Skills Policy and the ongoing challenge remains the retention of staff with required skills, and creating conditions where those areas of scarce skills are managed by staff development and packages to attract staff.

- **Job Evaluation**

While Senqu Municipality has submitted Job Descriptions to the Job Evaluation Committee, and received an initial Performance Outcomes Report, the facts remain and this means that seven years down the line, there has been no implementation, due to the salary/wage curve not having been approved in line with the TASK System of Job Evaluation.

Subsequently, Organograms have changed and therefore so too the Job Descriptions; Senqu Municipality has been moved from a Grade 3 to a Grade 6 Municipality, and positions over time, regardless of structure, have changed dramatically.

After an investigation and establishing that the new salary scales with a Grade 6 level, would not necessarily be beneficial to Senqu Municipality, a proposal to move forward with this process has been made to Council – which would have benefit to all parties.

- **Capacitation**

Every effort is being made to ensure that staff are capacitated in terms of their Personal Development Planning. This has not occurred successfully, and a limited budget has prevented many training needs being addressed although this is not to imply that no training has taken place as effective applications of the Skills Development Plan has occurred.

- **Contracts, Agreements, Policies and Plans**

As per legal prescriptions, all reviews have been concluded for the update and/or creation of contracts, agreements, policies and plans.

- **Employment Equity**

Compliance has been achieved as the Employment Equity report was submitted to the Equity Registry within the required timeframes. All staff appointments have met the Employment Equity prescriptions in terms of appointments and related policies although full compliance has not yet been achieved.

- **Work Place Skills Plan (WSP)**

All requirements in respect of the compilation of the WSP and reporting requirements (Implementation Plans and the like), have been met.

## **J) FINANCIAL MANAGEMENT**

The award of an unqualified audit report illustrates the positive strides made towards ensuring that financial management remains a prioritized area of functioning and application within Senqu Municipality:

As per the legislative requirements and prescriptions every effort is being made to ensure that the following financial management strategic objectives and targets are prioritized:

- Annual overview on Risk Management and an Implementation Plan
- Monitoring of financial viability re- debt coverage and expenditure control.
- Implementation of Revenue Management Strategies to enhance Revenue.
- The organization is moving towards full Grap Compliance
- Financial Policies were developed as required.

## **2.1 (B) CORPORATE SERVICES**

The performance highlights and service delivery achievements for the Corporate Services Section will be unpacked further within a number of sections as follows:

### **ADMINISTRATION AND COUNCIL SUPPORT**

#### **A) SUPPORT SERVICES**

Corporate Services as an overall function is required to administer all support services to Council and Exco meetings. This supportive function is performed really well and Corporate Services provides the necessary advice and support and all administrative requirements relating to logistics, recording minutes and ensuring that the agenda and related documents are sent out as required.

The electronic equipment acquired for document management has not proved very effective or efficient.

Recording and printing equipment for Exco committees (re- agendas and minutes in an effort to reduce paper) has been fully installed, but this is not very efficient in terms of quality. Efforts have been undertaken to upgrade the printing equipment to reduce downtime and to increase output. This is in place currently.

#### **B) BY-LAWS**

By-laws are required to be both developed and gazetted. While it is acknowledged that a procedure to guide public liability claims has been completed and implemented, it is also acknowledged that there is a general lack of capacity to implement these by-laws effectively.

#### **C) DOCUMENT MANAGEMENT SYSTEM**

Some success has been achieved in that a File Plan was developed and approved by Provincial Archives and Council.

Notwithstanding, the greatest challenge still remaining amounts to the setting up of a functional electronic document management system – ensuring effective and efficient communication.

#### **D) HUMAN RESOURCES FILING SYSTEM**

Provincial Archives has introduced a new filing system for Human Resources and this was fully implemented during the year under review. It is noted that this new HR system is fully functional and it appears that this has reduced the number of Audit queries relating to Personnel issues.

#### **E) TELEPHONES**

An effective and efficient communication infrastructure remains a challenge. However, a new telephone systems was acquired and this will certainly lead to improved communication networks.

The ultimate challenge relates to staff who abuse this system. In an effort to manage this issue, private call costs are recovered through the payroll system.

#### **F) SKILLS DEVELOPMENT**

The Workplace Skills Plan for 2009/2010 was submitted timeously (30 June 2008) together with the Skills Development Report for 2008/2009. Quarterly reports were submitted to SETA, monthly skills reports to the Corporate Standing Committee and Executive Committee – all timeously as per prescriptions.

The Training Committee meeting occurred quarterly as required, although dates were required to change due to the challenge of availability of both the Speaker and Councillors. The Training Committee Terms of Reference was received and approved by Council.



## **G) OCCUPATIONAL HEALTH AND SAFETY**

All Committee meetings occurred quarterly although at times the dates were required to change to accommodate staff availability.

The OHS Committee Terms of Reference was reviewed and approved by Council.

Monthly Reports were provided to the Corporate Standing and Executive Committees.

After compliance checks from the Department of Labour (re Occupational Health and Safety Act regulations), it was established that there are still noncompliance issues and while challenging have cost in terms of fines.

Signs required by the DOL have not been purchased as funding remains an issue.

## **H) LABOUR FORUM MEETING**

The Labour Forum meetings have occurred as required and there remains a good relationship that has been fostered, between management and labour. Shop stewards have been trained on disciplinary issues have been trained on disciplinary issues – thereby ensuring a common understanding.

Labour meets regularly (monthly) with staff and in this manner a good communication flow is achieved – intending to minimise strike action and disciplinary enquiries.

Monthly Labour Forum Reports are submitted to the Corporate Standing and Executive Committees.

## **I) PERFORMANCE AGREEMENTS**

Performance Agreements hence only been concluded with s57 staff due to a lack of capacity.

## **J) EMPLOYMENT EQUITY REPORT**

The Employment Equity Report was updated and submitted timeously.

## **K) HUMAN RESOURCES POLICIES**

The Turn Around Programme (TAP) was initiated by the Provincial Department of Housing and Local Government, Bhisho – to conduct policy reviews. This was however never realised.

## **L) ORGANOGRAM REVIEW**

The organogram was extensively reviewed by consultants and effectively the grading of the municipality moved from a Grade 3 to a Grade 6. Notwithstanding, it is felt that this organogram requires additional work in order to reflect the functional needs of the organisation.

## **M) PROPERTY TRANSFERS**

One property was transferred from Ukhahlamba District Municipality due to delays from the Deeds Office. All existing Title Deeds are listed and filed in the Security File. Transfers continue to proved a challenge. Due to the fact that most of the government properties belong to the Department of Public Works, Senqu Municipality is no longer able to charge rates and taxes and this results in loss to the municipality.

## **N) ASSETS**

Every effort has been made to verify and to list all the assets which may belong to the municipality.

## **O) HR SYSTEM IMPLEMENTATION**

Implementation has not been achieved due to budget constraints. Plans are ahead for the 2009/2010 financial year.

## **P) CLOCKING SYSTEM**

The clocking system has not been achieved due to the inefficient budget. This will be acquired during the next financial year.

## **Q) ANNUAL REPORT**

The departmental annual report was submitted timeously.

## **R) SCHEDULE OF COUNCIL MEETINGS**

Council meeting schedules (depicting deadlines for submission of reports, rotation of meetings and deadlines for distribution of agendas/notices has been completed.

The electronic equipment acquired for document management has not proved very effective or efficient.

Recording and printing equipment for Exco Committees (re – agendas and minutes in an effort to reduce paper) has been fully installed, but this is not very efficient in terms of quality. Efforts have been undertaken to upgrade the printing equipment to reduce downtime and to increase output. This is in place currently.

# **2.1 (C) COMMUNITY SERVICES**

Senqu Municipality is required to provide a wide range of services to its community.

In certain instances this is done independently, and in others it is done together with other organisations; spheres of government; businesses; and/ or non-governmental organisations.

This chapter of the report will highlight the services provided by the various departments of Senqu Municipality and will discuss these within the following table:

## **A) LIBRARY SERVICES**

It is required that Community Services provides reading and study material to communities and to promote the culture of reading amongst the youth.

Library material purchased this year included computers for Sterkspruit, Lady Grey and Barkley East.

Book fares are arranged by the department of Sports, Arts and Culture for purchasing of books.

During this period visits were done to rural areas to distribute books. but the lack of vehicles in the library is a challenge.

Difficulties experienced:

- Books not circulating between libraries. These become old and stagnant.
- Funding not received from Department of Sports, Recreation, Arts and Culture.

## **B) COMMUNITY HALLS & FACILITIES**

New facilities are required to be provided in rural areas and existing facilities are required to be maintained.

During this period two Community Halls were completed i.e. Majubane and Tapoleng.

Challenges remain:

- Handing over of completed multi purpose centres
- Completion of multi-purpose centres.

## C) SPORTS FIELDS

This section is required to provide basic sports and recreation facilities within the whole of Senqu and to upgrade existing sportsfields.

Challenges remain:

- Vandalism of Patrick Shibane sports complex at Sterkspruit.
- Vandalism at the Barkly East sports field
- Sportsfield in Barkly East being affected by storms
- Equipment not being available for maintenance of sports fields
- Insufficient budget to cater for needs

## D) CEMETERIES

This section is required to clean cemeteries, ensure effective records of burials, provide pauper funerals and to establish a new cemetery at Barkley East.

Provision has seen:

- The development of electronic register
- Drown victims being assisted in March, and
- An Environmental Impact Assessment (EIA) done and an application to MIG for funding.

Challenges:

- No dedicated staff for cemeteries
- No funds available to develop the register
- Demands for burial assistance from some people who died during that period
- No funds available to establish new cemetery.

## E) WASTE MANAGEMENT

Solid Waste sites are required to be maintained, the Waste Management Delivery Plan is required and so too the development of Waste Minimisation Projects.

Achievements:

- Record keeping of waste delivered to waste disposal sites; Plan developed adopted by Council
- Link projects to LED
- Plan developed adopted by Council
- Link projects to LED

Challenges:

- Integrated waste management plan requires review
- Waste recycling projects not adequately regulated
- Placed 1st position in the cleanest town competition district wide
- No weigh bridges to measure the waste-to-waste site.

**Note:** The manner in which refuse removal is calculated was recommended by the Department of Environmental Affairs in the absence of a weighbridge. Refuse removal is calculated as follows:

Trailer loads or vehicle loads of refuse are “quantified” in terms of the size of the trailer or vehicle and the capacity to load. The figures obtained are presented as cubic metres. The number of loads per size are then recorded and the figures amalgamated in a monthly report and these figures are then added together to reflect an annual figure for reporting purposes. In the year under review; the supervisors failed to maintain records.

## **F) HEALTH**

The provision of effective Primary Health care is required by achieving:

- Effective HIV/Aids programme
- Prevention of mother to child transmission
- Training of health care workers

Achievements:

- Monthly and quarterly reports to Province and Council
- Clinic committee meetings

Challenges:

- Clinic committee not functioning adequately
- Inadequate funding from Province
- Inadequate staff

## **G) PUBLIC SAFETY**

The purpose is to ensure animal control and the development of pounds.

Successes:

- Removal of stray animals from public roads, and
- Impounding of animals

Challenges:

- Pound developed in Sterkspruit
- Funds insufficient to develop pounds in Lady Grey and Barkly East

## **H) COMMONAGES**

It is required that commonages and correctly managed:

Achievements:

- Repairs of fence in commonages
- Agreements drawn with leasers of commonages

Challenges:

- Communities not sticking to agreed management of commonage resulting in overgrazing
- Assisted by department of Agriculture to manage commonages
- Fence being stolen by residents of RDP houses.

## **I) PUBLIC AND OPEN SPACES**

It is required that public and open spaces are maintained and cutting of grass on side walks occurs as scheduled.

Achievements include:

- Discouraging illegal dumping in open spaces.
- Community awareness in maintaining surroundings
- Pruning of trees on side walks and open spaces



#### Challenges:

- Tendency to dump at open spaces still rife in townships
- Awareness programmes started in Barkley East

#### Grass Cutting

- 1,050 899,16 square metres grass cut

Note: The grass cutting includes cemeteries; sportsfields; public open spaces, sidewalks and the statistics provided from the Community Services Department have been calculated according to the following process and must be understood within the following context:

- grass is cut during the months of September to May;
- the area cut is calculated according to the length multiplied by the breadth measurement;
- the same area may be cut every week or two weeks depending on rainfall or external factors and considerations.

## 2.1 (D) TECHNICAL SERVICES

### BACKGROUND

The provision of water and sanitation services is in the urban areas only, as a Water Services Provider appointed until 31 January 2009 by the Ukhahlamba District Municipality (now Joe Gqabi), who are the Water Services Authority. The final Water Services Provider contract is still under finalization but the services for water and sanitation are still being rendered on an informal basis.

Senqu is licensed by the National Energy Regulator of South Africa to supply electricity in the towns of Sterkspruit, Lady Grey and Barkley East.

The department is responsible for the ongoing operation and maintenance of the above services as well as capital projects undertaken under "own powers & functions". It should, however, be noted that water and sanitation capital projects fall under the Ukhahlamba District Municipality.

All aspects of the housing programme, administration to construction, have now also been delegated to the Technical Services Department for implementation. In the case of all new projects, the Department of Housing is the developing agent, assisted by Senqu.

Road signage was transferred from the Corporate Services Department to the Roads Department.

### FUNDING

The operation and maintenance costs are funded through the municipalities internal funding, which is derived from service charges, equitable share allocation under the Division of Revenue Act and Rates and Taxes. Capital Projects are undertaken with internal resources and Municipal Infrastructure Grants (MIG conditional grants) and allocations from the Department of Housing.

Achievements include:

#### A) ELECTRICITY AND STREET LIGHTING

Objectives were:

- Provide electricity to 1 730 residential and commercial consumers
- Provide public lighting to Sterkspruit, Lady Grey & Barkly East & Herschel
- New connections done on request in licensed areas
- Ongoing maintenance of existing networks

- The rural areas of Senqu Municipality are within the licensed area of ESCOM and will remain so in the foreseeable future
- Maintenance of existing public lighting

The following was achieved:

- 17 new connections done on request as there is currently no backlog in licensed areas
- 312 Electricity faults reported and dealt with
- Conventional electricity meters serviced/replaced - 22
- Service Level Agreements are in place with ESKOM
- 622 street lights repaired
- Ongoing Operation and maintenance
- Purchase of 1 x LDV

Challenges:

- Electricity losses – 8,6 MW (due to theft ,poor metering, poor networks and incorrect accounts)
- Percentage losses: Average 35.53%; Technical loss 10% - Total; loss 25.53%
- Sterkspruit loss: , 37.81%; Lady Grey Loss: 31.02% Barkly East loss: 37.75%

## **B.) STREET LIGHTING**

Objectives:

- Maintenance of existing public lighting
- Extension of public lighting systems
- Maintenance and renewal of public buildings electrical installations, when required
- Reduction of electricity losses

Achievements:

- Minor tool purchases
- Electricity purchased from ESCOM- 22,3 MW
- Total Kwh billed – 13,75 MW
- 12 x monthly reports submitted
- 8 x Transformers safe guarded
- Installation of 54 bulk metering points ( will only be operational once service provider has programmed)
- 27 Transformers properly earthed
- The Section 78 (1) process with regard to REDs has been completed
- 12,080 rural households receive Free Basic Electricity.
- An Electrical Superintendent has been appointed.
- 2 temporary jobs created.

Challenges

- Ageing infrastructure
- Insufficient funding for recapitalization
- No capital funding for network extensions
- Insufficient maintenance funding
- HR issues within the department
- Electricity backlogs in the rural areas (specifically non-grid areas)
- Supply Chain Management impractical
- Adhoc maintenance is being achieved despite challenges.
- Lack of workshop & storage space
- Insufficient funds to obtain full staff complement
- Lack of performance management system

## **C) ROADS**

### Objectives:

- The maintenance and reconstruction of gravel and surfaced roads
- Maintenance of road furniture
- Purchase of plant
- Planning and design of new projects

### Achievements:

- Construction & rehabilitation of roads in Ward 10 – 7.340 km –Senqu Team
- Construction & rehabilitation of roads in Ward 14 – 34.9 Km – Senqu Team
- Construction & rehabilitation of roads in Ward 11 – 17 km – Senqu Team
- Construction & rehabilitation of roads in Wards 7, 8, 9 & 12(Ph2) – 16 km - MIG
- Construction & rehabilitation of roads in Wards 4, 5 & 6 (Ph1) – 16 km-Senqu
- 143 temporary jobs created – Senqu Team
- Ongoing general Operation & Maintenance
- Potholes repaired-582
- Cost estimates on various future projects done
- Roads master plan data completed
- 100 road signs replaced.
- Council formed a committee for street and other names.

### Challenges:

- Insufficient funds for reducing the access road backlog (MIG)
- Resurfacing of Dept of Transport roads within towns
- Supply Chain Management impractical
- The roads classification system needs to be completed
- Insufficient plant/operators
- Gravel shortage in rural areas require alternative construction methods
- Distances to borrow pits becoming excessive.
- Access roads need to be sealed (should alternatives not be available) with lined storm water channels.
- Tribal and community problems around borrow pits.
- Borrow pits need to be formalized, in conjunction with all other users, in order to meet all required criteria.
- Road plant needs to be replaced (especially trucks).
- More plant is required.

## **D) STORMWATER**

### Objectives;

- The construction of sidewalks
- The construction of storm water systems
- The construction of bridges and river crossings
- Planning and design of new projects

### Achievements:

- The Kwezi Naledi Storm Water Project (Ph 2) completed
- Paving in Lady Grey project completed (Ph2)
- (MIG/Senqu)
- Paving in Barkley East 70% completed as contractor withdrew.(MIG)
- 68 m of new storm water crossings installed in rural areas
- 144 temporary jobs created

#### Challenges:

- Urban renewal needs to be done to encourage LED (paving)
- Staff need to be employed as the Senqu area is too large
- Plant & equipment need to be purchased
- A storm water master plan for the entire Senqu area needs to be developed
- Kwezi Naledi still has a huge internal storm water problem requiring more funds
- Nkululeko requires storm water upgrade as does Fairview.
- Sterkspruit requires storm water upgrade in the lower residential areas.
- Supply Chain Management impractical

### E) WATER

#### Objectives:

- The Senqu Municipality was appointed Water Services Provider by the Water Services Authority (Ukhahlamba District Municipality) until end of January 2009, although Senqu is still currently providing the service, to date.
- Water purification undertaken at Lady Grey, Barkley East & Rhodes
- Bulk water is supplied to Lady Grey, Barkley East, Rhodes and Rossouw
- Sterkspruit water is supplied by Amatola Water but reticulated by Senqu within the town
- Potable water is reticulated to approximately 6916 H/Hs within the Senqu area of jurisdiction
- New connections are done upon application
- Infrastructure and capital is the responsibility of the Water Services Authority
- Rural areas fall under Amatola Water who were appointed by the Ukhahlamba District Municipality
- Maintenance of purification works and reticulation systems in the appointed area

#### Achievements:

- The Senqu Municipality was appointed Water Services Provider by the Water Services Authority (Ukhahlamba District Municipality, now Joe Gqabi) until end of January 2009, although Senqu is still currently providing the service, to date.
- Water purification undertaken at Lady Grey, Barkly East & Rhodes
- Bulk water is supplied to Lady Grey, Barkly East, Rhodes and Rossouw
- Sterkspruit water is supplied by Amatola Water but reticulated by Senqu within the town
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- Infrastructure and capital is the responsibility of the Water Services Authority
- Rural areas fall under Amatola Water who were appointed by the Ukhahlamba District Municipality
- Maintenance of purification works and reticulation systems in the appointed area

#### Challenges:

- Permanent water Treatment Works in Barkly East
- Upgrade of Lady Grey WTW
- Implementation of the Lady Grey bulk water supply as a matter of urgency
- Capacitating staff
- No Superintendent in Barkly East
- Water backlogs in the rural area
- Rehabilitation of the Barkly East & Rhodes reticulation networks
- Compilation of a water master plan for all areas
- Supply Chain Management impractical
- Installation of section & bulk metering metering for water balance
- Replacement of vehicles
- Bulk supply to be established for Rossouw, serious water shortage.
- Bulk supply to be rehabilitated for Rhodes
- Lady Grey dam silt weir and extraction line to be repaired and replaced
- Installation of sufficient fire hydrants (all towns)
- Pressure & storage problems in Lady Grey



- No movement on the Orange River Macro Water Scheme project
- Installation and upgrade of telemetry
- Pressure problems in Rhodes
- No capital funding for network extensions
- Dam safety inspections not done
- Training & safety equipment
- No capital funding for spares purchases such as pumps, motors etc.
- Fencing of dams and water source protection
- Land problem in Sterkspruit with regard to reservoir construction encroachment
- WSP/WSA contract needs to be finalized
- Organogram to be revised and staffed with competent operators
- Insufficient communication between WSA and WSP
- Purchase of test equipment

## **F) SANITATION**

- The Senqu Municipality has been appointed as Water Services Provider by the Water Services Authority(Ukhahlamba District Municipality, now Joe Gqabi) until January 2009 in the delegated areas of Sterkspruit, Lady Grey, Barkly East and Sterkspruit
- The rural areas fall directly under the Water Services Authority
- Infrastructure projects are the responsibility of the Water Services Authority
- New connections are done upon request as there is no real backlog in the delegated area although a large percentage are below RDP standards
- Maintenance of ponds, conservancy tanks and reticulation systems
- Waterborne households served estimated at 2345
- Buckets and below RDP standard estimated at 2 013
- Conservancy tanks - 189
- Urban VIP's -257
- The urban communities are insisting on waterborne sanitation removal and are not prepared to accept other methods
- A political decision has been taken for waterborne sanitation in urban areas and VIP's in rural areas

### **Achievements:**

- Bucket eradication program in Barkley East formal areas completed
- Ongoing Operation and Maintenance
- Complaints reported and attended to were 1161
- Sewer blockages were 293
- VIP's serviced: 1221
- New connections: 1019 (Includes bucket eradication in Barkley East)
- Bacterial inoculants purchased
- In process of formalizing sites in Kwezi - Naledi
- Herschel Reticulation complete with exception of 1 x pump station (power challenge)
- 72 temporary jobs created

### **Challenges:**

- Rural sanitation backlogs
- Bucket eradication in un-formalized areas
- Sanitation ponds needed in rural areas
- Tractor replacement URGENTLY required
- LDV,s for maintenance required
- Waterborne sanitation in Kwezi Naledi
- Herschel waterborne sanitation Eskom connection issue
- Supply Chain Management impractical
- Old ponds in Barkley East need upgrading
- Old ponds in Lady Grey need upgrading
- Urgent upgrade of the disposal works in Sterkspruit

- No measuring flumes installed
- Bacteriological inoculants used in VIPs and oxidation ponds
- Supervisor required in Barkley East (as in Water)
- Organogram needs to be reviewed & staffed with competent operators
- No funding for network extensions
- Pump system required for “new” ponds in Barkley East
- Upgrade of last ponds in Barkley East (leaking)
- Obtain sufficient ground for irrigation of effluent in Sterkspruit.
- No capital available for purchase of spares i.e. pumps etc.
- WSP/WSA contract needs to be finalized
- Safety & security upgrade at all WWTW

## **G) TOWN PLANNING AND BUILDING CONTROL**

Objectives :

- Application of legislative issues
- Control of land use
- Building safety
- Environmental protection
- Spatial development enforcement

Achievements:

- Building plans received & approved:4
- Rezoning applications received and approved:0
- Subdivision applications received and approved:3
- Consolidation applications received and approved:0
- Draft Subdivision policy approved
- Survey of informal sites in Kwezi Naledi was started

Challenges:

- Separate budget for town planning and building control required
- Zoning maps needed for Herschel, Rhodes and Rossouw
- Community land issues need to be legally solved
- More land for development required in Sterkspruit
- Government departments not liaising with the municipality before developments are implemented
- No building control officer resulting in un-controlled building & land occupation
- Land invasion

## **H) HOUSING**

Objectives:

Senqu LM is the developer for the following housing projects:-

- Herschel 700 units
- Hillside 1000 units(Ph2)
- Lady Grey 1000 units

Other projects:-

- Town Register / Title Deeds
- Land Audit-Sterkspruit
- Survey-Voyizana (Ph1 & 2)

## Achievements

- 802 units in Barkley East are out for tender under the Department of Housing (as the developers) for services installation.
- 86 units completed at Hillside (Ph 2) due to late approval of funds by the Department of Housing.
- Rectification of old RDP houses in Rhodes have been approved by the Department of Housing and rectification will be undertaken by the Department.
- Additional land was identified for residential sites.
- The Sterkspruit Land Audit was completed and council now need to rectify the various issues
- Voyizana Survey (Ph 1 & 2) were completed
- Town Register Extension 2, Sterkspruit, Fairview and Zakhile, Rhodes were completed.
- Town register for Extension 4 in Sterkspruit is still in process due to legal process.
- 65 Title Deeds are still at the lawyer because of late township registration.
- 250 title deeds in Nkululeko & Fairview and a further 66 still at the lawyer.
- 69 title deeds only transferred in Transwilger due to poor service provider performance.
- Land transferred to Senqu LM from the Ukhahlamba DM but too late to establish a town register in order to facilitate title deed transfers.
- 194 Edgar units now being done by the Department of Housing as the developer.
- A housing award was received from the Department of Housing, to Senqu LM, for Service Delivery Excellence, in housing.
- Lady Grey 1000 units completed
- 505 units completed in Herschel (land invasion preventing construction of 195 units)

## Challenges:

- No repairs & maintenance budget for vehicle
- No training budget
- Poor performance of service providers, especially legal (title deed transfers)
- Land invasion (Sterkspruit & Herschel)
- Delay in court cases (legal processes)
- No approved Housing Sector Plan or funding therefore.
- Cannot invite developers for 76 middle income erven in Sterkspruit due to insufficient bulk services.
- Organogram needs to be re-viewed to incorporate building control and town planning into the housing unit.
- The Department of Housing needs to support the housing unit financially (a possible % of the total value as is done by MIG)
- Problems are caused on the SDBIP by putting on title deed transfers before town registers are complete, leading to various delays regarding legal processes.
- Supply Chain Regulations impractical
- Late funding approvals by the Department of Housing
- The Senqu LM now has to rely on the Department of Housing in order to facilitate new housing projects as they are now the official developers leading to un-necessary delays.
- Delays are un-avoidable in order to meet personally with beneficiaries and land owners in order for documentation to be completed correctly.
- SLA with lawyers was turned down by Council and need to be re-done.
- Title deeds for transfer are long legal processes thereby causing long delays. (Sterkspruit deeds submitted but no response)
- Poor roads in rural area making it difficult to deliver materials.
- In-consistent water supply making it difficult to construct units in rural areas.
- Departmental late funding approvals causing un-necessary delays in project implementation.

## I) TECHNICAL FINANCE AND ADMINISTRATION

### Objectives:

- Ensure effective, efficient and economic technical management and administration for :-
  - Electricity
  - Street Lighting

- Water
- Sewerage
- Roads
- Storm Water
- Housing
- Building Control
- Town Planning
- Technical policy development
- Ensure service delivery across all technical service departments
- Strategic planning
- Co-operation with the Water Services Authority
- Assist in LED projects
- Co-operation with the Department of Housing
- Co-operation with Eskom and EDI

#### Achievements:

- Extension as Water Services Provider till January 2009, but continuing to supply service in interim until agreement completed.
- Draft vehicle Management and Subdivision Policy approved but only on 2 July 2009 due to late council meeting
- 10 Standing Committees held
- 5 Housing Standing Committees were held and then were combined with the Technical Standing Committee
- 12 x month SDBIP reports submitted to Technical Standing Committee
- 4 SDBIP reports submitted to Council
- 12 x monthly technical reports submitted to Technical Standing Committee and Council
- Only 1 full management meeting was achieved due to the difficulty of getting all the relevant personnel together.
- Equipment purchased for establishment of a call center after entering in a Service Level agreement with the Ukhahlamba DM.
- Progress was achieved on the NDGP with the start of a social/economic study in the Sterkspruit area.
- The youth LED project, Senqu Plastics Industry, was begun in Lady Grey with funds from Dedeia. Plant ordered from China & training of beneficiaries
- A PMU data capturer / secretary was appointed (contract post)
- Monthly reports submitted to MIG on expenditure
- 2 x LDV's purchased
- Annual stock take and asset verification done in conjunction with finance department
- Annual report submitted for the 2007/2008 year.

#### Challenges:

- No mechanic employed due to insufficient funding leading to plant & equipment down time
- Electrical accounts system needs to be re-viewed and corrected in order to facilitate a drop in electrical losses as a matter of urgency.
- It is proposed that split phase pre-payment metering be utilized on all possible consumers.
- Efficient middle management an asset to Senqu
- Efficient PMU an asset to Senqu
- No vehicle tracking system resulting in vehicle abuse.
- Legal issues stalling the Sterkspruit Taxi Rank and Solid Waste Site projects.
- Land invasion stalling housing projects
- Poor performance of service providers, especially in transfers of title deeds
- Slow progress on the NDGP.
- Insufficient funds for the Senqu Plastics Industry LED project.
- No movement on the Orange River Project due to lack of funding and interest.
- Supply Chain Regulations are impractical.
- Staff incentives for performance need to be considered.
- The Performance Management System needs to be cascaded to all staff urgently.



- E-mail/internet extremely slow and unreliable.
- Escalation needs to be added to project costs on the MTEF capital programme.

## 2.1 (E) BUDGET AND TREASURY

Senqu Municipality is governed by a Council that continues to provide unwavering support and commitment towards sound financial management and the maintenance of a sound economic base.

### A) INFORMATION TECHNOLOGY

IT support provision for the implementation of an electronic document management system. Corporate Services manage this function

Achievements:

- Ongoing process
- IT support provision
- File Plan developed and approved by Provincial Archives and Council
- Effective website ([www.senqu.gov.za](http://www.senqu.gov.za))
- Strategy completed
- Successful Upgrade of the financial systems software and hardware
- Roll out and implementation of IT Strategy - ongoing
- Electrical infrastructure and sewerage infrastructure – ongoing but with financial constraints

Challenges:

- IT support provided in keeping with progress on the system.
- Progress on the implementation on an electronic document management system slow
- IT support effectively provided but financial constraints remain ongoing challenge
- Maintenance of GIS System an ongoing challenge
- Skills development and software obtaining sufficient staff to meet requirements remain a major challenge
- Capacity of staff remain a constraint
- Update valuation information – ongoing challenge due to :
- Effective hardware & software
- Effective IT Support Services
- Phase II implemented
- Funding and Capacity of staff remain a constraint

### B) REVENUE COLLECTION / INCOME GENERATION

- Annual reconciliation of Valuation Roll.
- Annual reconciliation of Assessment Rates
- Annual billing of Assessment Rates
- Do survey of infrastructure & services on farms
- Monthly updating & maintaining accurate & reliable consumer database
- Data Cleansing

Achievements

- Reconciliations conducted within constraints of available infrastructure
- Reconciled Valuation Roll
- Annual billing of assessment rates
- Accurate and complete Valuation Roll enabling factors to collect consumer and capture data that did not appear on the billing system – thereby enhancing revenue collection
- Achieved comprehensive, reliable and accurate consumer database
- Accurate & reliable consumer database – enhance revenue management
- Planned monthly maintenance

### **C) CREDIT CONTROL & DEBT COLLECTION**

- Effective Credit Control & Debt Collection procedures
- Implement innovative strategies/enhance revenue

#### Challenges

- Capacity Issues

### **D) FINANCIAL POLICIES & BY-LAWS**

- Maintain & implement financial policies By-Laws and procedures
- Free Basic Services & Indigent Subsidy Support
- Tariff
- Rates
- Updated & Implemented financial policies, by-laws & procedures
- Updated Policy and Procedure
- Reviewed financial policies/tariffs/rates as per legislation
- By Laws/Policies in place require proper implementation and monitoring
- Capacity building of staff
- Improved operational efficiency and Fiscal control

### **E) FREE BASIC ELECTRICITY**

- Roll out free basic electricity to 7 500 consumers
- Monitor mechanisms and put in systems to correct deficiencies as they occur
- 90% target to be reached by 2009
- Update database and status

#### Challenges:

- Unreliable data/information

### **F) PRE-PAID ELECTRICITY & PREVENT THEFT & METER TAMPERING**

- Selling & control pre-paid
- Electricity
- Visit pre-paid electricity meters

#### Challenges:

- Theft of electricity & meter tampering remains a challenge
- Ongoing occurrence - difficult to prevent
- Implement By-Laws - Implement fines
- Tampering/theft of electricity

### **G) WATER & ELECTRICITY METERS**

- Accurate monthly reading of Water & Electricity meters as per process and readings themselves

#### Challenge:

- Although a 100% correctness of meter readings and consumer accounts is expected, the possibility exists that there might be errors – AG Report indicates Electricity losses of 9 million kilowatts (R3 million).

### **H) MONTHLY CONSUMER ACCOUNTS**

- Accurate & correct delivery of monthly consumer accounts
- Maintenance of an efficient billing system
- Implementation of innovative strategies to enhance revenue

#### **I) REVENUE**

- Daily receipting of all revenue
- Daily banking of all revenue
- Secure all revenue collected
- Control/reduce risk
- Secured daily revenue collected
- Improved operational efficiency and Fiscal control

#### **J) COMPLY WITH MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003 REQUIREMENTS**

- Compliance with Municipal Finance Management Act, No 56 of 2003 requirements relating to revenue collection

#### **Challenges:**

- Capacitation of staff
- Effective Internal controls

#### **K) COMPLY WITH LOCAL GOVERNMENT MUNICIPAL PROPERTY RATES ACT, NO 6 OF 2004 REQUIREMENTS**

- Municipal Property Rates Act requirements met
- Community consultations held.
- Policy implemented
- Implementation in progress
- Compliance required

#### **L) RECONCILIATION & PAYMENT OF CREDITORS**

- Monthly reconciliation & payment of creditors
- Accurate and correct payment of Creditors.
- Non-adherence to payment within 30 days prescription. Payments delayed
- Accurate and correct record of creditors payments
- Control of expenditure
- Adherence to timeous payments of creditors
- Interventions on turnaround plan to improve expenditure

#### **M) CONTROL EXPENDITURE**

- Monthly controlling of purchases & expenditure
- Interventions on turnaround plan to control and improve expenditure
- Monthly/quarterly cash flow statements

#### **Achievements**

- Application of Supply Chain Management in respect of the Bid Committees (Adjudication and awards)
- Record keeping
- Monthly reporting

Challenges:

- Unauthorized expenditure (R2.3 million) due to failure to follow internal controls
- Supply Chain Management compliance

**N) PROCESS PAYROLL**

Achievements:

- Monthly updating, reconciliation and processing of Payroll
- Correct processing of Payroll
- Accurate and correct payroll Compliance with procedure

**O) MAINTAIN EXISTING LOANS**

Achievements:

- Maintained and updated loans
- Implemented loans & contractual agreements policy
- Policy in place
- Maintained loans and contractual agreements

**P) MAINTAIN INSURANCE PORTFOLIO**

- Updated Insurance Portfolio
- Implemented Insurance & Asset Management Policy
- Legal compliance and updated maintained insurance portfolio

**Q) MAINTAIN INVESTMENTS**

Achievements:

- Monthly updating & maintaining Council's investments
- Review and implement cash management, investment and banking policy
- Reduced risk and losses
- Assets protected
- Investment policy
- Sound financial management

**R) IMPLEMENT SUPPLY CHAIN MANAGEMENT**

- Review and implement Supply Chain Management Policy
- Establish Service Provider database
- Legal Compliance
- Policy in place and reviewed annually

Challenges

- Implementation of Supply Chain Management Policy not entirely correct resulting in R1million irregular expenditure and unauthorized expenditure of R2.3 million.
- Training and support of staff
- Funding

**S) COMPLY WITH MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003 REQUIREMENTS**

- Comply with Municipal Finance Management Act, No 56 of 2003 requirements related to expenditure
- Legal Compliance
- Sound financial management and operational efficiency

## Challenges:

- Not entirely compliant. Risk management and internal control issues have resulted in costs being unnecessarily incurred
- Training and support
- Funding

# BUDGET AND IDP

## A) PLANNED BUDGET PROCESS

- Compile & publish Budget & IDP Time schedule
- Establish & publish Committees & Consultation forums
- Review Budget & IDP Policy
- Planned IDP and Budget process completed by 30 September 2008

## B) STRATEGIZED BUDGET PROCESS

- Outreach programme to all 16 wards
- Review existing IDP, Service Delivery Agreements, Entities, Organogram, Delegations & Budget related Policies
- Strategize budget process
- IDP Reviewed
- Process completed by 30 November 2008
- Outreach programmes to 16 Wards

## C) PREPARING BUDGET & SUPPORTING DOCUMENTS REVIEW & PREPARE DRAFT:

- Integrated Development Plan (IDP)
- Service Delivery Agreements
- Entities
- Organogram
- Delegations
- Budget Related Policies
- Operational & Capital Budget
- Proposed Rates & Tariffs
- Cash Flow Budget
- Consult with established committees & forums
- Legal Compliance
- SDBIP preparation
- Timely finalization of Budget
- Monitoring Mechanisms to ensure planning and timely expenditure on projects.
- Co – operation and support from all managers
- Input timely received

## D) TABLING BUDGET & SUPPORTING DOCUMENTS

Table draft :

- Integrated Development Plan (IDP)
- Service delivery agreements
- Entities
- Organogram
- Delegations
- Budget-related Policies
- Operational & Capital Budget



- Proposed rates & tariffs
- Cash Flow Budget

#### **E) APPROVING BUDGET & SUPPORTING DOCUMENTS APPROVE :**

- Integrated Development Plan (IDP)
- Service Delivery Agreements
- Entities
- Organograms
- Delegations
- Budget-related policies
- Operational & Capital budget
- Proposed rates & tariffs
- Cash Flow Budget

#### **F) FINALIZING BUDGET PROCESS**

- Budget & Supporting documents to:
  - National Treasury
  - Provincial Treasury
  - Publish & Website
- Service Delivery & Budget Implementation Plan (SDBIP)

Challenges:

- Finalization of personnel budget depends on timely salary negotiations between SALGA/SAMWU/IMATU/SALGBC

#### **G) COMPLY WITH MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003, REQUIREMENTS**

- MFMA prescriptions re- budget achieved
- Legal Compliance
- Sound financial management principles
- Ongoing process Accounting and Reporting

## **ACCOUNTING AND REPORTING**

#### **A) RECONCILE AND MAINTAIN ACCOUNTING RECORDS**

Achieved:

- Daily & monthly updating & maintaining of accounting records
- Legal Compliance
- Fiscal control and operational efficiency
- Completed within 10 working days

#### **B) FINANCIAL REPORTS AS REQUIRED IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003 MFMA REQUIRED REPORTING TO:**

- National Treasury;
- Provincial Treasury;
- Auditor-General
- Accounting Officer
- Finance Standing Committee, Executive Committee and Council

## **C) SUPPORTING REGISTERS**

Monthly reconciliation of supporting registers:

- Funds
- Loans
- Assets
- Banks
- Investments
- Debtors
- Creditors
- Income & Expenditure

Achievements:

- Monthly reconciled -supporting registers
- Sound financial management
- Financial control

Challenges:

- Capacity constraints

## **D) ANNUAL FINANCIAL STATEMENTS**

- 2008/2009 Financial Statements compiled

## **E) COMPILE ANNUAL REPORT – DEPARTMENT: BUDGET & TREASURY SERVICE**

Achieved:

- Compiled 2008 / 2009 Annual report for Department: Budget & Treasury Service by 31 December 2009
- Legal requirement
- Completed by 31 December 2009 – 1st draft approved by 31 January 2010
- Accurate complied annual report

Challenges:

- Capacity Constraints

## **F) ANNUAL AUDIT OF FINANCIAL RECORDS**

- Assisted AG with financial records although staff not always available as required
- Legal Compliance
- Audited financial records by 30 November
- Improved Audit report
- Audit Plan/interventions and strategies to deal with adverse audit report

Challenges:

- Capacity Constraints

## **G) COMPLY WITH MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003 REQUIREMENTS**

- Meet Municipal Finance Management Act requirements
- Legal Compliance
- Ongoing process

Challenges:

- Capacity building of staff

#### **H) FINANCE STANDING COMMITTEE MEETINGS**

- Monthly Finance Standing Committee Meetings
- Submission of Financial reports
- Attendance as scheduled

#### **I) BUDGET & TREASURY STAFF MEETINGS**

- Budget & Treasury staff meetings
- Submission of Financial reports
- Commitment & attendance as scheduled

## **ASSETS AND STORES**

#### **A) COMPREHENSIVE ASSETS REGISTER**

- Effective computerized marking & recording of all movable assets.
- Asset Management and Insurance Policy approved.
- Comprehensive assets register in compliance with GRAP achieved

Challenge

- non co-operation from HOD's

#### **B) INVENTORY LISTS OF LOOSE ASSETS**

- All loose assets accounted for in departmental inventory lists
- Maintenance of assets for inventory list
- All loose tools accounted for in inventory lists

Achievements

- All assets re-valued
- Legal compliance
- Required for conversion to GRAP
- Value of assets

Challenges:

- Capacity

#### **C) CONDUCT ANNUAL STOCK-TAKINGS**

- Verified stock lists and assets register

# MOTOR VEHICLE LICENSING

## A) MOTOR VEHICLE REGISTRATION FACILITIES OPERATIONAL

- Available Motor Vehicle Registration facilities - Operational motor vehicle registration facilities in Barkly East & Lady Grey
- Operational Traffic Test Station in Barkly East

### Challenges

- Staff Challenges

## B) E-NATIS MOTOR VEHICLE REGISTRATION FACILITY AT STERKSPRUIT

- Functional Motor vehicle registration facility & driving license testing centre in Sterkspruit