

Chapter 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

5.1 Overview of the Executive and Council functions and achievements

The Directorate: Strategic Management covers the following support departments focusing on the inter-face of administration and political leadership:

- ✓ Offices of the Executive Mayor & Speaker;
- ✓ IDP/Budget/Performance Management & GIS;
- ✓ Communication & Development Cooperation;
- ✓ Public Participation & Special Programmes;
- ✓ Organisational Support;
- ✓ Knowledge Management & Research.

The activities of the Strategic Management Directorate are primarily focused on support for politically driven programmes – in the context of services delivery – and administrative compliance issues that are driven by or delegated through political principles of the municipality.

Strategic Management services are determined at a political level through the Executive - the Executive Mayor and Mayoral Committee; the Office of the Speaker; and administratively through the Office of the Municipal Manager.

5.2 KNOWLEDGE MANAGEMENT & RESEARCH UNIT

The Knowledge Management and Research Unit is responsible for the following focal areas at BCMM:

1. Research focal area

- ✓ Coordinating the research needs of all directorates and departments as well as conducting relevant organization-wide scientific research studies for BCMM;
- ✓ Facilitating access to BCMM by Honours, Masters Students and Doctoral Candidates wishing to collect data for their research projects, reports Treatise, Theses, and Dissertations at BCMM. These Candidates and Students are registered at various Academic institutions, where they prepare and complete their research studies, and where they are assisted, promoted and supervised in this regard by appropriate University Academic staff. As part of the research process, the Candidates and Students are required to collect data for analysis from identified and chosen research sites. In this respect, a number of Candidates and Students have chosen BCMM as either their sole research site or as one of the sites where to obtain the necessary information and data to collate and analyse, from BCMM Officials and Political Office holders, operating in areas of relevance to the topic of their research studies.

- ✓ To this end, the Knowledge Management and Research Unit has developed Research Guidelines for Candidates and Students to strictly adhere to before being permitted to conduct their scientific data collection for their Academic research studies at BCMM, and to be assisted through provision of the contact details of relevant officials and politicians (in line with international Code of Good Practice for conducting research studies). As per the BCMM policy and Research Guidelines for on students conducting research at the institution, students are furthermore informed that once their research study has been completed, they are required to provide a copy of the final research product to BCMM, through the Knowledge Management and Research Unit. In addition, the students are also requested to undertake a presentation after graduation, of the findings of their research study, to BCMM, if possible. Once all the information, as alluded to above, has been received by the Knowledge Management and Research Unit, relevant officials are informed that the student has met all the necessary criteria, the student is provided with the names and contact details of these officials, informed to contact them directly and provided with a letter for his/her academic institution indicating that he/she has met the necessary requirements and been granted permission to conduct the data collection for their research at BCMM.
- ✓ In the period between 2005 and June 2011, the Knowledge and Research Unit has processed a total of 33 requests from primarily Postgraduate Candidates and Students, registered for Honours, Master's and Doctoral degrees, to conduct part of or their entire research study at BCMM.

2. Policy focal area

Assisting the policy owners of various directorates with the development, alignment, reviewal and maintenance of all policies;

3. Knowledge Management and Multi-media products focal areas

- a) Coordinating the implementation of a Knowledge Management Strategy organization-wide in order to ensure that:
 - ✓ BCMM institutional memory is captured and shared;
 - ✓ Case studies are documented on best practices, lessons learnt, weaknesses and innovative projects for learning and sharing;
 - ✓ Knowledge assets are stored on a centralised knowledge portal for ease of access; and
 - ✓ Creating and nurturing a knowledge sharing culture and environment.
- b) The unit has knowledge Multi-media functionality (knowledge products), through which various BCMM events, programmes and projects, as identified and requested by individual departments, are captured by means of digital camera, and transformed into DVD productions through the Unit's Multi-media editing equipment.

C) Strategic questionnaire administration

Administering, coordinating and consolidating of strategic questionnaires and **information** from external stakeholders (e.g. COGTA, National Treasury, SALGA,

SA Cities Network, Academia, NGO's CBO's, Statistics SA) and return of all completed and quality assured questionnaire to respective senders:

A list of administered and completed questionnaires reflected in Table 1 below:

TABLE 33: A SUMMARY OF ADMINISTERED AND COMPLETED QUESTIONNAIRES FROM EXTERNAL STAKE HOLDERS FROM JULY 2010 TO JUNE 2011		
ORGANISATION	THEME	YEAR
1. Cooperative Governance & Traditional Affairs	<i>Situational Analysis on Current State of Local Government Human Resources Practices</i>	July 2010
2. EC Local Government & Traditional Affairs	<i>Capacity Assessment Tool for ICT</i>	July 2010
3. SALGA EC	<i>Transverse Issues Audit</i>	July 2010
4. SACN	<i>Well Governed Cities</i>	September 2010
5. Statistics SA	<i>Non Financial Census</i>	September 2010
6. Eastern Cape Legislature	<i>Parliamentary Questions</i>	November 2010

Highlights: 2010/2011 Financial Year:

During the past year, the Knowledge Management and Research Unit has successfully undertaken numerous activities and tasks surrounding the knowledge management, research and policy functions at BCMM. In this regard, the Unit would like to highlight the following achievements:

5.2.1 Research:

- ✓ Participation in Provincial Government Research Forum, aimed at collating, sharing and disseminating research produced by various provincial government departments and agencies, as well as the academic institutions located in the Eastern Cape province and facilitated by the Provincial Department of Social Development.

- ✓ Participation in Provincial Statistical Advisory Committee for Census 2011 – Provincial Statistics South Africa
- ✓ The completion of a **Case Study on Best Practice: “The Public Participation Process in BCMM’s Ward Delimitation Programme towards Metropolitan Status”**
- ✓ The completion of the Research Proposal for a study investigating **“Absenteeism in the Workplace in BCMM”** for the BCMM Absenteeism Committee, which has now been approved by Senior Management and accepted by Unions (IMATU and SAMWU) through the Local labour Forum
- ✓ The processing of a total of 15 requests from internal and external Candidates and Students for conducting scientific data collection at BCMM.

5.2.2 Policy development, aligned and facilitation

a) **New Policies developed** (4) in conjunction with relevant stakeholders included:

- ✓ Defensive Driving Policy
- ✓ Draft Executive Mayor’s Special Fund Policy
- ✓ Draft Events Policy
- ✓ Draft Customer Care Policy

b) **Policies aligned, reviewed and facilitated**

The following policies were reviewed and aligned according to the approved Policy Development Guidelines Format:

- ✓ Supply Chain Management Policy
- ✓ Travel and Subsistence policy for Councillors and Officials
- ✓ Council Standing Rules and Orders By-law
- ✓ Fleet Management Policy

5.3 Strategic comprehensive Questionnaires

The Unit has received, processed and administered a total of 14 (fourteen) completed strategic external Questionnaires without any negative reports, during the 2010/11 financial year from external stakeholders. These strategic questionnaires have emanated primarily from the Eastern Cape Legislature, South African Local Government Association (SALGA), South African Cities Network (SACN) and Provincial, National Statistics SA and Business Forums.

a). Knowledge Management and innovation:

The following Knowledge Management and Innovation opportunities or projects were identified and implemented during 2010/11:

- ✓ A task team comprising 28 representatives from across all BCMM directorates has been formed to assist in taking the Knowledge Management Strategy forward;
- ✓ Basic KM Training for non-managerial staff across the departments conducted.

b). Knowledge products [Multi-Media] (4):

The Unit also produced a number of knowledge multimedia products for a range of BCMM departments during 2010/2011, as illustrated in the Table 3 below:

TABLE 34: KNOWLEDGE MULTI-MEDIA PRODUCTS				
Programme	Department	Theme	Purpose	Task Completed
Oversight Committee Sessions (March & April 2011)	Speaker's Office	To capture Senior Management Stakeholders, Business Forums and Civil Society' interviews	To produce a DVD	DVDs & Slide Shows produced.
Oversight Committee Sessions (March & April 2011)	Speaker's Office	Site Visits for 2010/11 Capital Projects conducted	To produce Slide shows for different Wards	Slide shows produced
IDP/Budget Hearings 2010/11 (9 & 10 June 2011)	IDP, Budget Integration	To capture issues raised during Public Hearings	To produce DVDs	DVDs produced and duplicated for all Councillors, Senior Management & relevant officials
Council Open Day (17 June 2011)	Speaker's Office	To capture issues raised during Public Hearings	To produce DVDs	Council Open Day

5.4 CHALLENGES

- 5.4.1 While the Knowledge Management Strategy and Framework represents progress in efforts towards the development of a knowledge storing and sharing culture at BCMM, the lack of available funding and insufficient staffing levels required for the implementation of the Knowledge Management Strategy and Framework continue to impede the entrenchment of an organisational culture of sharing and learning, the coordinated and consistent generation, management and dissemination of knowledge, skills and capacity building and transfer, integration of ITC and electronic management systems and networks the capturing of institutional memory, and case studies of best practice, lessons learnt, weaknesses and innovative projects for learning, benchmarking and sharing purposes.
- 5.4.2 Staffing and financial constraints are also preventing the optimal operation of the research and policy arms of the Unit. Of particular concern is the fact that out of the required compliment of six technical staff members (out of a total of 10), the Unit at present comprises only three, meaning that four extremely critical posts are currently not accounted for, leading to serious problems in the functionality of the Unit. Moreover, while the Knowledge Management and Research Unit is well capacitated in terms of multi-media knowledge management equipment, without a multi-media practitioner and other relevant staff, the unit (and thus BCMM) is unable to profit from the multi-media functionality of the Unit.

5.5 Public participation and consultation

5.5.1 IDP/Budget/PMS External Representative Forums were held as follows:

30 September 2009

- ✓ to review and consider institutional performance over the 2008/09 financial year, provide a first quarter SDBIP report for 2009/10 and to prepare external stakeholders for the IDP/Budget and PMS review process towards 2010/11 financial year.

4 March 2010

- ✓ to engage external stakeholders on the draft 2010/11 IDP and Budget. Stakeholders were also provided with an update on the then impending metropolitan status and the municipal turnaround strategy which was under development.

Council Open Day

27 May 2010

- ✓ to present outcomes of the IDP/Budget public hearings to external stakeholders and to outline municipal plans in response to issues raised by members of the community during the consultations.

5.5.2 IDP/Budget/PMS Workshops were held as follows:

1 and 12 September 2009: IDP Thematic Cluster Workshops

- ✓ to outline the IDP/ Budget and PMS review process
- ✓ to commence with the situation analysis phase
- ✓ to assess progress with implementation of ward needs

29 November – 1 December 2009: Institutional Strategic Planning Workshop

- ✓ to review municipal vision, mission and values
- ✓ to consider outcomes of a situation analysis exercise
- ✓ to map a strategic direction for the entire institution

25 February 2010: IDP Technical Working Group Meeting

- ✓ to finalise IDP cluster objectives, strategies, indicators, targets, programmes and projects

5.5.3 Public Notices

An advertisement was placed in the local newspaper in September 2009 calling for sector organizations and external stakeholders to nominate members for the IDP/Budget/PMS External Representative Forum.

An advertisement requesting public comments on the draft IDP and Budget was placed in the local newspaper on 7 April 2010 and the draft IDP was made available at all municipal offices and libraries for a period of 21 days. On the same 7 April 2010 an advert was placed in the local newspaper notifying the general public of dates, times and venues for IDP/Budget public hearings.

5.5.4 IDP/Budget Public Hearings

IDP/Budget public hearings were convened from 14 April to 3 May 2010 in over thirty venues throughout the length and breadth of the City. The public meetings were well attended with more than 3 500 community members.

5.6 Ward committees' establishment and functionality

Ward Committee Meetings Process Plan

Ward Councillors and Ward Committees submit an annual schedule of meetings with venues, dates and times at the beginning of each financial year. These Ward Committee meetings are held monthly and minutes are compiled and kept at Public Participation Department.

All Ward Committee minutes & attendance register are submitted to the relevant community facilitator monthly who in return co-ordinate responses on issues raised in the meetings around services delivery by forwarding those to the relevant Directorates for action and responses are reported to the next Ward Committee Meeting.

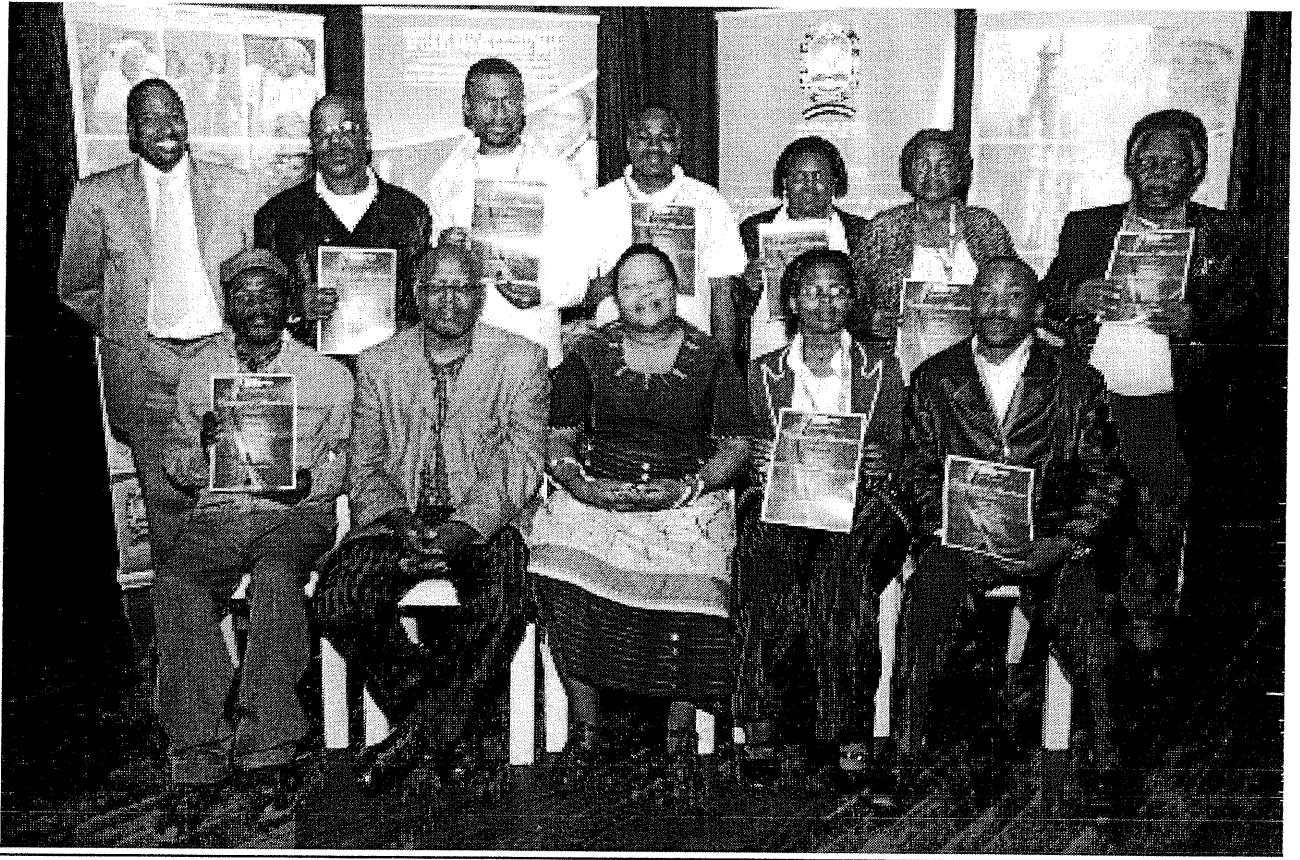


Figure 21 WARD COMMITTEE CERTIFICATION CEREMONY

Ward committee meetings

During the year under review one hundred and ten (110) ward committee meetings in BCMM were convened. Due to activities that occurred during this period like the local government elections not many meetings were able to be convened. The totality of the year under review is that this year was full of difficulties as far as public meetings are concerned as some wards were unable to convene public meetings as reported earlier.

Number of fully functional Public meetings

For the Financial year 2010/2011 about eighty (80) public meetings were held and amongst the meetings convened, the following consultations were held: IDP/Budget hearings, Revenue Management Consultations, Indigent Policy Consultations and Ward General meetings. All these meetings were intended to enhance Public Participation as a value within developmental local government.

Financial Implications

During the year under review about **R795, 760, 00** was used towards Ward Committee training programmes and municipal public participation activities. The increase in funding

for this financial year was as result of recognizing the importance of participatory governance with the municipality development discourse. Even though this money cannot be said to be enough we are confident going forward that the Metro shall invest in citizen participation and also the fact the wards have increased as a result of the new municipal status.

Participation of Ward Committees in the Municipal Activities

During the year under review Ward Committees participated in the following municipal activities IDP hearings, State of the City Address, Revenue Management Policy consultation, Indigent policy consultation meetings, Council Open day and Ward Councillor feedback general meetings.

5.7 Community Development workers performance monitoring

Monitoring of Community Development Workers Performance (CDW's)

For 2010/2011 financial year no training provided to CDWs as happened in previous years due to financial constraints. Even though there was no training provided to CDWs was coordination was done effective.



Figure 22 BCMM COMMUNITY DEVELOPMENT WORKERS

Availability of CDW monthly reports

CDW's submit their reports quarterly to the Department of Corporate Governance & Traditional Affairs and the role of BCMM is to ensure preparation and co-ordination of

such reports. About Five (5) quarterly reports were submitted to the department of Corporate Governance and Traditional Affairs.

Number of cases identified and reported by CDWs

During the year under review about 450 cases were reported by CDWs marking an increase from the last financial year.

Number of homes visited CDWs during the FY 10/11

Approximately 500 homes were visited during the 10/11 financial year. All these cases have been submitted to the department of Local Government and Traditional Affairs.

Participation of CDWs in the Municipality activities e.g. IDP

Apart from focusing around Provincial matters and programmes, CDW's also assisted during IDP processes by supporting mobilization and co-ordinating signing of the attendance registers for communities who attend IDP programmes, Council Open day and State of the City address amongst the other areas they participate on.

5.8 Communication strategy

The Communication Strategy is in place and it has been adopted by Council on the 5th October 2010. Part of the implementation of the strategy the City has contributed in the establishment of Mdantsane FM. This will add value to the Institution as radio is the most important communication tool that can be easily accessed. Once this is achieved the Institution will be in a position to produce its news for the people of Buffalo City. The institution has also produced a Media Policy booklets that are going to assist with the training of councillors and senior management as the institution is unfortunately trapped in an environment of leaking information.

Communications department has successfully revamped institutions internal and external newsletter and have glaring difference in them in terms of content where focus is more on portraying service delivery achievements.

Our internal electronic newsletter (BCMM Monday) is also growing weekly and very popular with BCMM employees. The Municipality has also produced Ward Based Newsletters which are focusing mainly on the projects and developments taking place in the wards. Also the production of DVD's that carry educational and informative content for BCMM employees and the public. These DVD's focus on IDP, Municipal Finance, Water Services, Solid Waste and Induction Programme. They are currently shown in all Municipal Service Offices.

The Municipal Website is updated daily with activities from the different Municipal units, Municipal Tenders, Vacancies. Then monthly updates on Municipal Policies, Strategies and other legislated documents.

The institution has established the new Metro Communicators Forum and is also part of BCMM/Home Affairs Stakeholders Forum.

5.9 Intergovernmental Relations

The Draft Intergovernmental Relations Framework has been approved by Council. One of its key endeavours is providing guidance for the establishment of BCMM IGR Forum.

Purpose of the IGR Forum

The purpose of the forum will be to facilitate IGR within the newly established Metro, Provincial and National Government Department within BCMM, and State Owned Enterprises within BCMM.

Functioning

BCMM Local IGR Forum would adopt its own internal rules. The Secretariat of the forum would be provided by BCMM.

5.10 International Partnerships

Municipal International relations is a policy framework which enables municipalities, communities, and community based organisations to develop and establish links with and among one another in different countries for purposes of sharing information, experiences and expertise in matters of mutual interest in respect of Buffalo City's and South African foreign relations. Buffalo City Metropolitan Municipality has made a significant footprint in international relations. Some of the more prominent initiatives include twinning agreements with the Cities of Gävle (Sweden), Leiden (Netherlands) and Milwaukee (USA); partnerships with other international local government associations namely VNG (Netherlands) and SALAIDA and ICLD (Sweden); and ongoing development assistance through donor agencies such as SIDA, EU, GTZ and Kfw.

During the year under review Buffalo City Metropolitan Municipality (BCMM) signed a Memorandum of Understanding with Amathole District Municipality (ADM) in order to pursue a tripartite partnership with Glasgow City Council in Scotland. This saw a successful application to the Commonwealth Local Government Fund which approved the funding of the three projects as part of the partnership agreement namely, a lighting strategy for Buffalo City Metro, investigations into a joint marketing bureau for ADM and BCMM and investigations into the concept of Credit Unions and Community benefit clauses.

As part of partnership activities with Milwaukee County in the United States, Buffalo City Metropole made application to Sister Cities International for project funding. The goal of the application was to perform collaborative projects in health, water, and sanitation through the Sister City programs. The projects will aim to reduce poverty by addressing issues which hamper economic development and undermine sustainable development. This application was successful and will require implementation in the 2011/2012 financial year.

Buffalo City continues to successfully implement the Leiden (Netherlands) projects in Ward 6 Duncan Village. A sportsfield with irrigation facilities, netball court, road

upgraded and tarred, and bridge across the Amalinda Stream and community garden has been established and the community have been trained in agricultural best practices.

Buffalo City also made successful application to the International Centre for Local Democracy (ICLD) who funds the Gävle (Sweden) and Buffalo City partnership. The Electricity Maintenance project and Good Governance Housing Projects are currently projects that both municipalities are working. This would assist BCMM with problems regarding maintaining the electricity network and problems of housing in the city.

5.10.1 Partnerships with other International Role-players

5.10.1.1 Supported the South Africa Embassy in Helsinki Finland to facilitate of BCMM schools in an International Art competition in Helsinki. 187 entrants were from BCMM.

5.10.1.2 Accessed donation of books from Glasgow, Scotland through ACTSA and facilitated the distribution of books to 50 schools in Buffalo City in consultation with the Department of Education in the Province.

5.11 Legal matters

5.11.1 Setting up of Legal Units

- ✓ BCMM has legal services available under the directorate of the Municipal Manager; and
- ✓ Human Resource capacity.

The Legal Services department, in terms of the applicable organogram (Annexure A), has three posts of legal advisors namely:

- 1 Senior Legal Advisor – funded and filled;
- 2 Legal Advisor – funded and filled; and
- 3 Assistant Legal Advisor – Unfunded but is at present filled by a temporary employee.

Due to workload the present structure is not adequate to meet the requirements of the institution. The section has human capital challenges.

A proposal from the Legal Section has been tabled seeking to amend the structure by increasing the number of legal advisors. The proposal is still being looked at by a Council Committee mandated with looking at the filling of critical vacant posts.

- ✓ In the case of outsourcing legal services, the list of service providers used in 2010 and 2011 is in the table below

Table BCM - MUNICIPAL MANAGER'S OFFICE: LEGAL SERVICES DEPARTMENT
CURRENT LIST OF SERVICE PROVIDERS 2010/2011

NAME OF FIRM OR SERVICE PROVIDER	STREET ADDRESS	SURBURB/TOWN	POSTAL CODE
B. Bangani Attorneys	Room 1, 2nd Floor, Clark House, 60 Terminus Street	East London	5200
Bax Kaplan Incorporated	2 Clevedon Road, Clevedon House	Selborne	5201
Brezh Sharpley Attorneys	34 Stanford Terrace	Mthatha	5099
Enzo Meyers Attorneys	16 Smartt Road	Nahoon	5241
Gravett Schoeman van Rensburg & Moodley Inc.	4 Derby Road, Law Chambers	Berea	5241
Kirchmanns Incorporated	Global House, 3 Pearce Street	Berea	5214
Makhanya Incorporated	Cnr of Argyle & Oxford Street, Werners Building, 2nd Floor	East London	5201
Maseko Tilana Incorporated	Meyers Building, 67 Cambridge Road	East London	5200
Mfazi Kose Incorporated	16 Smartt Road	Nahoon	5241
MMV Attorneys	Suite 3, 1st Floor, Sherwood House, 1 Batting Road, Beacon Bay	Beacon Bay	
Nomjana attorneys	5 Lancaster Road	Vincent	5213
Nompozolo & Gabelana Inc.	29 Church Street	East London	5201
Nongogo Nuku Inc.	8 St Mathews Road, Southernwood	Southernwood	5201
Smith Tabata Attorneys	57 Western Avenue, Vincent	Vincent	5213
Velile Tinto & Associates Inc.	32 Tecoma Street	Berea	5214
Wikus van Rensburg Attorneys	36 Western Road, Central	Port Elizabeth	6001
Wesley Pretorius & Associates	Ground Floor, Pilot Mill House, The Quarry	Selborne	5201

5.11.2 Management of litigation

Table 35 summary of the matters handed over for debt collection as at 30 June 2011

Attorney	Current Number of Open Cases as at 30 June 2011	Rand Value as at 30 June 2011

BAX	362	3,243,810
SMITH TABATA	814	8,226,411
GRAVETT	917	9,373,197
POTELWA	87	494,419
MLONYENI	140	1,207,588
TOTAL	2,320	22,545,425
Debt Collector	Current Number of Open Cases as at 30 June 2011	Rand Value as at 30 June 2011
NORMAN BISSETT	678	19,442
SNYMAN & PARTNERS	5,764	36,140,501
VVM	19,249	95,066,269
REVCO	18,890	100,522,777
TOTAL	44,581	231,748,989
GRAND TOTAL	46,901	254,294,414

The collection attorneys and debt collectors proceed with collection action on matters handed over and will pursue the debt until it is collected. Costs of collection are recovered from the defaulting debtor. Where debt is not collectable the matter is returned to BCMM and the debt is placed on a write off list which is submitted to Council for approval.

5.11.2.1 Prevention mechanisms of current litigations:

The **impact of the National Credit Act** serves as a major constraint to the current debt collection process, where it slows down the relevant processes, and places a major strain on existing resources.

When the Municipality commences with legal action, it is compelled to send out a Section 129 notice (National Credit Act) incorporated into the registered letter of demand, informing the debtor of the debt and that the debtor may approach a Debt Counselor. In terms of the Act the debtor must be given 30 days notice of this. As the debt continues to grow, more and more debtors will approach Debt Counselors, who have been appointed in terms of the Nation Credit Act. When the debtor is successful in his/her application for debt review, it means that the debtor's total debt to all creditors is consolidated, and a payment plan is entered into with the Debt Counselor. This effectively means that the debtor now pays the entire debt off over an extended period of

time, depending on his/her earnings. It means that the municipal debt will in some instances be paid off over many years.

Any further legal action therefore has to be suspended. Also to be taken into consideration is the monthly current account that also needs to be paid. The positive aspects of the National Credit Act are that the debtor is not permitted to go further into debt, and the Act also does not apply to property rates debt or where a summons has already been issued to the debtor. In this process the municipality is also not obligated to supply electricity and can restrict the water supply.

5.11.2.2 Criminal matters emanating from corruption and fraud

Criminal matters arising or emanating from possible corruption and fraud are still being investigated e.g. Waste Tender Irregularities.

5.11.2.3 Management of Legal Risks

- ✓ An Institutional Risk Framework is still being developed and has been tabled before Council;
- ✓ Management of risk involves also the management of possible exposure to litigation which is in itself an aspect of the broader Institutional Risk Management Framework which is still in draft format.

5.11.2.4 Fraud Mitigations

"Fraud and related irregularities continue to trouble the institution. The underlying causes of this are deep seated. The appointment of a forensic investigation into various contractual awards has been undertaken and the report presented to Council. Arising here from, charges have been developed and systems revised to mitigate against future similar events.

A Draft Fraud Mitigation Strategy has been developed and will be presented to Management in the forthcoming year. From this strategy document, specific detailed policies and operating procedures will be developed."

5.12 Special Programmes Focal Areas – Mainstreaming Cross-Cutting Issues

The mandate of the BCMM Special Programmes Unit is to ensure that the needs of the vulnerable and marginalized groups are integrated / mainstreamed within the municipality's core functions both internally as an employer, and externally as a provider of service. The BCMM IDP highlights the following Special Programmes Focal Areas as being cross-cutting issues;

- ✓ HIV and AIDS
- ✓ Gender
- ✓ Disability
- ✓ Older Persons
- ✓ Youth and Children

Each of these Focal Areas has a dedicated BCMM Strategy which has been developed to address the specified issues of susceptibility and vulnerability facing these

documented groups. In addition to these strategies, the municipality has also developed a Youth Forum Code of Conduct and Constitution.

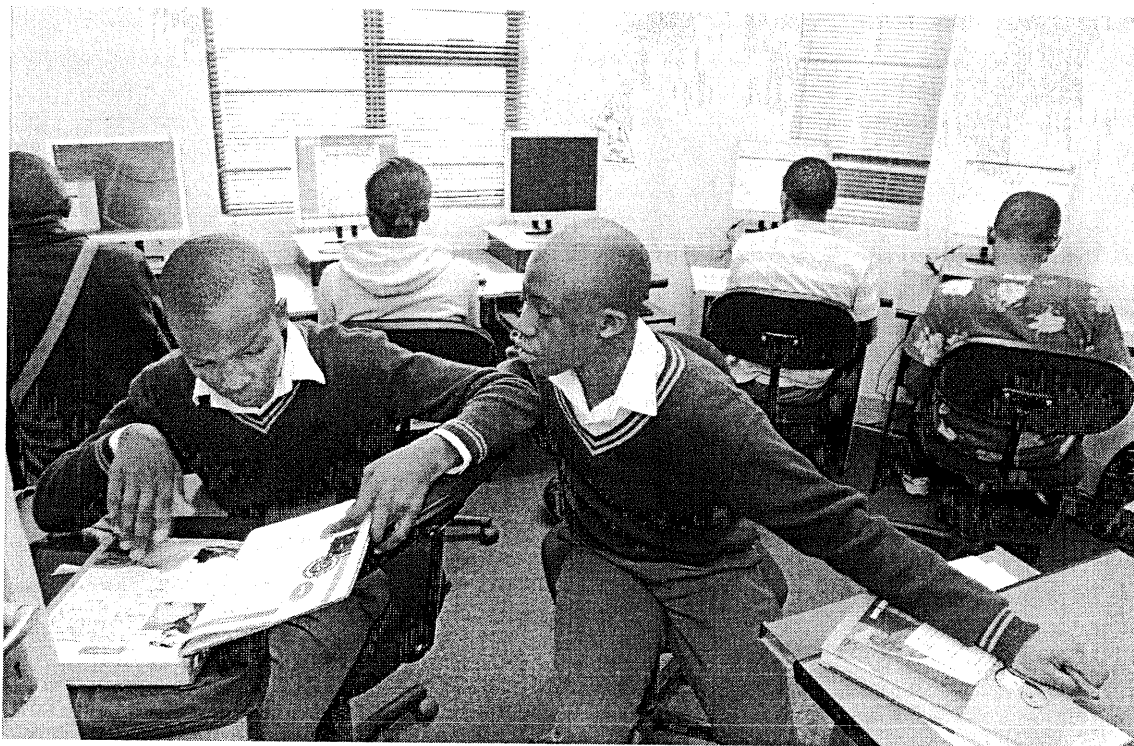


Figure 23 Youth at the BCMM – NYDA Youth Advisory Centre’s make use of the free internet access within computer labs

As a means to ensure that the vulnerable groups are afforded an opportunity to meaningfully participate within the municipal discourse, there is within each 10 person Ward Committee a portfolio holder representative for women, youth, disability, older persons and HIV/ health.

During the FY 10/11 the municipality elected and inducted its Youth, Older Persons and Women’s Forums from the relevant Ward Committee Portfolio Holder’s. The Disability Forum was primarily elected from the disability stakeholder community.

The BCMM Local AIDS Council (LAC) was elected in terms of the National Strategic Plan Guidelines for LACs and inducted during November 2010. The LAC comprises representatives from government departments, private sector and civil society organizations and seeks to create a platform for overseeing, monitoring and evaluation of aspects related to HIV and AIDS within the municipality.

Each of these Forums and the LAC are represented in the Metro IDP/Budget External Representative Forum thereby ensuring their mandate is mainstreamed and considered within the IDP processes, projects and budgets.

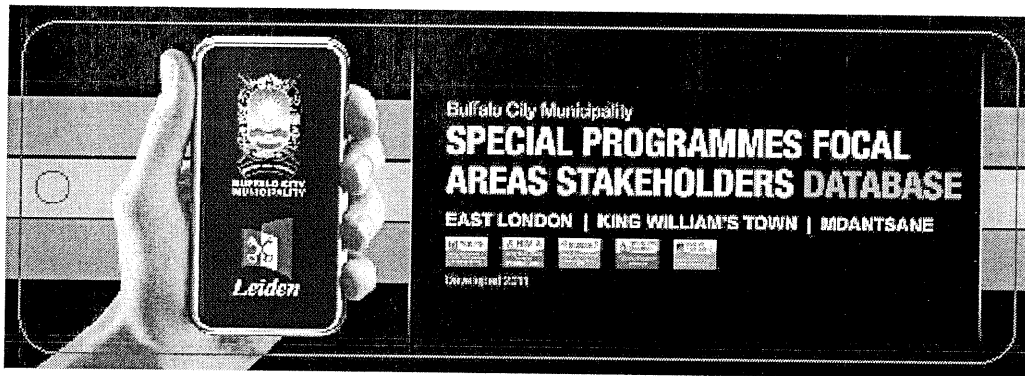


Figure 24 BCMM's Special Programmes Focal Areas Database

The BCMM Special Programmes has updated and distributed its Focal Areas Database (one for both the great BCMM and one for Mdantsane) which is a pocket size resource booklet profiling stakeholders in terms of their location and series offered. Such a resource provides much needed information, access to resources and guides with planning thereby minimizing the duplication of services.

In addition to the Youth Forum, the BCMM has a further two youth development flagships namely;

- ✓ The BCMM Bursary Fund has an increase in benefiting youth from seventeen in 2010 to twenty – five in 2011. The Bursary Fund provides financial to youth from previously disadvantaged backgrounds who are studying in the following scarce skills namely engineering, finance, planning / economic series, health / environment, information technology and agriculture.

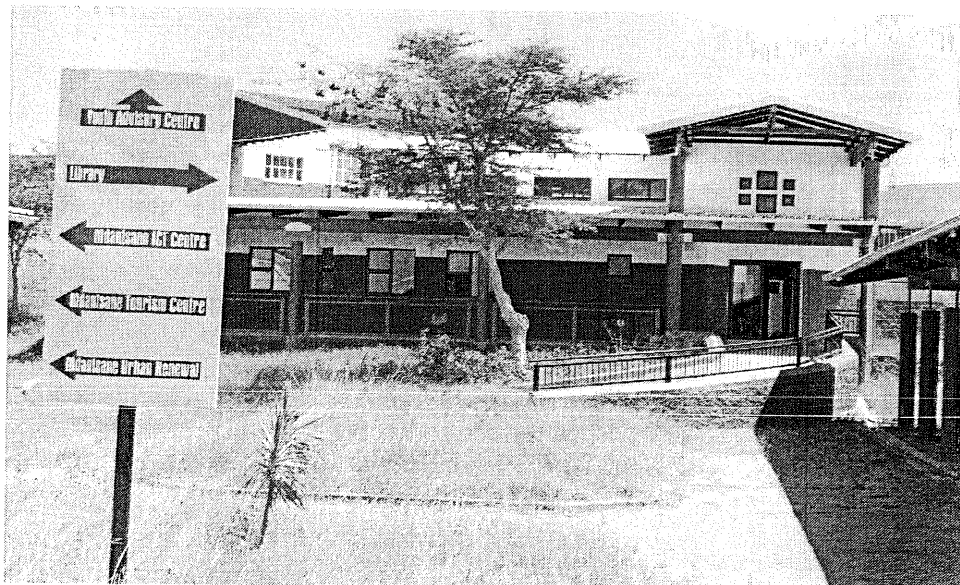


Fig 25 The Mdantsane Youth Advisory Centre

- ✓ The BCMM – NYDA Youth Advisory Centers which operate from Mdatnsane, King Williams Town and Trust Centre. These Centers provide both Career Guidance and Outreach Services to both in and out school youth including internet access and life skills initiatives.

During the FY 10/11 a concerted attempt was made by the Disability Forum to raise awareness about the disability friendly Primary Health Clinics at John Dube and followed by Berlin and Cambridge Clinics. These health care facilities are disability friendly and provide access for physically disabled persons to health care including access to sign language interpreters for the hearing impaired

The annual Mayoral Older Persons Christmas lunches were hosted in EL and KWT and visits to hospitalized children were undertaken to spread some goodwill and cheer to those less fortunate over the festive season.

Mainstreaming of the Special Programme Focal Areas is the main thrust of the Special Programmes Unit and a number of mainstreaming initiatives within directorates exist including the following:

- ✓ Finance provides indigent grants and rates rebates which reduce vulnerability and susceptibility through access to basic services including water and electricity;
- ✓ Supply Chain Management's Preferential System for tenders under R200, 000.00 seeks to favour women, youth, and persons with disabilities and local service providers in addition to their BEE status;
- ✓ Community Services' disability friendly Library and Primary Health Care Clinics;
- ✓ Public open spaces development and maintenance provide employment opportunities and ensure that communities have access to safe and healthy amenities;
- ✓ Health and Public Safety have undertaken various projects relating to youth at risk for those both in and out of school;
- ✓ Engineering Services engage in Public Works Programmes which target the employment of youth, women and persons with disabilities;
- ✓ Electricity and Water Services strive to provide adequate street lighting and access to potable water so as to reduce the susceptibility of individuals particularly that of women and girl children from being victims of crime and thereby contributing to communities' health and hygiene;
- ✓ Development Planning seeks to ensure that existing buildings become disability friendly accessible and that all new structures subscribe to acceptable disability friendly norms;

- ✓ Transport Planning have piloted disability friendly robots to cater for visually impaired individuals;
- ✓ The Chief Operating Officer's housing initiatives include the allocation of a quota for special needs housing;
- ✓ The Employment Equity Plan within Corporate Services is a further example of ensuring that those voices previously not heard become part of the mainstream economy;
- ✓ Community Development Workers (CDWs) have been work shopped on the Special Programmes Focal Areas and how they as CDWs, serve as info-mediaries and referral points on these Focal Areas for the communities in which they are operational;

Challenges and remedial actions

IDP mainstreaming remains a challenge in that IDP clusters still grapple with firstly how the cross-cutting issues are impacted on by their municipal service delivery; secondly how the cross-cutting issues impact on them as directorates delivering municipal services; and thirdly, as to where the specific directorate has a comparative advantage in order to expand the positive impacts and eliminate or mitigate the negative impacts of its core function on the cross-cutting issues.

To this end the BCMM needs to develop an organizational mechanism to drive mainstreaming both from a strategy and performance management perspective. It must be noted that the cross-cutting issues are not only those housed within the Special Programmes Focal Areas but include Knowledge Management, Local Economic Development, Integrated Environmental Development, Public Participation and others.

5.13 Overview of the Executive and Council functions and achievements

5.13.1 HIGHLIGHTS ON ORGANIZATIONAL SUPPORT ARCHIEVEMENTS

STATISTICS FOR JULY 2010 TO JUNE 2011

The Organisation Support Department forms an integrated part of the Corporate Services Directorate and plays a vital role in fulfillments of the IDP principles taking into consideration its priority issues, objectives and strategies.

Organizational Support department consist of three divisions which are as follows:-

- ✓ Auxiliary and Records Management unit which provide office administration and Records Management;
- ✓ Administrative and Council Support unit which provide secretarial duties to Council and Committees; and
- ✓ ICT unit, this unit is responsible for providing information management and technology support services to the entire Buffalo City Metropolitan Municipality.

The following items are regarded as highlights or achievements of this departments during the period July 2010 to June 2011.

5.14 STANDING COMMITTEES AND COUNCIL MEETINGS

The Buffalo City Council consists of 89 Councillors with Executive Mayor at the helm of the Executive Mayoral Committee and Council Speaker who is the Chairperson of the Council. It should be noted that Council amongst other things is responsible for policy making and approval of by-laws for Buffalo City Metropolitan Municipality. The Council appointed members from its ranks to serve as Committees and to operate in terms of the delegated powers vested on them by the Council. They are accountable to the Council and the Council is accountable to the electorate and the public in general.

The Municipal Structures Act and Municipal Systems Act emphasizes that Council must encourage and develop mechanism for community participation in the affairs of the Municipality to ensure that the general welfare of all communities is catered for. Buffalo City Metropolitan Municipality created various platforms for community participation.

The following are some of the forms :-

- ✓ Ordinary open Council meetings,
- ✓ Standing Committee meetings;
- ✓ Ward Committee Meetings are open to the public to come and view Council deliberations.

Public may be permitted through the office of the Speaker to make presentations provided that a motion for such presentation was submitted on the stipulated time frames. Council through the establishment of Ward Committees consisting of various interest bodies and chaired by a Ward Councillor allows for public participation and their needs are channelled through to Council by the Ward Councillors and affected Directors by means of written reports and minutes of meetings.

In order for Councillors to familiarize themselves with the operations of the Municipality, the Committees led by Portfolio Councillors work closer with the City Manager, Directors. The following are statistic and achievements of Committees and Council meetings held during the period July 2009 to June 2010, it being noted that these statistic include July 2010 to October 2010.

Table 36 STATISTICS ON COUNCIL AND MAYORAL AND STANDING COMMITTEE MEETINGS: July 2010 to June 2011

Name of Committees	Ordinary Meetings 2009/10	Special Meetings 2009/10	Ordinary Meetings 2010/11	Special Meetings 2010/11
Council	12	8	13	10
Mayoral Committee	18	6	14	3
Constituency, Community Participation and Special Programmes Strategic Committee	7		7	
Community Services Standing Committee	6		5	
Corporate Services Standing Committee	9		5	

Development Planning Standing Committee	10		6	
Engineering Services and Infrastructure Development Standing Committee	5		5	
Finance Standing Committee	11		9	
Health and Public Safety Standing Committee	9		6	
Housing, MURP and DVRI Standing Committee	8		3	
IDP, Budget Policy and Performance Management Strategic Committee	6		8	
LED, Tourism and Rural Development Strategic Committee	6		6	
Sub-committees such as Audit Committee, Employment Equity and Training, Political Multi-party, Restructuring Grant etc.	41		62	
TOTAL NUMBER	148	14	149	13

Table 37 TERMS OF REFERENCE FOR STANDING / STRATEGIC COMMITTEES
Corporate Services

Membership	Quorum
14 members, representatives as proposed by all parties represented on the Council, provided a member does not serve on more than 1 operational standing committee.	7 (50% of the members, including the chairperson)

Terms of Reference

- ✓ To consider and to make recommendations to the Council on the measures necessary in respect of the recruitment, selection and remuneration of all employees with particular reference to the application of Council policies in relation to affirmative action;
- ✓ to consider industrial relations matters;
- ✓ to consider the conduct of negotiations in respect of salary increases and fringe benefits; to supervise measures generally in respect of the avoidance of strike and other conflict actions;
- ✓ to investigate questions relating to job evaluations and the submission thereof to the Bargaining Council;
- ✓ to consider measures relating to Bargaining Council, CCMA and Labour Court hearings;
- ✓ to consider manpower planning;
- ✓ to consider measures relative to personnel administration, salaries and payrolls;
- ✓ to consider and make recommendations relating to financial aspects on matters relating to staff policy, including general conditions of service and the recruitment, utilization and development of staff;

- ✓ to advise the Council on policy regarding the appointment of Directors, General Managers and Heads of Departments and confirmation of their appointments;
- ✓ To consider measures relative to the Workmens' Compensation claims;
- ✓ to consider measures to ensure safe working conditions in terms of the Occupational Health and Safety Act;
- ✓ to consider measures for the provision of the Occupational Health services;
- ✓ to consider measures for the provision of safety training;
- ✓ to consider measures for the provision of services for investigations relating to accidents;
- ✓ To consider and recommend such measures as may be necessary from time to time relative to the provision of Work study facilities to improve productivity in the municipal workforce;
- ✓ To consider such measures as may be taken in respect of the training and staff development of municipal personnel of various levels together with the provision of such services as may be desirable to other local authorities or regional authorities in respect of training;
- ✓ To consider and recommend matters pertaining to Employment equity and Skills development;
- ✓ To recommend policy guide-lines and strategy for the Institutional Cluster in respect of services, programmes and plans, to provide the broad framework for Councillors and officials concerned with the preparation of a single, inclusive and strategic Integrated Development Plan for Buffalo City;
- ✓ To consider any particular item or any matter of policy referred to it by the Executive Mayor, Mayoral Committee, the Municipal Manager or relevant Director;
- ✓ To formulate and recommend proposals on priorities and policy objectives over the whole range of the Council's activities and make recommendations to the Council with particular reference to Administrative, Management Information, Tele-communication systems and procedures;
- ✓ To review and comment on the effectiveness and appropriacy of the Council's policies in relation to Administrative matters, Management Information Systems and Tele-communications Systems;
- ✓ To inform the Council on legal matters, appropriate legislation and its promulgation as well as provide advice on matters such as rules of order, standing orders and the terms of reference of Committees; and
- ✓ To ensure that effective Committee support services are rendered to the Council, the Mayoral and all Operational and Strategic Standing Committees.

Table 38 Development Planning Standing Committee

Membership	Quorum
14 members, representatives as proposed by all parties represented on the Council, provided a member does not serve on more than 1 operational standing committee.	7 (50% of the members, including the chairperson)

Terms of Reference

- ✓ To make recommendations to the Mayoral Committee and Council on transportation, town and regional planning, architectural, land survey and land administration matters allocated to it and to report and make recommendations thereon to the Council and to investigate strategic land and property use;
- ✓ To recommend policy guide-lines and strategy for the Spatial Cluster in respect of services, programmes and plans, to provide the broad framework for Councillors and officials concerned with the preparation of a single, inclusive and strategic Integrated Development Plan for Buffalo City;
- ✓ To consider any particular item or any matter of policy referred to it by the Executive Mayor, Mayoral Committee, the Municipal Manager or relevant Director;
- ✓ To advise the Council on the overall management, allocation, alienation and control of land, resources and buildings owned by the Council; and
- ✓ To advise the Council on policy and procedures in regard to Transport Planning, Transport Operations and Traffic Engineering;

Table 39 ENGINEERING SERVICES AND INFRASTRUCTURE DEVELOPMENT STANDING COMMITTEE

Membership	Quorum
14 members, representatives as proposed by all parties represented on the Council, provided a member does not serve on more than 1 operational standing committee.	7 (50% of the members, including the chairperson)

Terms of Reference

- ✓ To consider and to make recommendations on all matters affecting the civil engineering and electrical infrastructure, associated designs and mechanical and scientific services with particular reference to roads construction and maintenance, stormwater drainage, wastewater and water services, electrification and distribution thereof, mechanical and scientific services;
- ✓ To consider all matters affecting the built environment with the exception of town planning building control and metropolitan transportation matters falling under the jurisdiction of the Development Planning Standing Committee;
- ✓ To consider nuisances relating in particular to the safety of persons in or about public streets and places but with the exception of those matters under the jurisdiction of the Social Services Standing Committee;
- ✓ To consider and make recommendations on fleet management and mechanical undertaking and other matters falling within the Committee's terms of reference and all matters incidental to the above;
- ✓ To recommend policy guide-lines and strategy for the Infrastructure Cluster in respect of services, programmes and plans, to provide the broad framework for Councillors and officials concerned with the preparation of a single, inclusive and strategic Integrated Development Plan for Buffalo City; and

- ✓ To consider any particular item or any matter of policy referred to it by the Executive Mayor, Mayoral Committee, the Municipal Manager or relevant Director.

Table 40 FINANCE STANDING COMMITTEE

Membership	Quorum
14 members, representatives as proposed by all parties represented on the Council, provided a member does not serve on more than 1 operational standing committee.	7 (50% of the members, including the Chairperson)

Terms of Reference

- ✓ To formulate recommendations to the Executive Mayor (Mayoral Committee) on financial matters. As an Operational Committee the scope of these financial matters would include considerations of the financial position of Council in terms of the budget from an accrual as well as a cash flow perspective;
- ✓ To make recommendations to the Mayoral Committee and Council on appropriate actions to be taken to achieve Budgetary objectives;
- ✓ To report monthly to the Mayoral Committee and Council on the financial position of the Municipality; and
- ✓ To make recommendations to the Mayoral Committee and Council.

Financial matters within the ambit of this Committee include:

- ✓ Asset and Risk Management;
- ✓ Revenue Management and Treasury Management;
- ✓ Credit Control;
- ✓ Income and Expenditure on Revenue and Capital Accounts;
- ✓ Writing off of Arrears;
- ✓ Adjustments and Virements;
- ✓ Claims by and to Council;
- ✓ Dog Tax;
- ✓ Fund Transfers and Investments;
- ✓ Raising and Repayment of Loans;
- ✓ Refunds and Compensation;
- ✓ Remuneration Staff and Councillors;
- ✓ The Municipal Market;
- ✓ Trade and Road Traffic Licences;
- ✓ Assessment of Rates;
- ✓ Valuation of Properties and Maintenance of Valuation Roll; and
- ✓ Financial Matters pertaining to Housing.

THE FINANCE BUDGET COMMITTEE

The Finance Budget Committee will fulfil the following Operational functions. It must be emphasized that the interface with the IDP, Budget Strategy and Performance Management Committee is central to the achievement of delivery objectives and must be closely monitored.

FUNCTIONS OF THE FINANCE BUDGET COMMITTEE

- ✓ Budget Implementation
- ✓ Monitoring and Budget Progress
- ✓ Control Measures of Budget Implementation
- ✓ In-year Financial Reporting

INTERACTION WITH OTHER COMMITTEES OF COUNCIL

AUDIT COMMITTEE

To receive reports from the Audit Committee and formulate recommendations to the Mayoral Committee and Council of action to be taken on the basis of the report.

IDP, BUDGET POLICY AND PERFORMANCE MANAGEMENT COMMITTEE

- ✓ To provide the IDP, Budget Policy and Performance Management Committee with information regarding tariff performance and revenue performance with the purpose of establishing the quantum of the Budget;
- ✓ Budget Issues being dealt with by the IDP, Budget Strategy and Performance Management Committee regarding the Budget;
- ✓ Budget and IDP alignment;
- ✓ Budget Policy formulation;
- ✓ Service levels;
- ✓ Rural / urban issues;
- ✓ Roll-out of services plan;
- ✓ Capital projects for delivery; and
- ✓ To consider any particular item or any matter of policy referred to it by the Executive Mayor, Mayoral Committee, the Municipal Manager or relevant Director.

Table 41 COMMUNITY SERVICES STANDING COMMITTEE

Membership	Quorum
14 members, representatives as proposed by all parties represented on the Council, provided a member does not serve on more than 1 operational standing committee	7 (50% of the members, including the chairperson)

- ✓ To consider and make recommendations to the Mayoral Committee and Council in respect of all environmental services matters as provided for in any relevant legislation; to consider all matters relating to the natural environment, horticulture, parks and recreation and related amenities under the control of the Director of Community Services; to consider and make recommendations on matters relating to the regulation and control of sanitary and cleansing matters, cemeteries and health.
- ✓ To consider and make recommendations to the Council in respect of all matters related to libraries, art galleries and matters relating to music, to consider and make recommendations on matters relating to entertainment and other cultural activities; the regulation and control of sporting facilities and activities.
- ✓ To recommend policy guide-lines and strategy for the Social Cluster in respect of services, programmes and plans, to provide the broad framework for Councillors and officials concerned with the preparation of a single, inclusive and strategic Integrated Development Plan for Buffalo City.
- ✓ To consider any particular item or any matter of policy referred to it by the Executive Mayor, Mayoral Committee, the Municipal Manager or relevant Director.

Table 42 IDP, BUDGET POLICY, PERFORMANCE MANAGEMENT AND INTEGRATED ENVIRONMENTAL MANAGEMENT

Membership	Quorum
7 representatives as resolved by Council.	4 (50% of the members, including the chairperson). Councillors who are not members of the standing committee are not counted towards a quorum.

- ✓ To oversee on behalf of the Executive Mayor the process of integrated development planning (strategic planning) in Buffalo City, including annual reviews of the IDP, and to make recommendations to the Executive Mayor in this regard in terms of chapter 5 of the Municipal Systems Act and section 56 of the Municipal Structures Act;
- ✓ To assist the Executive Mayor to ensure that municipal strategic planning is aligned with constitutional values and oriented towards the progressive achievement of equity in Buffalo City in terms of section 23 of the Municipal Systems Act;
- ✓ To make recommendations to the Executive Mayor that aim to ensure that the resources and capacity of the municipality are mobilized to achieve the strategic developmental priorities and objectives as reflected in the IDP;

- ✓ To make recommendations to the Executive Mayor on all aspects of the performance management systems in terms of chapter 6 of the Municipal Systems Act;
- ✓ To make recommendations to the Executive Mayor aimed at ensuring an acceptable level and quality of public participation in municipal strategic planning, budgeting and institutional performance management in terms of section 16 of the Municipal Systems Act;
- ✓ To make recommendations to the Executive Mayor aimed at ensuring that the municipality gives effect to, and conducts its affairs in a manner which is consistent with its IDP (section 36, Municipal Systems Act);
- ✓ To assist the Executive Mayor in promoting the sustainable utilisation, development and protection of Buffalo City's natural, social, cultural and economic resources throughout all sectors of the municipal community [section 4(2)(d) of the Municipal Systems Act];
- ✓ To oversee on behalf of the Executive Mayor the process of preparing and implementing integrated environmental management policies and plans for Buffalo City, including regular reviews, and to make recommendations to the Executive Mayor in this regard;
- ✓ To make recommendations to the Executive Mayor on modes of service delivery that are equitable, affordable and sustainable;
- ✓ To make recommendations to the Executive Mayor on budget policies and processes; and
- ✓ To make recommendations to the Executive Mayor that aim to ensure that the budget is in line with the IDP.

Table43 CONSTITUENCY, COMMUNITY PARTICIPATION AND SPECIAL PROGRAMMESSTANDING COMMITTEE

Membership	Quorum
7 representatives as resolved by Council	4 (50% of the members, including the chairperson). Councillors who are not members of the standing committee are not counted towards a quorum.

Terms of Reference

To make recommendations to the Executive Mayor pertaining to the formulation of policies, strategies and programmes aimed at increasing equity for vulnerable, marginalized or special interest groups, with specific focus on:

- ✓ Young people;
 - ✓ The aged;
 - ✓ The disabled;
 - ✓ Gender-related issues (including women and children); and
 - ✓ Special projects.
- ✓ To oversee on behalf of the Executive Mayor the implementation of such strategies and programmes
 - ✓ To make recommendations to the Executive Mayor on corporate strategies and programmes and the development of partnerships to address the challenge of HIV/AIDS in Buffalo City;
 - ✓ To provide guidelines and policies in relation to community participation and Ward Committees;
 - ✓ To ensure that effective support services are rendered to the offices of the Executive Mayor, the Speaker, the Mayoral Committee members and all other Councillors;
 - ✓ To recommend policy guide-lines and strategy for the relevant Cluster in respect of services, programmes and plans, to provide the broad framework for Councillors and officials concerned with the preparation of a single, inclusive and strategic Integrated Development Plan for Buffalo City;
 - ✓ To consider any particular item or any matter of policy referred to it by the Executive Mayor, Mayoral Committee, the Municipal Manager or relevant Directors;
 - ✓ To make recommendations to the Executive Mayor aimed at empowering the Buffalo City public, communities and organizations through participation, environmental education, capacity building, research and information services; and
 - ✓ To formulate and recommend proposals to the Executive Mayor aimed at ensuring an acceptable level and quality of public participation in matters related to the sustainability of development strategies, programmes and projects.

Table 44 LOCAL ECONOMIC DEVELOPMENT, TOURISM AND RURAL DEVELOPMENT COMMITTEE

Membership	Quorum
7 representatives as resolved by Council.	4 (50% of the members, including the Chairperson).

Terms of Reference

- ✓ To assist the Executive Mayor in ensuring that the economic development including rural development of the whole community of Buffalo City is promoted (sections 152 & 153 of the Constitution);
- ✓ To make recommendations to the Executive Mayor aimed at ensuring that local economic development, including rural development is sustainable and contributes to job creation and a better quality of life for all;
- ✓ To assist the Executive Mayor to formulate appropriate and feasible local economic and rural development aims, priorities and objectives in terms of section 26(c) of the Municipal Systems Act;
- ✓ To make recommendations to the Executive Mayor relating to Council's policy on the procurement of goods and services;
- ✓ To make recommendations to the Executive Mayor on strategies to:
 - Facilitate job creation
 - Stimulate local markets
 - Promote the development of small, medium and micro-enterprises
 - Market the municipality holistically
 - Promote tourism
 - Promote industrial and commercial activities
 - Attract foreign or domestic capital investments
 - Increase the mobility of people, goods and services in Buffalo City.
 - Promote and facilitate rural development.
- ✓ To consider any matter referred to it by the Executive Mayor, the Municipal Manager or relevant Director that has a bearing on the economic development of Buffalo City; and
- ✓ To recommend policy guide-lines and strategy for the Economic Cluster in respect of services, programmes and plans, to provide the broad framework for Councillors and officials concerned with the preparation of a single, inclusive and strategic Integrated Development Plan for Buffalo City.

Table 45 HOUSING, MURP and DVRI STANDING COMMITTEE

Membership	Quorum
14 representatives as resolved by Council	7 (50% of the members, including the chairperson)

Terms of Reference

- ✓ To make recommendations to the Mayoral Committee and Council on housing matters allocated to it and to report and make recommendations thereon to the Council and to investigate strategic use of housing resources;
- ✓ To recommend policy guide-lines and strategy in respect of housing services, MURP and DVRI programmes and plans, to provide the broad framework for Councillors and officials concerned with the preparation of a single, inclusive and strategic Integrated Development Plan for Buffalo City;

- ✓ To consider any particular item or any matter of policy referred to it by the Executive Mayor, Mayoral Committee, the Municipal Manager or relevant Director;
- ✓ To advise the Council on the overall management, allocation, alienation and control of housing owned by the Council; and
- ✓ To advise the Council on policy and procedures in regard to housing issues, MURP and DVRI.

DEVELOPED POLICIES AND PROCEDURES:

During the financial 2010/11 the following policies and procedures were developed to guide the operations of the Organisational Support.

- ✓ Review Records /Archives Management Policy and procedures;
- ✓ Review section 14 Manual (PAIA);
- ✓ Review File Plan;
- ✓ Review Grant-in –aid policy;
- ✓ Review Standing Rules and Orders at Council Meetings By-law;
- ✓ Developed draft policy on Closure of Council and Committee meetings and marking of confidential items;
- ✓ Language policy;
- ✓ Reviewed 3G Card policy; and
- ✓ 16 ICT Management and Security Policies.

5.15 ICT GOVERNANCE AND SECURITY MANAGENT

5.15.1 IMPLENTATION OF ICT INSTITUTIONAL BUSINESS NEEDS

In order to conform to the conditions of the Municipal Structures Act, Municipal Systems Act and Municipal Finance Management Act (MFMA), IDP objectives and to achieve an unqualified Auditor General report , the need arose that ICT Division facilitate readiness and inculcate good Governance practice that will eradicate the bad image of not being proactive and address problems at an early stage. The ICT management therefore implemented proactive strategies that will capacitate the divisions human resources and the Business Requirements by applying the under mentioned strategy.

5.15.2 DEVELOPMENT AND IMPLEMENT A MANAGENT STRATEGY AND POLICY(WEBSITE, AND INTRANET PORTAL)

The ICT division has in addition drawn up the Enterprise Content Management policies that specify the controls and services with regards to content management of ICT operations and user requirements. The ECM consists of various components to manage and control information and access thereto.

It serves to define and describe the rules governing the following:

- ✓ access to content (access and security);
- ✓ electronic communication (email, fax and routing);

- ✓ required capturing of content (document management);
- ✓ processing of content (registry and records management); and
- ✓ actions required to control and manage the content (administration).

5.15.3 PROJECT PLAN AND ACHIEVEMENTS

5.15.3. 1 ICT PROJECT MANAGEMENT AND IMPLEMENTATION SCHEDULE

The ICT PROJECT Schedule was designed to be carried out on a three year phased approach commencing in the financials 2008/09 to 2010/11 . The following Tables provide an indication of the schedule for the Key Activities of the Project that was planned and the achievements thereon.

Table 46 WORK BREAKDOWN AND ACHIVEMENTS

WBA	ICT PROJECT BREAKDOWN	ACHIEVEMENT
	Planning & initiation (ICT CO- SOURCING MODEL) DURATION FOR IMPLEMENTATION : 2008/09 TO 2010/11	100% Completed
1.0	Draw up Information and Communication Technology (ICT) Policies, Procedures and Standard Manual (some frameworks were approved in 2008 and is currently under review) R24 000 was spent.	95%Completed await submission for approval by Council
2.0	Draw and compile Information Security Programme Strategy and renovations to security area. Backup station secured with Sita	100%Completed
3.0	Review and compile Content Management Strategy and policy. The Website, portal, and intranet is currently reviewed. This was submitted to Top Management meeting for endorsement.	95% Completed, the Content Management Strategy & policy was reviewed and has to resubmitted for approval by Council.
4.0	A Disaster Recovery and Business Continuity Policy and Strategy was drawn up ,the Virtual environment , VMware and scanners were procured. The computer Room was renovated to meet Regulatory Standards and total a sum R3,7 million was spent. (R2,5 million was spent in 2009/10) R1,2 million was spent during 2010/11.	100% Completed
5.0	The process of segregating duties for all the systems was done. The ICT Co-Sourcing model(Stratgy) was aimed at segregating functions that are to be implemented internal from those that are to be out sourced. A sum of R1.000 000 was budgeted and R974 002 is spend on SharePoint implementation.	98% Completed

	The problem is to obtain suitable candidates to increase the internal staff complement.	
6.0	Develop Information Security Governance. An End User Computer equipment Disaster Recovery Plan has been develop and implemented	95% Completed
7.0	Develop and Conduct Information Security Awareness Programme. There is a need extend training to all BCMM users	70% Completed
8.0	Policy or procedures to control consultant. There is need to develop this policy as BCMM currently depends on the contract agreements.	Nil
9.0	Emergency Evacuation Plan and procedure.	95% Complete
10.0	Call logging procedures for Incidents and Problems experienced by users. Technicians are assigned to each Directorate and problem calls are assigned, recorded and addressed immediately. An evaluation questionnaire to asses performance is completed by assessors.	100% Done
11.0	Radio Network up grade and connectivity(Mdantsane), a sum of R350 000 was spent the work is continued as per institutional requirements.	80% Completed currently depending on further upgrading needs
12.0	Telecommunications Network ; a rollover of R1,4Million was spent on this project which also included upgrading linkage at Old Mutual and installation of access control system. There is a need to upgrade the radio network and the servers to enable the installation of the VOIP Telephones to the entire institution currently installation was done at Supply Chain Management and anew PABX System was installed at the Switchboard.	90% Complete
13.0	Enterprise Document Management System, the installation of hard ware ,software and training has been provided, but there is continuous need for training of users .A sum of R1 050 000 was budgeted for this project and a total of R816 374 was spent.	90% Completed
14.0	Conference System ,a sum of R1,1million was budgeted for and R448000 was spent ,the savings came up as result of the competing bidding system.	100% Completed

	The savings thereon will be spent on the City manager and Director Corporate Service Conference facility for their Board rooms as well as installing switched as the new Council Chamber.	
15.0	Integrated Enterprise Resource System (ERP) feasibility study, progress has been very slow on the implementation of this project due to limited internal resource that could conduct the study and it is now in the process of being out sourced. A sum of R2 000 000 has been rolled over.	5% Completed
16.0	Review By law on Standing Rules and Orders at Council Meetings, and Closure of Council meetings and marking of Confidential item. The documents were develop in internally and are completed . This will be submitted to Council for approval.	95 % Completed

Table 47 TOTAL BUDGET PROVIDED

Services	Cost
ICT Governance Compliance Services Capital budget for the period 2009/10 and 2010/11 .	R28,400 000.00

Table 48 GENERAL GRANT-IN-AID PAYMENTS : STATISTICS APPLIED APPLICATIONS 2010/2011

TYPES OF ORGANISATIONS	AMOUNT ALLOCATED	NO. OF APPLICATIONS
(a) Charitable, Social and Welfare Organization HIV/AIDS Projects & Home based	R192 000.00	22
(b) Educational and Educare Centres	R490 000.00	98
(c) Co-operatives – Farming and Sewing; sports & other projects	R55 000.00	10
SUB-TOTAL	R737 000.00	130

5.16 FINANCIAL CONSIDERATION : GRANT-IN-AID

It should be noted that Council provided a total amount of R902 424.00 in the budget in the financial year 2010/2011. After consideration of all applicants there is a favourable balance of R50 424.00 that may be utilized for any contingences that may occur prior end of 2010/2011 financial year.

Table 49 INSTALLATION OF ENTERPRISE ELECTRONIC DOCUMENT MANAGENT SYSTEM

Project Status	Comments/Remarks The project started in 2006/07 and is still continuing in the financial year 2010/11.The project is aimed at converting the Paper Based into Electronic Document Management to improved document management efficiency and effectiveness at BCMM.
Schedule	The project resumed its activities in March 2010 to March 2011
Budget	R1,200 000 Million
Resources	Records Management staff, ICT Technical staff and GMT Consulting firm.
Scope	The under mentioned table illustrate the scope of work that was carried out during the year under review.
Infrastructure	Licensing for Document Administration, installing file plan and reporting Service Software and hardware

REPORT OF THE ACTING CHAIRPERSON OF THE AUDIT COMMITTEE.

ANNUAL REPORT OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011.

1. INTRODUCTION.

In terms of section 166 [1] of the Local Government: Municipal Finance Management Act, No. 56 of 2003 the Municipality and each of its entities must have an Audit Committee.

In terms of the legislation, the Audit Committee is an independent advisory body appointed by the Council which must advise the Council, political office-bearers, accounting officer and management staff of the municipality, on matters relating to, inter alia, internal financial control and internal audit, risk management, accounting policies, the adequacy, reliability and accuracy of financial reporting and financial information, performance management, effective governance, compliance with the Local Government: Municipal Finance Management Act, the Annual Division of Revenue Act and any other applicable legislation and performance evaluation.

The Committee also reviews the annual financial statements to provide the Council with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with the Local Government: Municipal Finance Management Act and any other applicable legislation

The Committee considers the Report of the Auditor General and responds to the Council on issues raised in such report and recommends whether or not they consider that the annual financial statements should be accepted by the Council.

The Audit Committee is required to report in the Annual Report of the Municipality on their perception of the overall control environment and the state of internal controls.

APPOINTMENT OF AUDIT COMMITTEE.

The Audit Committee was appointed by Council following recommendation by the Executive Mayor.

The members of the Audit Committee were:

Member	Position
Ms. B Randall	Acting Chairperson [Relocated and resigned June 2011.]
Ms. P Ndamase	Member [Deceased]

Mr. D Sonamzi	Member [Relocated and resigned July 2010.]
Professor H Kanyane	Member [Relocated and resigned September 2010.]
Mr. M Lockyear	Member appointed February 2011

Ms. B Randall was appointed as Acting Chairperson in January 2008.

Four [4] vacancies exist on the Committee at the end of the current financial year. The Administration has advertised for members during late May / early June 2011.

During the year, the Municipality did not comply with the legal requirements as the Committee had less than the statutory minimum of three [3] members. The Committee elected to continue with its independent advisory role on the basis that the Municipality would make every effort to appoint additional members.

TERMS OF REFERENCE OF AUDIT COMMITTEE.

The Audit Committee has adopted appropriate terms of reference which are encapsulated in an Audit Committee Charter, approved by Council. The Committee has, in addition, approved an internal audit charter which regulates the operations of the Internal Audit Unit.

The Audit Committee is also the Performance Audit Committee of the Municipality as well as the Audit Committee for the one Municipal entity, the Buffalo City Development Agency. The Committee has been informed that the Buffalo City Development Agency is no longer operational. No information relating the the Agency has been presented to the Audit Committee during the year under review.

The Manager: Internal Audit reports operationally to the Audit Committee and functionally to the Director: Corporate Services. In early 2011 this reporting relationship was amended to provide that the Manager: Internal Audit reports functionally to the Acting Municipal Manager.

MEETINGS OF THE COMMITTEE.

The Audit Committee convened regularly during the financial year.

Date	B Randall	Prof H Kanyane	M Lockyear*
9 September 2010	X	X**	
9 December 2010***			
10 February 2011	X		X
10 March 2011	X		X
7 April 2011	X		X
20 May 2011	X		X
****			-
Total	5/5	1/1	4/4

* Appointed February 2011.

** Relocated and resigned.

*** Meeting cancelled as there was only one member on the Committee.

**** June meeting not held as no quorum can be established.

The Accounting Officer [Acting Municipal / City Manager] attended and participated in Audit Committee meetings, as well as the Acting Chief Financial Officer, Manager: Internal Audit and the Auditor General.

EFFECTIVENESS OF INTERNAL CONTROL.

The Audit Committee has reviewed reports from the Internal Audit Unit in terms of the approved Internal Audit Plan.

As in previous years, the findings contained in these reports give rise to the view that the control environment within the Municipality is stressed. One system, in particular, [Supply Chain Management] has all but collapsed and this is dealt with in more detail later in the report. It is also clear from the content of the Auditor General's Report that other systems are also stressed.

The Committee records a concern that the findings and recommendations contained in internal audit reports over the past years have not received the appropriate level of attention at management level and in many cases have not been implemented resulting in such matters becoming findings contained in the Auditor General's Report. The importance of the findings and recommendations contained in Internal Audit reports should not be down played by management. The control weaknesses set out in such reports are considered to be the cause of a number of issues raised by the Auditor-General and should be by management. A number of the findings set out in the Report of the Auditor General could have been either avoided mitigated had the findings contained in Internal Audit Reports been addressed by Management in a timely manner.

Supervisory control and monitoring are identified as matters which require attention at management level.

The Committee is again of the opinion that the control environment within many sections of the Municipality is not of the required standard. An urgent and concerted effort needs to be put in place to deal with this situation. A failure to do so may result in adverse audit findings in the forth coming financial year.

The Audit Committee accordingly concludes that the effectiveness of internal controls within the Municipality is not of the standard expected. The evidence of this statement will be apparent from the matters set out in this report.

No assurance is provided.

RISK MANAGEMENT, FRAUD AND LOSS CONTROL.

Risk Management

The Risk Management Framework has not been submitted to the Audit Committee for evaluation notwithstanding requests in this regard. The Committee can accordingly provide no assurance relating thereto.

The risk assessment performed by National Treasury in February 2010 remains in place. This assessment was, however, not completed and implementation is not apparent.

For the year ended June 2011, no formal risk assessment exercise was performed by management. A risk assessment exercise was, however, commissioned to start around 27 June 2011. This assessment may be of value for the forthcoming year, but is of no value in respect of the period under consideration. The Committee concludes that no Risk Assessment was performed in respect of the current year. An annual risk assessment exercise is considered to be an important informant of the Integrated Development Planning process. It is also a key informant of the risk based Internal Audit Plan. Ongoing risk assessment exercises during the year are also part of the management of the institution. The lack of such an exercise is therefore of serious concern.

The lack of ownership of the process by senior management appears to be a major reason for the process not becoming embedded within the institution. As a result, material risks facing the institution may not be identified, correctly ranked or dealt with. Consequently, the Integrated Development Plan is compromised as is the management of the institution and its activities.

It is a concern that the process was not taken forward during the current year, notwithstanding the initial assistance from the National Treasury. Risks associated with the current economic climate clearly have had an impact on the operations of the Municipality. The institution appears to have weathered the storm fairly well, and the financial impact was brought to the attention of Council. However, the larger impact may not have been identified e.g. the effect on the economy of the Region as a whole.

The failure to implement this process is expected to result in a number of negative findings by the Auditor General.

The committee therefore reports that the principles of effective risk management appear not to be imbedded in the institution. The risks associated herewith are considered serious.

No assurance is provided.

Fraud and loss control.

On the matter of fraud, the existing approved Fraud Policy, prepared some seven [7] years ago does not meet the expectations of the Audit Committee. This policy has not been officially reviewed since then but a draft document was prepared by the Manager: Internal Audit. This document has not yet been adopted by Management.

The absence of adequate internal control processes creates opportunities for fraud and irregularities. Internal Audit Reports submitted highlight the possibility of fraud or other irregularities occurring in various systems. Certain of these activities have experienced irregularities. It is not clear that the required level of attention has been paid to this matter.

The committee therefore reports that an effective fraud mitigation strategy is not apparent in the institution. It is considered that the instances reported in Internal Audit Reports and from other sources may be but the "tip of the ice berg".

Without an effective strategy to identify, investigate and prosecute fraud, there will be no disincentive to those bent on fraud. It is therefore imperative that Senior Management assume a proactive role in this matter. If this is not done, then the likelihood of further cases cannot be ruled out.

The risks associated herewith are considered serious.

No assurance is provided.

COMPLIANCE WITH LEGISLATION.

In general, the Committee believes that management is aware of, and has, in a number of cases adopted a proactive approach to compliance issues. However, concern is expressed that compliance with legislation is being looked at simply as "compliance" and that the rationale or reasons behind such compliance reports or for the "compliance" is not considered in many cases. The Finance Directorate, in particular, has been at the forefront of promoting compliance, although the failings in the Supply Chain Management Department have tainted that effort.

It was only towards the end of the financial year, when the newly elected Council took over that a delegations framework was approved. This is certainly a positive step as it serves to not only provide an authority to act, but also establishes accountability. While the Framework has not been presented to the Committee it is reported by both the Manager: Internal Audit and the Manager: Compliance to be fairly comprehensive in nature, although both accept that more work thereon is required.

It is certainly a positive step and the Committee expresses appreciation for this.

While noting that a set of delegations existed up until that time, these were not in full accordance with the latest pieces of legislation, more specifically the Local Government: Municipal Finance Management Act as they pre-dated that legislation. The fact that a flawed delegations framework existed up until that time remains a concern to the Committee. Risks associated with a failure to maintain appropriate delegations, include possible legal challenges to administrative actions which may have a negative impact on service delivery. The results hereof may become apparent in the forthcoming regularity audit.

Other important governance issues such as potential conflicts of interest, gifts and benefits have received some attention but the effectiveness of these processes is not clear.

While noting the progress made, the Committee is still not satisfied that governance and compliance issues are being dealt with in a manner befitting the status of the Municipality. The Committee urges that the matter be elevated in importance.

No assurance is provided.

PERFORMANCE MANAGEMENT.

Institutional.

The Audit Committee has reviewed reports from the Internal Audit Unit and reports that a performance management system has been approved by Council.

Quarterly reports from the Internal Audit Unit, however, continue to indicate a largely non-functional system.

The failure to set clear objectives and strategies and determine appropriate indicators continues to bedevil the process. This mitigates against the use of the system as a tool to assist with the review of the Integrated Development Plan. The lack of ownership of the system remains a concern to the Committee. Discussion on this matter at Audit Committee Meetings gives rise to an impression that the Performance Management System and its associated measurement is still considered to be the responsibility of the Integrated Development Planning Unit. It is important that this perception be dealt with. The Institutional Scorecard is the official tool to measure the achievement of the objectives set in the Integrated Development Plan. These objectives are owned by management collectively.

The failure to establish a functional and operational Institutional Performance Management System has the potential to impact on the achievement of goals set by Council in the Integrated Development Plan.

The findings contained in internal audit reports in the current year are not substantially different to those reported in previous years. The Committee therefore expresses concern that findings and recommendations are not receiving the appropriate level of attention at management level resulting in the continuation of a system which is not operationally effective or in compliance with the requirements of legislation.

Many of the measurements performed were considered inaccurate.

For the financial year 2010 / 2011, it is understood that the Auditor General will not express an opinion on Performance information. If the Auditor General were to do so, the Committee believes that the opinion would not be favourable. It is accordingly important that the City Manager and Directors pay particular attention to this matter.

The Committee is, therefore, of the opinion that a fully functional institutional performance management system was not in operation during the period under review. This results in the Council and stakeholders not being in a position to accurately measure the performance of the municipality against predetermined and agreed targets as required by legislation. This has reputational and operational risks. If the Council is not in a position to assess the achievement of their objectives, service delivery may be impacted resulting in longer-term political consequences.

The Committee cautions that it has observed that the perception is that the process is used to deal with the payment of bonuses. It is considered that the management of performance at institutional level and the payment of bonuses should, to the extent possible, be separated.

It is important that this matter receive urgent attention.

No assurance is provided.

Individual.

It is understood that no process to review the performance of Directors was established. The implications of this are considered serious.

No assurance is provided.

EVALUATION OF FINANCIAL STATEMENTS.

The previous year's financial statements were disclaimed by the Auditor General and the interim financial statements presented to the Committee were notable for serious omissions. Against this back ground, the Committee is not confident that the statements can be considered to represent fair presentation.

Although no work was performed relating to the revenue cycle, issues have been raised in the Auditor General's Management Report which indicate that there may be issues relating to the accuracy of revenue and receptables.

The Committee is concerned that the financial statements may again be subject to a qualification, or possibly a disclaimer.

REPORTS BY THE COMMITTEE.

During the period under review, the Audit Committee submitted progress reports to the Council on the operations of the Audit Committee and the Internal Audit Unit.

These reports include commentary on the Performance Management System as required by legislation.

BUFFALO CITY DEVELOPMENT AGENCY.

The Buffalo City Development Agency [an entity] is understood to be dormant and no reports were submitted to the Committee for consideration.

The Committee urges Council to consider the status of this entity.

MANAGEMENT ASSURANCES.

Management has submitted some assurance reports to the Audit Committee. While noting these reports the Committee is not satisfied with the level of assurance provided and urges that this matter receive further attention in the forthcoming year.

The principles of combined assurance have accordingly not been met.

INTERNAL AUDIT PLAN.

The staff situation in the unit remains severely strained. The existing complement cannot adequately serve the interests of the institution. The staff situation complicates efforts to comply with the International Standards for the Professional Practice of Internal Auditing

and a caution is issued that the operations of the Internal Audit Unit are not sustainable with the current staff levels. Unless appropriate resources are allocated to the Unit, it will not be in a position to deliver on its mandate. The overall control environment within the institution may then likely to decline further, increasing the risks associated therewith. An appeal is made that this matter be given priority attention.

Nevertheless, the Committee is satisfied with the progress being made by the Internal Audit Unit. The quality of reports is considered high and these reports add value to the operations of the Municipality. A number of the matters set out by the Auditor General are matters already reported on by the Internal Audit Unit.

Details of some of the reports reviewed during the year under review are set out hereunder:

	Assignment
	Report on an Internal Audit of the Buffalo City Municipality Institutional Performance Management System: Institutional Scorecard: Assessment of Measurements – 3rd Quarter 2009/10
	Internal Audit Report: Supply Chain Management System: Logistics Management.
	Observer: Bid Evaluation / Adjudication Committee. [Four 4] Reports.
	Report on an Internal Audit of the Buffalo City Municipality Institutional Performance Management System – October 2010.
	Supply Chain Management System: Report on Annual Inventory Count 2010: Buffalo City Municipality.
	Internal Audit Report: Supply Chain Management System: Contract Management.
	Internal Audit Report: Supply Chain Management System: Handling, Opening and Recording of Bids
	A number of confidential reports were been prepared by the Manager: Internal Audit. These will not be reported on here.

The Supply Chain Management System, in particular, continues to present substantial reputation, service delivery and financial risks. The reviews set out above indicate high levels of non-compliance with legislation as well as policy and procedure. The implications include irregular, unauthorized and fruitless and wasteful expenditure, as well as possible irregularities.

Some headway is apparent as a General Manager has been appointed and attempts are being made to re-engineer certain activities of the Unit. Due to the significance on Supply Chain Management on service delivery and financial accounting, the Committee is concerned that the progress in dealing with this system is not adequate,

Although it may not currently result in an audit qualification, the Performance Management system is again identified as being in need of attention. As it currently exists, the Performance Management System is considered to be non functional; objectives, strategies, indicators and targets set within the system are, in many cases, considered to be poorly chosen and developed. Measurements performed are in a number of instances inadequate or inaccurate, resulting in the system delivering little of value. The reviews set out above detail the failings within the system.

As with the findings and recommendations relating to Supply Chain Management, it is disappointing that the findings and recommendations relating to Performance Management have not received appropriate attention at management level.

A report submitted in the previous financial year relating to the archiving of information within the institution revealed a number of deficiencies. These deficiencies have the potential to result in a scope limitation in a regulatory audit due to missing or mislaid information. The completeness of the official records remains a concern to the Committee.

It is unfortunate that the recommendations of the Internal Audit Unit, which also represent the recommendations of the Committee, have in a number of cases either not been implemented, or have been inadequately implemented. Evidence of this is apparent in the continuing problems associated with the Supply Chain Management System and the Performance Management System. This is unfortunate, as the implementation of these recommendations, or the consideration of the cautions may have averted certain findings during the regulatory audit.

The reports issued by the Internal Audit Unit do not currently display the wording "work conducted in accordance with the Standards of the Institute of Internal Auditors" as no external assessment has been conducted.

As a Metropolitan Municipality, it is considered that the time has come for appropriate resources to be allocated to the Unit to enable it to better perform its mandate. In this regard, a detailed study is recommended prior to determining a revised structure for the Unit to ensure that the structure can address the mandate agreed upon.

CONCLUSIONS.

It would be remiss of the Committee to indicate that they are totally satisfied with the control environment present within the Municipality. The Committee accordingly reports as above in the interests of facilitating an improvement in the current situation.

The Committee accordingly cannot provide any assurance as to the adequacy or effectiveness of the internal control systems for the financial year ended 30 June 2011.

APPRECIATION.

The Committee expresses its sincere appreciation to the Council, Executive Mayor, Accounting Officer [City Manager], Directors and General Managers, as well as other management officials, for their support during the year under review. The support and advice of the Business Executive of the Provincial Office of the Auditor – General, Mr. Singa Ngqwala and his staff is also acknowledged as are the untiring efforts of my committee members in furthering the cause of effective corporate governance and sound accountability within Buffalo City Metropolitan Municipality.

Appreciation is also extended to the staff who minuted meetings of the Committee.

A special word of appreciation is extended to Mr. Geoff Walton and his staff in the Internal Audit Unit for their steadfast efforts during the year under review, despite the limited resources at their disposal.

B RANDALL.
ACTING CHAIRPERSON OF THE AUDIT COMMITTEE.