



# The Msunduzi Municipality Office of the Mayor

Telephone  
Ucingo 033 392 2000  
Facsimile  
eFekesi 033 392 2397

Private Bag  
Isikhwama X321  
Pietermaritzburg  
ePietermaritzburg 3200

Email: [Mike.Tarr@msunduzi.gov.za](mailto:Mike.Tarr@msunduzi.gov.za)

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## **PRESS RELEASE MSUNDUZI LOCAL MUNICIPALITY**

### **Introduction**

I would like to introduce you to the **Executive Committee members** the Deputy Mayor (Councillor JJ Ngubo) and Councillors N Ahmed, R Ashe, TI Dlamini, WF Lambert JP, SI Madonda, NE Majola, G Meyer and DP Zondi

**The Provincial Intervention Team** the Administrator Johann Mettler, Executive of Finance Ben Dorfling, Chief Operating Officer Piet van Dyk, Administration Manager Rachelle Bartholomew, DBSA support Edward de Kock, Treasury Support Kadisha Chan, Treasury Support; Deon Lewis,.

**The Management Team:** Acting Municipal Manager: Thokozani Maseko; Acting CFO: Mahen Sahibdeen; Acting Strategic Executive Infrastructure Services: Trevor Cowie; Acting Strategic Executive Community Services, Safety & Security: Kwenza Khumalo; also Acting Internal Audit Executive: Feroz Cassimjee and Acting Executive Marketing & Public Relations: Brian Zuma.

### **Disciplinary Processes**

In so far, we wish to brief the press on the critical issues with regard to the Municipality and I would like to start with the Disciplinary processes.

I would like to allay all fears that the suspended high ranking officials will be returning to their posts as there is currently disciplinary proceedings to test the allegations. I would like to state that in these proceedings Council will take all necessary actions to ensure that justice prevails, there will be NO Golden Handshakes nor generous payouts.

As far as disciplinary actions are concerned with regard to the suspended high ranking Municipal officials, the DMM of Finance has proposed a settlement. The MEC CoGTA has given the mandate to settle and this is currently in process. Apart from the disciplinary proceedings the municipality is investigating possible Criminal and Civil action against the DMM of Corporate Services. The defendant has raised a *point in limine* on unreasonable delay instituting the proceedings. All necessary pleadings in this regard have been filed. The matter will be argued shortly. The acting Manger Public Safety Mr K Chetty was found guilty on all charges and has been dismissed. The Municipality is currently investigating possible Criminal and Civil action

against the said staff member. The disciplinary enquiry against the Manager of Procurement Unit is proceeding this week, and that of the DMM Community Services is set down for next week. I would also like to say that there is a strong case to take civil and criminal action against some of these candidates. There are 20 or so other cases, all in various stages of disciplinary proceedings.

### **Financial Sustainability of the Municipality**

The cash flow difficulty experienced mid last year had a turn and is currently stable. However we are still working on strategies to address the increasing lower income levels of households in within the municipal area as this may in the long run impact negatively on the financial sustainability of the municipality. Proper planning with regard to this matter is imperative.

### **Cash Flow Information**

The actual cash for the primary bank account has seen positive growth - based on an improved level of revenue collection and the establishment of an "Expenditure Committee", which determines the validity of all expenditure. The last few months has seen the Municipality meet its financial obligations without the need to stagger payments. Payments to creditors have been done timeously due to an improved level of revenue collection – which, in part is the positive spin-off of "Operation Pitbull".

The Revenue Management Section within the Finance Business Unit is still determined to improve the percentage of revenue collection, to ensure the Municipality's ability to meet Eskom's revised winter tariffs without the need to defer payments.

The negative cash flow of approximately R 162 mil at 2009/10 financial year-end was turned around into a positive cash flow of approximately R43 mil at the end of December 2010.

### **Strategic Work Sessions**

A very productive strategic work session was orchestrated by the PIT at Midmar Dam from 10 – 14 January 2011 involving the Executive Committee, the PIT and the Interim Management Team of Msunduzi. The work session covered in detail the following issues.

### **Adjustments Budget 2010/2011 Financial Year**

In terms of Section 28(1) of Municipal Finance Management Act No.56 of 2003

A municipality may revise an approved annual budget through an adjustment budget.

## Surplus

A total surplus has been realized as at the end of the first six months amounting to R 113,1 million and is made up as follows:

• Operating Revenue Surplus	R 66,3 million
• Over Expenditure required	(R 25,1 million)
• Increased Debtor's payment rate	R 71,9 million
<b>Total</b>	<b><u>R 113,1 million</u></b>

Annual forecast for the financial year is as follows;

Increase in Revenue	
Electricity	R 75,6 million
Water	R 38,7 million
Sewerage	R 13,1 million
Property Rates	R 0,1 million
Refuse	(R 1,9 million)
Other	R 5,4 million
Revenue Foregone	(R 17,4 million)

Net surplus **R 113,6 million**

Decrease in Expenditure	
Increase in bulk purchases for electricity	R 70,0 million
Increase in bulk purchases for water	R 41,7 million
Increase in Employee related cost	R 50,5 million
Decrease in other expenditure	(R 47,3 million)
Decrease in Provision for doubtful debt	(R 103,8 million)
Decrease in Income Forgone	(R 17,4 million)
Decrease in lease charges	(R 15,5 million)

Net surplus on expenditure **R 21,8 million**

Total available for adjustment **R 135,4 million**

Prior year adjustment DBSA loan R 21,0 million

Total available for re-allocation **R 156,4 million**

This amount will be re-allocated to critical service delivery priorities

## **Reasons for the increase and decrease in revenue are as follows:**

### **Electricity Revenue**

Billed revenue exceeded budgeted revenue by 8%. The period covers the winter season where sales are high due to high volume in consumption. A Pitbull disconnection drive for illegal electricity connections is contributing to high sales for the period. The bulk purchases figures for the period were high due to winter tariff from ESKOM. However the winter tariff fell off and bulk purchases are expected to come down. The projected increase in revenue is an amount of R 75,6 mil.

### **Water Revenue**

The figures above reveals that water revenue exceeded budget by 17%. This is commendable. The main reasons for the good performance are:

- The disconnection drive which is undergoing. Some clients who were illegally connected have paid their accounts and are now being billed regularly.
- Improved meter readings have resulted in a large number of clients being billed correctly, however, a considerable portion of this relates to prior years. This will be adjusted accordingly to account for the previous year allocation.

The projected increase in revenue is an amount of R 38,7 mil.

### **Sewerage Revenue**

Sewerage revenue exceeded budget by 14% as result of higher volume of water consumption. The projected increase in revenue is an amount of R 13,1 mil.

### **Property Rates Revenue**

The property rates revenue remains the same for the rest of the financial year. The projected increase in revenue is an amount of R 0,1 mil.

### **Refuse Revenue**

Revenue for refuse is slighter lower than budget. The projected decrease in revenue is an amount of R 1,9 mil.

### **Other Revenue**

An amount of R 28 million for Land Sales will be recognized between the Third and Fourth Quarter of the financial year. The projected increase in revenue is an amount of R 5,4 mil.

## **Operating Expenditure**

The majority of expenditure was reduced during the budget process in order to produce a balanced budget as required by the Municipal Finance Management Act. Nice to have items are not included in the budget. A surplus achieved in the second quarter will be used to cover for these reductions in expenditure incurred during the budget process. Introduction of cost containment by the PIT has yielded positive results in the control of unnecessary expenditure. Also included in the adjustment budget are service delivery items e.g. grass cutting programme, maintenance of roads, provision made for the landfill sites legislative requirements etc.

### **Increase in Bulk Purchases**

Projected shortfall on both electricity (R 70.0 million) and water (R 41.7 million) are covered in the adjustment budget. It must be noted that both revenue and expenditure for water and electricity actuals are above budget.

### **Increase in Employee Related Costs**

Employee related cost actuals are above the budget released to date by R 50,5 million due to the reduction made during the budget process but this shortfall has been covered by a surplus generated.

### **General Expenses**

Actual expenditure on the general expenses is below budget by R 47,3 million to year to date due to the introduction of the Cost Containment exercise.

### **Lease Charges**

The actual expenditure to date for the first six months is below budget by R 15,5 million compared to the budget released.

### **Doubtful Debts Provision**

We have reviewed the doubtful debts provision as at 31<sup>st</sup> December 2010, and concluded that the required amount in 2010/2011 budget should be R 116 million. This amount is based on the net movement in the debtors of R 38 million from the 1st July to 31<sup>st</sup> December 2010. Therefore R 103,8 million is now available for operational expenditure.

### **DBSA – Reimbursement**

Council had bridge funded the previous financial year's capital budget to the value of R 21.0 million from operating activities. The DBSA has agreed to reimburse Council therefore the amount has become available as part of the adjusted budget.

### **Organisational Structure and Policy Overview**

The new organisational structure has been improved and was presented and substantiated in the strategic work session. The purpose for this session was to optimise the functioning of council on its mandate to deliver basic services. The structure had to be aligned to the Business Plan on the Turn-Around Strategy (TAS) in order to realise output with regard to Key Performance Indicators (KPI's).

### **Management Accounting**

The Msunduzi Municipality has introduced Management Accounting whereby the results of the analysis of key financial and non financial information is communicated to all stakeholders in order to enable informed business decisions and sustainable operation. Management Accounting will encompass the following:

- Obtaining a thorough understanding of the business processes within each business unit.

- Implementation of controls that will facilitate accurate financial and non-financial output.
- Tracking and analysis of output of all municipal activities.
- Consultation with various business units and feedback in respect of variances.
- Preparation and submission of reports for Council, Exco, Executives and the Portfolio Committee with corrective recommendations on a monthly basis to assist management with decision making.

### **Budget Policy & Principles**

Msunduzi Municipality has adopted a budget policy and principles in accordance with the Municipal Finance Management Act No.56 of 2003 (MFMA), the Municipal Systems Act, No. 32 of 2000 (MSA) and the Municipal Budget and Reporting Regulations, which have been designed to achieve a range of objectives, including improving the local government sphere's ability to deliver services by facilitating improved financial sustainability and better medium term planning. The municipality will also adhere to MFMA circulars issued by National Treasury that provide up to date guidance on budgetary policy, budget process and submissions, etc. The National Treasury will also provide further guidelines on budget formats and sample budgets.

### **Performance Management**

The Municipality is introducing the Performance Based Management in accordance with the Performance Regulations under the Municipal Systems Act (MSA). It is intended that performance management will be introduced as from the 1<sup>st</sup> of July 2011 and will be aligned to the strategic objectives of the Municipality. The main focus will be performance standards, performance measurements and quality improvement for municipal services based on Key Performance Areas (KPA's) linked to Key Performance Indicators (KPI's). The corporate goals will be translated into teams and individual goals. Managers will regularly review performance in terms of budget, IDP and implementation of Municipal Policies.

### **Budget for 2011/2012 and Budget Timelines**

The draft budget was discussed and principle changes have been effected in the budget. The budget must be aligned to cater for the KPA's and KPI's of the various business units. It is imperative that the budget must be aligned with the IDP which must be aligned to the Business Plan for the TAS.

The Budget timelines are as follows:

- |  |              |
|--|--------------|
| • Co-ordination of annual budget & IDP review  | Jul-10       |
| • Table IDP and Budget timelines   | 31-Aug-10    |
| • Implement budget & IDP time schedule of key deadlines MFMA Guidance  | Sep-10       |
| • Budget guidelines to business units  | 29-Oct-10    |
| • Conclude next three year budget draft & policy for Council discussion  | 30-Oct-10    |
| • Mid-Year Review workshop   | 22-28 Nov 10 |
| • Commence community & stakeholder consultation on IDP, review financial projections based on historical trends and adjust estimates accordingly | Nov-10       |
| • Budget submissions 2011/2012   | 06-Dec-10    |

- Finalise inputs from bulk resource providers & agree on proposed price increases Dec-10
- Mid-Year Review to Executive Committee 20-Jan-11
- Submit Performance Assessment & Adjustment Budget to Mayor & Treasury 25-Jan-11
- Consider proposed budget of municipality's entity & assess entity's priorities & objectives & make recommendations to the Board Feb-11
- 1st Draft Operating & Capital budget to Executive committee 24-Feb-11
- 2nd Draft Operating & Capital budget to Executive committee 17-Mar-11
- Draft Operating and Capital budget to Full Council (at least 90 days before the start of the budget year) 31-Mar-11
- Make public the annual budget and supporting documents and invite the local community to submit representations in connection with the budget (Publication of annual budgets) 05-Apr-11
- Commence process of consultations on tabled budget Apr-11
- Respond to submissions received from stakeholders, if necessary revise budget and table amendments for Council consideration Apr-11
- Consider approval of Annual budget (at least 30 days before the start of the budget) 03-May-11
- Information placed on website (not later than 5 days after a document is tabled in Council) 07-Jun-11
- Approval of annual budget and ensure performance agreements are Concluded 30-Jun-11

### **The IDP, The Budget & TAS**

Municipal Turn-Around Strategy was used as a guiding document for the development of plans and priorities of Business Units.

The letter from the MEC for Co-operative Governance and Traditional Affairs which commends Msunduzi for the sterling work done, has helped identify the gaps that the reviewed IDP should address.

The Business Units have submitted their Sector Plans which in turn influenced the budgeting process for capital projects during the November-December 2010 period.

The Spatial Development Framework was approved in September 2009 by Msunduzi Municipality and is being reviewed currently in line with the revised IDP to indicate spatial reference.

The visit by Ad-hoc Parliamentary Group / Parliamentary Select Committee was welcomed by all stakeholders in Msunduzi, including Councillors, Ward Committees, Unions, Non-Governmental Organisations, Pietermaritzburg Chamber of Business, SANCO and Ratepayers Associations. They were unanimous on the tremendous role the Provincial Intervention Team has been playing to turn around the Capital City into its glory, and the need for the PIT to continue until after the elections.

Provincial Sector Departments meeting took place on 3 December 2010, to align Msunduzi's plans with those of the province.

Public Participation; Ward Committees and Stakeholders consultation took place on 4 December 2010 and amongst the key priorities stakeholders raised were: Access Roads in Vulindlela, Housing, Water and Electricity in most wards. Stakeholders also highlighted the need

for the Land Acquisition Process to be fast-tracked so that land could be purchased from private land-owners for development in the Greater Edendale Area.

Umgungundlovu District IDP Co-ordinating Committee meetings are held as per the District Process Framework.

Currently we are on the verge of finalizing the Draft IDP for 2011/12.

### **Revenue Enhancement Strategy**

The Revenue Management Unit over the past six months has implemented numerous strategies to enhance revenue of the city. The following initiatives were adopted;

**Operation Pitbull** - This operation included a specialized task team with the aim of carrying out a complete audit of all services within the city. The task team uncovered numerous illegal connections, tampered meters, etc. The team was extremely successful in that they recovered approximately R40 Million of the city's revenue, which was not billed previously. This action led to increased sales in electricity and water as a once off, as well as a more effective billing for the current year and future years. In addition, the operation has largely contributed to cleansing our current database which now produces more accurate billing.

**Debtors Payment Rate** - Further to the above, since the intervention team was appointed, our debt collection levels have improved to approximately 75%. This increase is due to the adoption of more stringent credit control methods. A complete policy review is currently underway. We are reviewing the Credit Control, Indigent and tariff policies with the aim of improving revenue enhancement.

**Customer Services** – procedures are currently being reviewed to implement the Batho Pele principles to ensure customer service of the highest standard.

**Electricity Losses** – the installation of protective structures to cope with the current non-technical losses as well as the correction of network installation.

**Water Losses** – the special project on water pressure and losses

In the past two financial years, Msunduzi Municipality was only able to collect an average of 51% of its revenue relating to sales. Electricity and Water sales remain very important sources of revenue for the Municipality. The ineffective revenue management process, including metering and billing, resulted in poor revenue collection. The billing efficiency performance of 51% (debtor's payment rate) was far below the ideal standard of at least 95%. During the first 6 months of this financial year the payment rate increased from a low 51% to the average rate of 75%, more than a 20% increase.

The Municipality is also looking at increasing its debtor's payment rate from 75% to 95%. This will be achieved by reducing illegal connections and improving meter reading efficiency. Municipal meters will be moved from within the property to the boundary and placed within a protective structure, thus barring customer access and making the meter more accessible for reading. Furthermore, the internal use tariff was not cost reflective. The calculated cost suggested an average tariff which was lower than the average purchase price from Eskom.

It was essential that a team representing various disciplines in the Revenue Management process be assembled to drive an improvement in revenue recovery. Commercial and Industrial



customers were the first to be meter audited as this customer base forms the largest percentage of revenue. Hence "PITBULL" was born. The "PITBULL" operation is a stand to stand expedition which inspects municipal meter boxes for any irregularity and immediately rectifies such irregularities so that additional revenue is billed and collected. This operation has been extended through to domestic customers, and it will continue until the Municipality has a comprehensive status record of all its customers.

The Municipality is looking at improving its electrical networks by splitting and shortening cables so that technical losses will be reduced.

The Msunduzi Municipality has recently embarked on a large-scale initiative, with the assistance of the Department of Water Affairs, to reduce the high levels of water losses in its water distribution system. In this regard, the Municipality is currently implementing a number of high-impact interventions that will ensure compliance with the Presidential Directive of halving water losses by 2014. Whilst this Presidential Directive is aimed to ensure that the country's scarce water resource is protected, the continued reduction of Water Losses will directly benefit the Revenue of Msunduzi Municipality. The Municipality's Non-Revenue Water for the 2009/10 financial year was 63%, with approximately half of that figure being attributed to physical water leaks and bursts, while the other half is attributed to illegal connections and unmetered or unregistered connections, low cost housing and registered indigents. It is the intention that the total Non-Revenue Water for the Municipality will be reduced to 32% within the next five years.

Active work commenced in December 2010 after the preparation of a detailed intervention plan and it is the intention to complete the following over the next three years:

- Move towards a planned mains replacement program, initially replacing approximately 30km of pipe in those areas most regularly affected by pipe bursts
- Carry out leak detection surveys and leak repair on the entire water reticulation system at least twice a year (totally approximately 7000km)
- Reduce the maximum supplied pressure to consumers to 60m through the installation of 40 new pressure reducing valves
- Repair all leaking reservoirs and improve reservoir security
- Ensure that all key infrastructure is placed on a preventative maintenance program
- Identify and regularise all illegal connections by ensuring that all connections are metered, registered and not tampered with
- Improve the efficiency of meter readings and billing
- Undertake a comprehensive consumer awareness and education campaign targeting the responsible use of water and efficient water use habits

The first phase budget amounts to R22,1 million, R3 million of which is funded from the Department of Water Affairs and the balance from the Municipal Infrastructure Grant [MIG].

Several of the core aspects as listed above are scheduled to begin by mid February 2011.

Apart from ensuring better management of the country's scarce water resources, consumers can be assured that service delivery will improve to all residing within our boundaries. With this comes our request for the general public to help us achieve our targets through the reporting of all leaks, burst mains and illegal connections to our toll free number 0800 001868.

### **Cost Containment Strategy**

The first step in this process is to only provide for approved expenditure, thus all expenditure has to be approved by the Administrator via check processes.

In the first instance whenever an official within a department indicates their intention to purchase, the Finance Support Services Manager is approached. He / she must first ascertain if there is a budget available on the specific vote allocation and that the intended expenditure has been budgeted for. He then checks with the official if the item is a necessity and specifically intended for service delivery and ensures that the financial regulations and the MFMA are adhered to. A motivation is written on the specific form which is approved and signed by the Strategic Executive from the Business Unit who certifies that there are sufficient funds available. These applications are then brought to the Expenditure Committee which is chaired by the Executive of Expenditure. At this committee the application is extensively scrutinized. All nature of questions are asked by the members of the committee to determine if the item requested is indeed for service delivery – items such as printer cartridges, printing stationery, appliance repairs etc. are generally declined. Excessive, unnecessary and wasteful expenditure is declined. They decide on the request and inform the business unit where they can make do with alternative solutions and where they can request assistance from other departments. These forms are then forwarded to the Administrator who makes the final decision. If and when the Administrator finally approves the purchase, the applications are forwarded to Supply Chain Management where correct procedure adherence is checked. SCM then obtains quotes, checks local suppliers and existing contracts. All required Authority to Purchase is adhered to. A requisition form is manually filled in and authorized by the officials within the department and an official order is generated. No goods may be procured from a supplier without an official order. All approved suppliers are registered on the Municipal supplier database.

When the item is purchased and delivered, the invoice, goods received note and order form are sent to the Payments Department for the processing of the payment. The Creditor Clerks ensure that sufficient funds exist and that all the procedures have been followed. The final request for payment must be approved by the Chief Financial Officer, the Provincial Intervention team and finally the Administrator. All payments are processed within thirty days of invoice.

### **Supply Chain Management**

The Business Plan for the TAS of the PIT on the Supply Chain Management (SCM) has revived the update of the existing purchasing system. The intention for the purchasing system (Intenda) is to be fully automated thus removing the human element and combating manipulation. SCM personnel will receive full training on Intenda thereby adding value to the whole SCM process, the creditor's data base will simultaneously be scrutinized. It is envisaged that the fully automated process will be a reality by 1 July 2011.

Another crucial intervention was the centralization of order clerks to the SCM unit, which was necessary in order to combat irregular and wasteful expenditure under the previous decentralized system. The existing SCM policy has been revised and adopted by Council enforcing stricter controls and compliance with the Municipal Finance Management Act (MFMA) and related regulations.

In future business units will only submit online purchasing requests to the SCM Unit so that they may be dealt with professionally and in line with the new policy. No orders will be processed unless budget is available for such request. Service providers who provide services without an official order will not be paid by the municipality. Employees, who obtain services without the

proper process being followed, will become personally liable for the payment thereof. Goods received from service providers must be signed for in order to confirm delivery, such Goods Received Notes (GRN) will form the first basis for the payment of services provided and will be linked to the requisition and invoice (three way match principle).

### **Financial System**

The Outdated financial system does not provide online, integrated reporting, nor adequate Management Accounting information to enable management to analyse operating and financial performance. Continuous software changes create a very unstable information environment A System is still to be designed and implemented before the new financial year.

### **Waste Management Landfill Site Control**

It is anticipated that the New England Road Landfill Site has another 6 years of operations before closure. However, various business initiatives are being explored to extend the lifespan of the site.

### **Gas to Energy**

Business negotiations are underway to develop and install a Gas Plant to extract enough gas to energy for the next 17 years. EnerGy Systems have been contracted to develop a gas to energy process. The Gas Flaring Unit for this purpose should be installed within 2 months.

The outcome of this initiative is to generate at least R15mil per year in electricity savings.

Furthermore the settlement of the Landfill Site as a result of gas been drawn off will in increase the life span.

### **Recycling**

The recycling of reusable is imperative to extend the life span of the Landfill Site. In October 2010 a workshop was attended by various role players. As a result of this workshop various projects were identified:

- Domestic Recyclable program
- Garden Site chipping and composting
- Waste entrepreneurs creating work

The objective with these initiatives is to extend the lifespan of the Landfill Site, generate income, create work opportunities and to reduce the environmental pollution of the city.

E.g. **The Buyisa- e-Bag** initiative for the Landfill Site is aimed at

- Regulating the litter pickers on site in terms of training
- Equipping with safety equipment to deal with each situation at the site
- Developing a waste material recycling plant
- Creating job opportunities
- Creating new income for the city

## **Planning and Human Settlement**

With the introduction of the Planning and Development Act, certain delegations in respect of development applications had to be prepared for each Municipality. Msunduzi had its delegation approved and published in the Government Gazette in November 2010.

All development applications i.e. Subdivision, Rezoning, Special Consent, Removal of Restrictions in Title Deed, Road Closures and Enforcement of Contravention with respect to the Town Planning Scheme is dealt with under these delegations. All efforts will be made to ensure compliance with the requirements of the scheme. However, it must be noted that these contraventions have to follow a legal process.

Msunduzi is currently in the process of reviewing the Spatial Development Framework. The review will entail a broad consultation with the local community to comment and contribute towards a city that we are all proud of. This process will lead to the preparation of detailed local area plans for the City. The final product that will emerge in this process is a detailed site specific Land Use Management Scheme, which will prescribe the land use rights for specific properties. These land use rights can be amended to suit a proposed development subject to the submission of an application in terms of the Planning and Development Act.

The community is encouraged to participate in all planning processes which will be communicated via the ward councillor and press releases.

## **Internal Audit**

The Municipality has developed a risk management register for each business unit. The Executives will develop strategies to mitigate these risks with an aim to achieve the overall corporate municipal strategy. Managers of business units will take full responsibility for managing their risks. The Internal Audit unit will audit the implementation of controls emanating from the risk registers in order to measure the effectiveness of risk management and the prevention of fraud. Effective risk management will contribute to a favourable annual audit report.

## **Council and Committee Support**

Documentation Management and controls are deficient. This process has been introduced to ensure optimal document management in the municipality.

## **Legal Services and Legislative Compliance**

Corporate and Legal Services Management were not up to standard and a great number of by-laws were lacking as well as the enforcement thereof. Several by-laws have been adopted since the intervention and we envisage that the process will be concluded by the end of March 2011.

Contract Administration Support was inadequate and not completely supportive of the operational functions of the Municipality. An appropriate contract administration and support service has been introduced and is fully functional.

## **Human Resources Management**

The Msunduzi Municipality has gone a long way in terms of implementing the turnaround strategy which will see the restructuring of council business. Both political and macro structures have been approved with clear Key Performance Areas and Key Performance Indicators. In order to make sure that service delivery is not compromised; acting appointments had to be made.

A workshop held between senior management and Executive Councillors last week produced the desired outcomes in that there was an agreement to extend the workshop to all councillors, to afford them the opportunity to make input before the structure is brought before Full Council meeting for approval. This workshop will then be held from 24 to 25 January 2011, followed by the Full Council on 26 January 2011. It is envisaged that if all systems go, we will have the structures approved by next week.

The Municipality is busy re-aligning the micro structure to the political and macro structure with a view to speed up service delivery. It should be noted though that this is not an easy task because there are other processes like Job writing and Job Evaluation which need to be done in order to complete the task. Once all processes have been completed, the allocation of staff into the structure will then commence.

## **Marketing and Public Relations Management**

The Municipality is in the process of setting up a fully integrated Customer Care Call Centre. This initiative will ensure that efficiency in Customer service is realized, so that we maintain a healthy Customer Relationship. The process of an integrated Call Centre will happen in phases, with the first phase anticipated to be fully functional by the end of February 2011. This phase will serve customers on complaints, problems and faults reported on Electricity, Water and Sanitation, Roads and other infrastructure related issues and will be operational for 24 hrs seven days a week. All reported problems and complaints will be referenced and a reference number issued. A follow up process will unfold to ensure that the problem is tracked to a point where it is resolved, all in very good response time.

## **Information Management**

Information Technology and Systems are outdated with malfunctioning networks. Infrastructure Management was lacking whereby there was no system and security control. All systems have been evaluated and certain measures are being introduced to ensure uniformity and standardisation

## **Economic Development and Planning**

Economic Development was part of a broader Business unit called Development Services. Due to the restructuring it is now a fully focused business unit. The unit is now focussing on facilitating business opportunities through the re-establishment of a development facilitation committee which interacts directly with prospective developers.

There is now also a focus on Informal Economy and Street Trading, and specific targets have been set for the sub unit. This unit is also co-ordinating an initiative by the Municipality to clean up the City through the implementation of Municipal By-laws.

## **Conclusion**

The Provincial Intervention Team would like to thank all the residents of the Msunduzi Municipal area for their continued support. This support will not only enhance revenue collection but will also contribute to the realization of sound and uninterrupted governance which is corrupt free within the framework as set out by the MEC for Cooperative Governance and Traditional Affairs (CoGTA).