

CHAPTER 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
KPE 5.1 COMMUNICATION AND PUBLIC PARTICIPATION				
5.1.1	Profiling key service delivery issues in media and to the community	Regular press conferences and media releases	Quarterly	Quarterly Ten press conferences were held and 101 press releases were issued. Notices were published in the local newspapers inviting the public to inspect the Council adopted final version of the ninth edition of the IDP and Budget (available at municipal libraries and Customer care centres). Budget Circulars and Ward-based newsletters were developed and circulated.
5.1.2	Facilitating weekly radio slots to engage directly with the public	N/A	Weekly radio slots facilitated	Tenders evaluated & approved Tenders were evaluated and approved in respect of weekly radio slots on for three local radio stations, namely KQ FM, Kingfisher and BayFM. The Legal Services Subdirectorates is currently inspecting the contracts, and pending their approval, the weekly radio slots should be operational by the end of July 2010.

KEY PERFORMANCE INDICATOR (KPI)		BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
5.1.3	% increase in the number of hits on the municipal website (Both nationally and internationally)	N/A	10%	56.9%	Hits increased from baseline figure of 10 436 126 to 16 383 271 which equates to 56,9%. This sharp increase can be attributed to the interest in Nelson Mandela Bay as official host city for the FIFA World Cup (11 June - 11 July 2010).
5.1.4	Production of bi-monthly informative community magazine and staff newsletter	The format was under review	Bi-monthly	Bi-monthly	Tenders for the production of both publications were awarded. The first volume of Ubuntu Community Magazine (June/July 2010) was published (300 000 copies printed), while the first edition of Rise Staff Magazine (June/July 2010) was published (7 000 copies printed).
5.1.5	Audit of performance and functionality of Ward Committees	N/A	By July 2009	Target not met	The previous term of Ward Committees ended on 11 September 2009. A Ward Election Task Team was established to pave the way forward for the holding of fresh elections. On 18 May 2010, the WETT proposed that a ward committee election not be held at this time and that Ward Councillors work with the community structures in their wards until the end of the term of office of the existing Councillors.

KEY PERFORMANCE INDICATOR (KPI)		BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
5.1.6	Development of a new Ward Committee model with terms of reference	Old model exists but gaps identified	By July 2009	Target not met	The previous term of Ward Committees ended on 11 September 2009. A Ward Election Task Team was established to pave the way forward for the holding of fresh elections. On 18 May 2010, the WETT proposed that a ward committee election not be held at this time and that Ward Councillors work with the community structures in their wards until the end of the term of office of the existing Councillors.
5.1.7	Number of Ward Committee meetings held (monthly) (Ward Committee Meetings held)	256	600	72	The previous term of Ward Committees ended on 11 September 2009. A Ward Election Task Team was established to pave the way forward for the holding of fresh elections. On 18 May 2010, the WETT proposed that a ward committee election not be held at this time and that Ward Councillors work with the community structures in their wards until the end of the term of office of the existing Councillors.

KEY PERFORMANCE INDICATOR (KPI)		BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
KPE 5.2 INTERNAL CONTROLS					
5.2.1	Risk management plans in place per directorate and quarterly risk management reports submitted to the Municipal Manager and Audit Committee	Risk plans in place	Quarterly reports	Quarterly reports	A revised report on the municipality's twelve top strategic risks was submitted to the Audit Committee at its meeting held on 24 June 2010. The short-listing meeting for the Chief Risk Officer position was conducted.
5.2.2	Approval of revised and budgeted 3-year Audit Plan	Approved annual audit plan	Audit plan approved	Audit plan approved	
5.2.3	Receipt of unqualified Audit Report	Unqualified audit report received	By December 2009	Unqualified Audit Report received	
5.2.4	Operationalisation of anti-fraud hotline and follow-up on regular reports	Quarterly reports	Quarterly reports	Quarterly reports	Reports on the statistics relating to forensic/hotline cases for the periods 2008/2009 and 2009/2010 (to date) were submitted to the Audit Committee at its meeting held on 24 June 2010. These reports were in conjunction with reports on: Significant Fraud Related/ Irregularities-Matters under investigation; Unauthorised, Fruitless and Wasteful expenditure as at 31 March 2010; Forensic investigation status and capacity.

KEY PERFORMANCE INDICATOR (KPI)		BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
5.2.5	Review of anti-fraud and anti-corruption strategies	Strategies reviewed but not approved	By June 2010	Strategies reviewed	Strategies were amended to highlight revisions and re-submitted to Management Team on 05 July 2010.
KPE 5.3 LEGAL SERVICES					
5.3.1	Turnaround times for drafting of contracts	N/A	14 days	14 days	Tender for institutional Contract Management and Administration System has been advertised to improve turnaround time from 14 to 7 days. The 14 days is when all necessary documents have been submitted to Legal Services Subdirectorate; often, the delays are caused by disputes on liability clauses.

KEY PERFORMANCE INDICATOR (KPI)		BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
5.3.2	Completion of the By-law review process	By-law review undertaken and new By-laws drafted where necessary	By June 2010	By-law review process completed	<p>The following By-laws were promulgated and compiled Vol 2 and 3 of the Code of By-laws as at 30 June 2010.</p> <ol style="list-style-type: none"> 1. Air Pollution Control By-law 2. Cemeteries and crematoria By-Law 3. Health By-law for the operation of Initiation Schools 4. Municipal Health By-law 5. Noise Control By-Law 6. Prevention of public nuisance arising from keeping of animals By-law 7. Public amenities By-law 8. Waste Management By-law 9. Water & Sanitation Services By-Law 10. Advertising & signs By-law 11. FIFA 2010 By-law as amended
5.3.3	Completion of political and administrative delegation of powers	Delegation of Powers was drafted	By June 2010	Draft Delegation of Powers in place and currently under review	<p>Draft delegation of Powers in place and currently under review. The draft delegation of powers were developed and presented to Executive Mayor; however, the process could not be completed due to political instability. In addition the Acting Municipal Manager ordered the review of the already developed draft delegation of powers.</p>

KEY PERFORMANCE INDICATOR (KPI)		BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
KPE 5.4 EXTERNAL RELATIONS					
5.4.1	Development and implementation of a comprehensive project-based implementation programme with Cacadu	Areas of focus identified by joint management teams	By June 2010	Consultation Process	The target was not met since it required consensus from both Municipalities, this could not be reached on time. Discussions is still underway between and NMBM with regard to confirmation of existing areas of focus.
5.4.2	Development of a project-based implementation programme with Nxuba	Draft programme in place	By June 2010	Programme in place and is being implemented	
5.4.3	Conclusion of implementation framework for each sister city partnership	Implementation framework existed for Goteborg	By June 2010	Implementation framework is in place for active sister city partnership	
5.4.4	% adherence to the implementation framework for sister cities	N/A	100%	100%	
5.4.5	Development of protocol handbook to be provided to Councillors and Officials	N/A	By December 2009	Protocol handbook developed	Protocol and etiquette handbook was developed and workshop held with Councillors and officials.

KEY PERFORMANCE INDICATOR (KPI)		BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
5.4.6	Provision of general protocol training to Councillors and Senior Officials	External Relations underwent the 'Train the Trainer' Programme	By June 2010	Training provided to Councillors and Officials	
5.4.7	Provision of training to a core NMBM Protocol team that will engage with the LOC and FIFA 2010 Protocol teams during the 2010 FIFA World Cup	N/A	By September 2009	Training concluded	
KPE 5.5 SPECIAL SECTOR DEVELOPMENT					
5.5.1	Development and implementation of a youth children persons with disabilities gender and women empowerment mainstreaming plans	Youth, women and disability desks exist. Supply chain targets exist	By September 2009	Strategic budget interventions	A strategic budget intervention programme was undertaken focusing on special sectors. An amount of R75 million was set aside for this purpose.

KEY PERFORMANCE INDICATOR (KPI)		BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
5.5.2	Capacitation and entrepreneurial training programme of special sectors (women youth children and persons with disabilities)	N/A	By June 2010	Capacitated and trained	A strategic budget intervention programme was undertaken focusing on special sectors. An amount of R75 million was set aside for this purpose.
KPE 5.6 ICT DEVELOPMENT					
5.6.1	Existence of a functional ICT Steering Committee that meets quarterly	Functional ICT Steering Committee	Quarterly meetings	Quarterly meetings	
5.6.2	Development of a functional HR Information System	Project Kusile started but in progress	By June 2010	Target not met	(1) The final SAP- SA Review report is being finalised; (2) Users on the new system have been assigned new system roles, (dual capturing is being implemented); (3) The recommendation of the Internal Audit report is being implemented in terms of authorization, support and business continuity. (4) System handover is in progress.

KEY PERFORMANCE INDICATOR (KPI)		BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
5.6.3	Development and implementation of an ICT Strategy	N/A	By June 2010	Target not met	The ICT Strategy was developed. Implementation is lacking due to high vacancy rate in the Directorate.
KPE 5.7 FACILITIES MANAGEMENT					
5.7.1	Development of Facilities Management Strategy	Strategy developed	By September 2009	Strategy developed and conditional assessment of municipal buildings completed and being used to determine budgetary requirements annually	
5.7.2	Construction of the new Council Chambers	Investigations completed - awaiting political decision	By June 2010	Target not met	This project has been put on hold, awaiting Council approval.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION PERFORMANCE HIGHLIGHTS, CHALLENGES AND REMEDIAL ACTION

A key priority of the Municipality is good corporate governance, which underpins all its programmes and projects. As the Municipality is committed to conducting its business in an open, transparent and accountable manner, community engagement and public participation programmes form an integral part of its planning and decision-making processes. Ward-based planning processes and other outreach programmes occupy a central role in this. In terms of ward-based planning, all sixty municipal wards are required to identify ward priorities and needs of their specific ward, which then informs the Municipality's IDP and Budget.

During the previous two review periods, the institution received an unqualified audit report, to a large part thanks to the institution's emphasis on good governance. The Municipality has a three-year audit plan in place, which is reviewed annually.

The special desks for sectors such as the youth, women, children, the disabled and the elderly ensure that the issues affecting these vulnerable groupings receive priority attention.

The Municipality has a vibrant external relations programme in place, with partnerships in place with a number of overseas cities as well as cities on the African continent. These partnerships have had positive spin-offs in the areas of economic development, arts and culture, land planning and environmental management.

A growing priority for the Municipality is extending its intergovernmental programmes to ensure a joint approach to service delivery and poverty challenges. Towards this end, it has concluded agreements with neighbouring municipalities.

OVERVIEW OF EXECUTIVE AND COUNCIL FUNCTIONS AND ACHIEVEMENTS

(a) Council

The Municipality has 120 Councillors (60 Proportional Representation (PR) Councillors, and 60 Ward Councillors). The Speaker chairs Council meetings. The Council has a formal set of Rules of Order to guide proceedings during Council meetings. Council meetings are held every six weeks, but if urgent issues need to be considered, additional meetings are called.

Council meetings held during the 2009/10 financial year are reflected below.

Number of scheduled meetings	Number of actual meetings held
9	13

(b) Executive Mayoral Committee System

The Municipality has an Executive Mayoral Committee system, which consists of the Executive Mayor, the Deputy Executive Mayor and nine Mayoral Committee members.

The Mayoral Committee meetings are held fortnightly.

Mayoral Committee meetings held during the 2009/10 financial year are reflected below.

Number of scheduled meetings	Number of actual meetings held
24	18

(c) Standing Committees of Council

There are eight Standing Committees of Council, each chaired by a Mayoral Committee member, as well as Constituency Services. The Standing Committees for 2009/10 are as follows:

- (a) Budget and Treasury (scheduled 11 and 11 held)
- (b) Corporate Services (scheduled 7 and 7 held)
- (c) Economic Development, Tourism and Agriculture (scheduled 6 and 5 held)
- (d) Housing and Land (scheduled 12 and 13 held)
- (e) Infrastructure, Engineering, Electricity and Energy (7 scheduled and 6 held)
- (f) Public Health (9 scheduled and 7 held)
- (g) Recreation and Culture (7 scheduled and 8 held)
- (h) Safety and Security (8 scheduled and 6 held)

Standing Committee meetings are held every six weeks.

Standing Committee meetings held during the 2009/10 financial year are reflected below.

Number of scheduled meetings	Number of actual meetings held
67	63

PUBLIC PARTICIPATION AND CONSULTATION

Municipal decision making and planning processes are underpinned by public engagement and community consultation. During the review period, the institution ran a number of community outreach programmes, imbizos, road shows and other community outreaches in both the urban and peri-urban areas of Nelson Mandela Bay. Altogether 50 public meetings were held in the

various municipal wards and clusters. These meetings were established in consultation with ward community structures and achieved engagement with all six ward clusters, special sector forum structures, key sectors of society and other stakeholders, as well as the general public of Nelson Mandela Bay.

WARD COMMITTEES' ESTABLISHMENT AND FUNCTIONALITY

The Municipality established a Ward Committee System. However, their term ended in September 2009. Consultation with communities at ward based level is still taking place. This is facilitated through the Office of the Ward Councillors.

COMMUNITY DEVELOPMENT WORKERS PERFORMANCE MONITORING

There are 42 Community Development Workers within Nelson Mandela Bay. The Municipality has an office that liaises with Community Development Workers under the Constituency Services Office. A challenge is around the co-ordination and control as well as accountability of Community Development Workers to the Municipality. There is a need for the development and implementation of a framework on the utilisation of community development workers by the three spheres of government.

COMMUNICATIONS STRATEGY

The Municipality has a Communications Strategy in place which was revised during the 2009/10 financial year to ensure its relevancy and the full use of modern communication media.

(a) Purpose of Communications Strategy

The purpose of the Communications Strategy is to ensure that all communications initiatives in the Nelson Mandela Bay Metropolitan Municipality are well coordinated, integrated and focused.

(b) Principles of Communications Strategy

Key principles of the Communications Strategy are as follows:

- All communication should be clear, concise and easily understood.
- All communication should be timely and up to date, and reflect Council's position.
- All municipal published material should adhere to an acceptable and easily recognisable corporate identity.
- In terms of legislative tenets and the NMBM's official Language Policy, multilingualism and a high standard of language usage should apply.
- Honest and open two-way communication must be maintained.

(c) Objectives of Communications Strategy

- The establishment, maintenance, enhancement and promotion of a positive and sound relationship and mutual understanding between the Nelson Mandela Bay Metropolitan Municipality and all its target publics and stakeholders.
- Promoting quality service delivery to all residents.
- Ensuring a high level of understanding among the public regarding the role of and services provided by the Municipality; how to gain access to and efficiently use these services; as well as their own obligations and duties as citizens.
- Equipping and empowering the public with the knowledge to fully participate and engage in local government planning and decision-making processes.
- Ensuring a high level of understanding among employees and Councillors of the Council's Vision, decisions and strategic plans, as well as their own role in the realisation thereof.
- Establishing a clear brand identity for the Nelson Mandela Bay Metropolitan Municipality.

- Promoting Nelson Mandela Bay as a destination of choice amongst tourists and investors.
- Ensuring integrated service delivery across the three spheres of government.
- Anticipating and proactively planning for municipal crises.

(d) Human resources available to lead communications activities

The Communications Sub-Directorate is under the Director: Communications, supported by 15 permanent and 4 temporary staff members, plus 2 unemployed graduates, under the following units:

- Finance and Administration
- Language Proficiency
- Media Management
- Product Development
- Public Relations and Events Management

(e) Infrastructural resource available for communication activities

The Communications Sub-Directorate's Operating Budget is reflected below:

- Employee related costs = R5,9 million
- General expenditure = R2,1 million
- Communications Strategy = R7,1 million

In addition to the above, an amount of R10 million was allocated to cater for communications requirements related to the 2010 FIFA World Cup™.

The Communications Sub-Directorate has the necessary infrastructure, such as offices and electronic and other equipment, as well as a communications library, to enable it to perform its duties successfully.

(f) Progress with implementation of Communications Strategy**Media Management**

- Media releases – minimum of three releases every week
- Press conferences – at least one per month
- Media workshops – one workshop held annually
- Media monitoring – comprehensive monthly reports compiled

Language Proficiency

- Adverts and notices in the newspapers – 570
- Editing of 150 key strategic documents and writing of 42 speeches and messages

Product Development

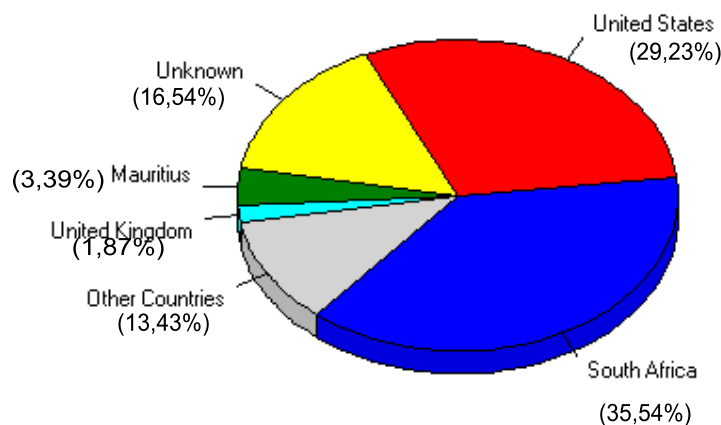
- Production of the following promotional material:
 - 4 000 000 flyers
 - 201 lamp pole posters per event
 - 8 billboards per event
 - Loudhaling and distribution of promotional material
- Branding management
- Maintenance and improvement of an official municipal website (www.nelsonmandelabay.gov.za).

The table below illustrates the increase in the number of visitors to the website, as well as the bandwidth usage.

Month	Hits	Visitors	Bandwidth (KB)
Jun 2009	4,161,724	107,588	85,728,243
Jul 2009	3,511,720	73,100	63,452,579
Aug 2009	3,597,255	69,378	72,876,626
Sep 2009	4,055,656	77,453	84,252,885
Oct 2009	3,526,560	87,640	72,366,998
Nov 2009	3,578,301	78,714	71,133,394
Dec 2009	2,849,195	66,207	61,422,570
Jan 2010	3,532,926	77,388	71,249,708
Feb 2010	3,604,638	83,952	64,155,075
Mar 2010	4,155,781	86,338	65,956,769
Apr 2010	4,322,179	95,041	74,481,440
May 2010	5,173,239	116,320	111,299,246
Jun 2010	6,887,853	180,968	189,923,329
Total	52,957,027	1,200,087	1,088,298,862

The chart below illustrates the most frequent visitors to the website per country.

Most Active Countries



Public Relations and Events Management

The 2010 FIFA World Cup™ was the focus of many public relations and events activities during the review period. Events included support rallies for Bafana Bafana and the creation of sense of “World Cup” ownership among community members, such as the Open Day at the Stadium, the Women’s Day event, Zone 365/100, Proud Host City and 2010 Feel it in the Air campaigns.

Hosting and/or exhibiting at a number of national and local exhibitions, conferences and trade shows ensured that the Municipality maintained good community relations and kept the public informed. These included the Confederations Cup, FIFA Final Draw, Tourism Indaba, Career Day, AMEU Conference and the Automotive Week.

The Public Relations Unit is in constant liaison with all municipal directorates to ensure that effective public relations related activities, communications plans and strategies and events management practices are developed and implemented. Furthermore, “Walk with Wayile” was introduced on the municipal website as a weekly Mayoral update to portray and recognize exceptional service delivery.

INTERNATIONAL AND INTERGOVERNMENTAL RELATIONS

A dedicated External Relations Unit is located in the Office of the Chief Operating Officer, which co-ordinates the Municipality’s International Relations Policy and Intergovernmental Relations Framework, which were respectively adopted on 28 March 2002 and 19 September 2007.

Quarterly Technical Support Group meetings and Premier’s Co-ordinating Forum meetings are held.

Some of the IGR meetings attended during the review period are reflected below:

- Attend the National Development Planning Forum of the Department of Local Government during 11 to 13 August 2009.
- Attendance of the Department of International Relations and Cooperation Consultative Forum on 25 August 2009.
- Inwent Workshop in preparation for hosting the 2010 Soccer World Cup 14 to 16 September 2010.
- Funeral Arrangements for Pebco 3 and Cosas 2 that took place in October 2009.
- Arrangements for the National Children's day celebrations 6 to7 November 2010.
- Arrangement of Protocol training in preparation for the 2010 World Cup on 2 to 3 December 2009.
- Attended the SALGA Governance, IGR and IR working group meeting on 18 February 2010.
- Arrangements for a visit by the Consular Corps to the Eastern Cape 16-18 March 2010.

Partnerships and their status quo:

International Partnerships

Currently there are nine signed agreements of which the following seven are active:

- Göteborg, Sweden
- Jacksonville, Florida, USA
- Ningbo, China
- Annaba, Algeria
- Wakhinane Nimzath, Dakar, Senegal

- Beira, Mozambique
- Tyne and Wear Museums, Newcastle, North East England

Göteborg

- The Göteborg Partnership is by far the most active and effective of the Municipality's partnerships. The projects concluded, focused on capacity building in the following areas:
 - Benchmarking of customer care systems within Waste Management;
 - Air quality methodologies within Air Quality Management;
 - Design of an effective environmental policy to address environmental challenges; and
 - Roll-out of youth clinics.
- Further funding has been provided to continue with projects on the following matters for 2009 – 2011:
 - Sustainable communities.
 - Environmental management.
 - Air quality management.
- Further project proposals focusing on the following will be submitted for consideration during 2010:
 - Inner-city development.
 - Sustainable communities.
 - Cultural activities between cultural houses in Göteborg and libraries in NMB.
 - Events management.

Ningbo

With regard to Ningbo, the focus is currently on agri-tourism marketing and promotional activities to position both cities as preferred destinations.

Jacksonville

Focus areas are around economic development, trade, culture, education, science and technology, environmental issues and governance.

Tyne and Wear Museums, Newcastle, North East England

The focus is on museums, culture, heritage and visual arts.

African cities

The focus in partnerships on the African Continent is on the provision of support and capacity building in various focus areas.

Annaba, Algeria

In terms of the partnership with Annaba, Algeria, a working visit was undertaken in June 2009, in which business representatives from the Metro participated. This culminated in an agreement to sign an MOU between the business sector in Annaba and the local business sector in Nelson Mandela Bay. The Municipality was requested to provide expertise and assistance in the area of energy efficient street lighting. In this regard, a financial and technical model has been developed and a technical working visit will be undertaken to Annaba in the first quarter of 2010 to discuss the model. A representative from the Central Energy Fund and a local service provider will participate in the visit to test the model.

Wakhinane Nimzath, Dakar, Senegal

The focus of this partnership is to provide support and capacity development to Wakhinane Nimzath.

Beira, Mozambique

The focus of this partnership is on infrastructure, engineering, waste management and environment, town planning and tourism.

Dutch Partnership - Stichting Steun NMB

This partnership is currently inactive.

Lobatse, Botswana

This partnership is currently inactive.

Intermunicipal Partnerships

A key priority for the Municipality is to share experiences, knowledge and support with its surrounding municipalities. In this regard, the Municipality has concluded partnerships with Nxuba and Cacadu as well as a co-operative arrangement with the Sunday's River Municipality. Salient points regarding these partnerships are provided below.

Nxuba

- The MOU between the NMBM and the Nxuba Municipality was signed in Nelson Mandela Bay on 17 November 2006, with a view to promote and facilitate intergovernmental relations between the two municipalities on matters of mutual interest including information sharing, best practices and capacity building and, more particularly, in the following areas:
 - Human resources development
 - Economic development and agriculture
 - Infrastructure and engineering
 - Sport, recreation and culture

- Environment and health services
 - Legal and corporate affairs, and
 - Any other matter of strategic importance, which affects the interests of the parties.
- Subsequently, the Municipality provided support with regard to electricity and energy challenges.
- On 25 February 2009, a technical visit was undertaken to the Nxuba Municipality to establish challenges and potential areas of support.
- It is anticipated that an agreement will be reached early in 2010 on the nature of the support and implementation of a framework.

Cacadu

- An agreement on friendship and cooperation with the Cacadu Municipality was signed on 17 November 2006, in terms of which the focus will be on the following matters:
 - The exchange of experience and knowledge on the different aspects of local government administration.
 - The development of co-operation in economic development and tourism. This will focus on encouraging co-operation between the business communities, especially medium- and small-sized businesses, of both local government entities.
 - The promotion and support of mutually beneficial infrastructural development.
 - Any other matter of strategic importance that affects the interests of both municipalities.
 - International relations, for mutual benefit.
- In August 2008, with the support of GTZ, the two institutions developed a co-operative action plan to promote development. The areas of focus are:

- o Agriculture and agro processing.
- o Spatial development and land use management.
- o Institutional capacity and shared services.
- o Transportation and strategic infrastructure.
- o Urban regeneration and CBD renewal.
- o Strategic partnerships with higher education institutions.
- o Regional branding and marketing.
- o Strategic development.

Discussions on the development of an implementation framework are continuing.

Furthermore, the Nelson Mandela Bay Municipality, the Cacadu District Municipality, the Sunday's River Municipality and the Provincial Government went on a joint information gathering visit to Thailand and China in October 2006. Subsequent to the visit, Ningbo donated two tractors to the Sunday's River Municipality to use in their community agriculture projects.

In May 2008, the Cacadu District Municipality attended the annual Ningbo Tourism Festival, together with Nelson Mandela Bay Tourism. The Partnership cities were invited to showcase their tourism products, for mutual benefit.

LEGAL SERVICES

The Municipality has a functional Legal Services Unit under the Chief Operating Officer supported by 14 permanent and 1 temporary staff member.

Key functions of Legal Services include:

- Legal advisory services
- Property legal services
- Claims, collections and litigation services

- Labour law advisory services
- Contract management
- Legislative compliance and legal educational services

Performance with regard to the provision of legal services is reflected in KPE 5.3 in the table on page 154.

A new and more representative legal panel is in place, which ensures the more equitable distribution of legal work.

Statistical information on the matters handled by the Legal Services Sub-directorate are detailed below.

(a) Claims

- Public liability claims : 56

Public liability claims were mainly as a result of open man holes, uneven pavements, use of public facilities such as swimming pools and parks.

- Motor vehicle insurance claims : 131

Motor vehicle claims emanate from motor vehicle collision involving municipal vehicles initiated by third parties. The Municipality also counter claims against third parties for damages made to municipal property.

- Damages claims :52

Damage claims normally involve movable and immovable property. They result mainly out of actions of contractors damaging underground cables.

(b) Litigation

- Litigation cases : 92

- (c) Contract management and legal compliance
 - Contracts drafted and vetted : 79
- (d) Corporate governance
 - Unauthorised land use
 - Breach of NMBM zoning schemes : 119
 - Access to information (PAIA)
 - Requests for information : 39
 - By-laws
 - Volume 1 of the Municipal Code was constituted.
 - By-laws developed : 10
- (e) Labour law related matters
 - Labour law matters referred to Legal Services : 112

AUDIT OPINION FROM OFFICE OF THE AUDITOR-GENERAL

The progress of the Municipality with regard to the audit opinion received from the Office of the Auditor-General is reflected below:

FINANCIAL YEAR	2006/07	2007/08	2008/09	2009/10
Opinion	Qualified opinion (with 1 qualification)	Unqualified opinion	Unqualified opinion	Unqualified opinion

AUDIT COMMITTEE FUNCTIONALITY

The Audit Committee comprises four external members: Prof D Rosenberg (Chairperson); Ms R Landman-Shaw; Mr K Pather and Mr R Ortlieb. The previous Chairperson of the Audit Committee, Mr ZG Zamisa resigned with effect from 31 May 2010 and Messrs Pather and Ortlieb joined the Audit Committee from 21 June 2010. As required by the Audit Committee Charter, four meetings were held during the year (on 30 September 2009;

27 November 2009; 26 March 2010; and 24 June 2010). The external members achieved a 92% attendance rate. Administrative support to the Audit Committee was provided by the Internal Audit and Risk Assurance Division.

A total of 13 resolutions emanated from the meetings of the Audit Committee for the four quarters. All resolutions were addressed either administratively or through actions/submissions by relevant directorates.

Issues of concern raised by the committee during the year included:

- The implementation of formal institutional risk management processes and the extent to which serious instances of fraud and corruption are being addressed by the Municipality.
- The Audit Committee not being consulted on matters relating to the suspension and investigation of top officials;
- The number of deviations from the Supply Chain Management Policy;
- Anticipated costs and shortfalls with regard to the Nelson Mandela Bay stadium;
- Poor attendance of Audit Committee meetings by Executive Directors and Senior Managers;
- The ability of the municipality's Information Technology Systems to be supportive of risk management and to avoid possible abuse and fraud of municipal assets;
- The potential risk of organised businesses taking the Municipality to court over the loss of business and profits as a result of the delays in the construction of the Bus Rapid transport system;
- Risk management;
- The addressing of issues that may result in a qualified audit report;
- Delays in finalisation of some forensic cases and the need to improve internal capacity to handle these matters expeditiously.

INTERNAL AUDIT

In terms of the 2009/2010 Internal Audit Plan, Internal Audit and Risk Assurance planned to complete 39 internal risk based audits (including ADHOC assignments) relating to the 2009/2010 year. A total of 32 internal audits were completed. The remaining 7 internal audits are at an advanced stage of completion. All audit reports were submitted to the Audit Committee at the quarterly Audit Committee meetings during the year under review.

ANTI-CORRUPTION STRATEGIES

The Council has anti-fraud and anti-corruption strategies in place, which were reviewed during the year with input from National Treasury. The reviewed strategies were tabled at a Mayoral Committee meeting and are currently undergoing further consultation.

In the course of the 2009/2010 financial year, 83 new cases were reported, either via the Anti-fraud Hotline or directly to Internal Audit. Thirty cases reported during the previous financial year were still under investigation. A total of 10 cases reported during the 2009/10 financial year were concluded by 30 June 2010. Challenges in investigating the reported suspicions of fraud included the lack of specific and accurate information as well as limited internal resources to deal with the increasing case demand.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The Municipality's ICT Strategy, which was developed by the Information and Communications Technology (ICT) Steering Committee, provides the documentary framework within which the information systems infrastructure of the Municipality may be developed and expanded to meet the current and future demand for ICT facilities and decision-supporting information.

In the review period, the Municipality spent R5 490 860 on the development of application software to support service delivery, primarily in the area of financial systems, with emphasis on the Stores & Creditors System and the

General Ledger System. In particular, the Municipality was able to implement the Componentization of Fixed Assets, as required by National Treasury, on time.

Slightly more than R14 million was spent on information technology infrastructure, primarily on the provision of additional data storage capacity to accommodate the vast increase in data required by the Componentization of Fixed Assets, and the implementation of further phases of the "Voice-over Internet Protocol" telephone system. Various upgrades to the network and the main application servers were also undertaken to ensure that the information processing capacity matches user demand.

GEOGRAPHICAL INFORMATION SYSTEM (GIS)

GIS within the NMBM has grown and continues to grow at a substantial rate as all users on the network have access to the GIS web application namely, CorpGIS. This is evident from the statistics that indicate that the number of users have approximately doubled over the past year. The current GIS environment is stable and the data is being maintained and kept up to date albeit via manual processes. A key project that will have a significant impact on the NMBM as a whole is Project ILIS (Integrated Land Information System), which commenced in November 2009. The project involves developing and implementing automated workflows and improved business processes that will enhance all aspects of land management. Essentially, Project ILIS will become the master of all property information from where it will be deployed to other applications that require property information such as the Billing System, Lamacs (Municipal Land Asset Management System) and Value Assist (Valuation System). In addition to integrating the existing systems, new applications will be developed as part of Project ILIS which include a building plans management system and a housing delivery management system. To ensure that Project ILIS is sustainable, a support structure has been identified and will need to be implemented before the project concludes in October 2012.

OPERATIONAL EFFICIENCIES

The Municipality established an Operational Efficiencies Task Team, comprising the Office of the Chief Operating Officer, the Budget and Treasury Directorate and the Corporate Services Directorate, tasked to identify areas of wasteful expenditure, develop intervention strategies, and monitor the implementation thereof. This Task Team reports to the Municipal Manager.

In the year ahead (2010/11), the Municipality will:

- Review and strengthen the Municipality's anti-fraud and anti-corruption strategies and its investigation capacity.
- Strengthen risk management.
- Review and strengthen the Municipality's external relations programmes.
- Develop an integrated comprehensive approach and review of structures and programmes on special sectors.
- Pursue all intergovernmental challenges in the Metro together with the Provincial and National Government.
- Lobbying with the provincial government for the integration of the work of Community Development Workers into municipal programmes and activities.
- Developing and implementing a comprehensive strategy and programme to enhance the functionality of the Ward Committee system.
- Implementing to customer care system and model.
- Developing and implementing an action plan to deal with issues raised in the Auditor-General's Report and provide quarterly progress reports.
- Developing and implementing a comprehensive capacity building programme for Councillors.
- Developing and implementing a community capacity development and education programme to inculcate a sense of civic responsibility.

SPECIAL CROSS-CUTTING PROGRAMMES

The Municipality's performance in respect of cross-cutting issues are reflected in the table below.

KEY PERFORMANCE INDICATOR (KPI)		BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
6.1 MURP					
6.1.1	Mobilisation of funding for the construction of Motherwell Thusong Service Centre	R 40.5 million	R 46 million	R12,5 million	Funding has been secured from National Treasury in the amount of R12,5 million for the Motherwell Thusong Service Centre.
6.1.2	Construction of the Motherwell Thusong Service Centre	N/A	By June 2010	Target not met	Funds were not secured, and all secured funds were not placed into the coffers of the NMBM. The target was unrealistic (over estimated) i.e. on a budget of R46.2 million to spend R4 million per month on a limited building site was an impossible task by one contractor and consultant. Original project completion date according to Consultant's progress report is November 2010. A zero-rating of contractor's invoices by Principal Agent also led to temporary delays in construction.
6.1.3	Construction of Ikamvelihle pedestrian bridge to reduce accident road death	N/A	By June 2010	Bridge is 85% complete	Bridge is under construction and is 85% complete. Works have been suspended in terms of FIFA agreement - no construction work on major routes during world cup.

KEY PERFORMANCE INDICATOR (KPI)		BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
6.1.4	Construction of Nelson Mandela Peace Park	N/A	By June 2010	Target not met	Consultant was appointed; and the final designs were completed and contractor was appointed. Project was put on hold due to the FIFA 2010 WC, as it was anticipated that the park would be used for the local community to experience the atmosphere of the event.
6.1.5	Finalisation of Motherwell Signage Project	N/A	By June 2010	Target not met	The Project encountered start-up delays due to unforeseen needs verification of field workers information before project commencement. Furthermore, there was a need to consult with property owners prior to the implementation of the project, this caused additional delays. Consultant was appointed and design and planning work has now been undertaken.
6.1.6	Establishment of Motherwell Golf Course	N/A	By June 2010	Target not met	Delays were encountered due to the non-availability of a suitable site, EIA approval and the outcome of the Feasibility Study, which was not convincing. A Feasibility Study will now be completed (undertaken) to determine if the project is feasible taking into account PMBOK (Project Management Book of Knowledge) considerations.

KEY PERFORMANCE INDICATOR (KPI)		BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
6.1.7	Development of Addo Tourism Corridor Business Plan	N/A	By December 2009	Target not met	The instability with MURP in respect of the appointment of a Coordinator and a Physical Cluster Coordinator caused delays in various projects, of which the development of a Addo Tourism Corridor was one of them.
6.1.8	Development of Community Public Participation Structure	N/A	By July 2009	Target met	This was launched in February 2009. A follow-up workshop was held in November 2009, which SPD facilitated.
6.2 HURP					
6.2.1	Number of local contractors capacitated	N/A	10	8	
6.2.2	Number of community members trained	0	225	235	
6.2.3	Upgrading of infrastructure Construction of Multipurpose Community Centre	N/A	Construction Multipurpose Centre	Target not met	Detailed design completed. Tender delay as sub-division and rezoning of site approved on 4 June 2010. Tender advertised on 8 September 2010. Tender to be evaluated on 15 December 2010.

KEY PERFORMANCE INDICATOR (KPI)		BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
6.2.4	Development of a crime prevention strategy for Helenvale	N/A	By June 2010	Strategy developed and implemented	Strategy developed. Aspects thereof are already being implemented. Other aspects are subject to further consultation by stakeholders and community.
6.2.5	Number of new public park areas upgraded	N/A	6	0	0 parks upgraded. Upgrade of parks have been integrated with the developed Helenvale Community Precinct. Detailed design have been completed. Tender documents have been completed. Tender to be advertised in July 2010.
6.3 2010 FIFA World Cup					
6.3.1	% adherence to the 2010 Host City Agreement	100%	100%	100%	SANRAL ruling did not allow for the type of advertising as required at the city gateways.
6.3.2	Number of fully functional workstream meetings held	N/A	3 meetings per quarter	Target met	A total of 25 meetings were convened between 01 April 2010 and 30 June 2010: April 2010 = 2, May 2010 = 8, June 2010 = 15.

KEY PERFORMANCE INDICATOR (KPI)		BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
6.3.3	Number of facilities upgraded as training venues according to FIFA standard	Gelvandale Stadium: Contractor on site, NMMU and Zwide are identified but no construction	3	2	Gelvandale Stadium upgraded to FIFA standard to the cost of R65 million. Nelson Mandela University upgraded to FIFA standard to the cost of R2 million. Zwide Stadium was upgraded under the guidance of EDRS Directorate.
6.3.4	Number of flagship events hosted	2 (Open day General Public, Southern Kings XV Rugby Team vs British/Irish lines)	2	8	Events hosted for 2009/2010 year: Premier Football challenge - 4 teams - 4 July 2009 Vodacom Challenge - Chiefs v Pirates - 23 July 2009 Brazilian Legends v Bafana Bafana Legends - 9 August 2009 - National Women's Day Highway to Africa - 400 African Journalists - 6 September 2009 Bafana Bafana v Japan - 14 November 2009 Bay United v Korea Republic - Practice match for 2010 FWC Official Opening including plaque unveiling - 28 February 2010 Orlando Pirates v Gaborone United - 28 February 2010.
6.3.5	Appointment of fan park operator	Stadium operator appointed	By August 2009	Target met	Magnetic Storm (Pty) Ltd appointed as the fan park operator.

KEY PERFORMANCE INDICATOR (KPI)		BASELINE	TARGET 2009/10	ACTUAL 2009/10	EXPLANATION OF VARIANCE / COMMENTS
6.3.6	Development of a 2010 Soccer Development Programme	Linked to contract of stadium operator	By August 2009	Target met	Development Programme included: SAFA level 1 coaches course: 28 certified, 20 trained not yet certified SAFA level 1 referees course Support of National Juniors Tournament during July 2009 and July 2010.