

Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

T 3.24

3.24 EXECUTIVE AND COUNCIL

This component focuses on the Executive Office, including the Executive Mayor, councillors and the City Manager.

INTRODUCTION TO EXECUTIVE AND COUNCIL

The focus over the past years has been on delivering basic social needs and housing. In spite of the remaining backlogs, major strides have been made in this regard. However, there still remains a huge challenge in terms of ensuring that the Institution does not just deliver houses and services but creates integrated and sustainable settlements.

During the 2013/14 IDP review one of the key strategic objectives of the Institution has been **“to deliver sustainable infrastructure that support social and economic development”** Priority has been on the upgrading of sewer treatment works, electrification and road maintenance, to meet the needs of the expanding human settlements. The projects below are key infrastructure projects that were implemented in during 2012/13 FY in response to the above objective.

Key Projects	Original Budget	Adjustment Budget	Expenditure
Electrification	30,000	30,000	27,024
Quinera Treatment Works		31,719	29,453
Mdantsane Roads	60,000	60,000	47,629
BCMM Roads Upgrade	30,000	30,000	20,471
Gonubie Main Road	15,000	45,000	44,885

T 3.24.1

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Employees: The Executive and Council					
Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		28	24	4	14%
4 - 6		72	61	11	15%
7 - 9		46	35	11	24%
10 - 12		18	18	0	0%
13 - 15		8	8	0	0%
16 - 18		11	11	0	0%
19 - 20		0	0	0	#DIV/0!
Total		183	157	26	14%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T 3.24.4

Note: T3.24.4 includes the GIS and the SPU offices

Financial Performance 2012/2013: The Executive and Council					
R'000					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	4 266	4 685	31 341	225	-1983%
Expenditure:					
Employees	81 264	93 388	95 114	62 147	-50%
Repairs and Maintenance	2 103	2 693	2 693	1 167	-131%
Other	118 670	158 452	207 713	101 265	-56%
Total Operational Expenditure	202 037	254 534	305 520	164 579	-55%
Net Operational Expenditure	197 771	249 848	274 180	164 355	-52%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.24.5

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Capital Expenditure 2012/2013: The Executive and Council					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	4 500	4 031	586	-668%	
Councillors Office Furniture	-	1 792	424	100%	1 792
Back up Generator-City Hall	1 500	1 500	-	#DIV/0!	1 500
Upgrading of City Hall	3 000	-	-	#DIV/0!	2 000
Garcia Flats Fencing	-	459	-	#DIV/0!	459
Camera System, TV & Speakers	-	81	71	100%	81
Asset Replacement : Laptop - A12/96	-	10	-	#DIV/0!	10
Asset Replacement - Desktop Computer - A12/101	-	10	-	#DIV/0!	10
Asset Replacement Laptop - A12/57	-	10	7	100%	
Computers (MPAC)	-	50	-	#DIV/0!	50
Furniture (MPAC)	-	100	66	100%	100
Recording System (MPAC)	-	20	17	100%	20
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<i>T 3.24.6</i>

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The following measures were undertaken to improve performance:

Institutional Arrangements

The Enterprise Project Management Office was established in November 2012 for the purpose of enhancing project governance, project planning, project pipelining, monitoring and reporting.

Supply Chain Management

The Bid Committees System of the Metro was reviewed and restructured and an appropriate delegation system developed, which started in March 2013;

Since March, the number of tenders awarded increased significantly, which increased spending by 50% by the end June 2013.

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Project Management

The Metro introduced the following Project Management systems:

- Project Tracker
- E-Procurement
- Electronic Document Management System

BCMM embarked on a process of multi-year budgeting in order to ensure realistic utilization of the budget within each financial year.

T 3.24.7

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

T 3.25.1

Revenue Management

During the financial year a Revenue Enhancement Strategy (RES) was developed and implementation was initiated. Key focus areas in the RES include:

- Updating and correcting billing data for each account holder;
- Enhancing business processes so as to ensure that improvements to existing properties are valued and that billing records are updated accordingly;
- Regular and accurate water and electricity meter readings, so that the correct consumption can be billed;
- The minimisation of meter reading estimates
- The timeous resolution of billing related queries
- The enforcement of debt collection action
- Obtaining customer related data though new service agreements

Consolidated Billing

During the Financial year a fixed meter reading roster was developed, implemented and advertised in the local media, which indicated the dates on which the meter readers would read meters in the various areas within the City.

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Additional resources were put in place to focus on meter reading, meter exception auditing and accounts processing in order to increase the accuracy of meters read and accounts produced.

Counter Services

The following projects were undertaken during the Financial Year:

- Updating of the Service Agreement (rates and services) project
- Registration / verification of the existing indigent consumers.
- Measures taken to improve performance

As part of the Integrated Development Plan two deliverables were identified:

- To revise the existing Service Agreement (SA) document and ensure that there is an SA between BCMM and its customers. For the current financial year, 50,000 service agreements were targeted for completion. In total, approximately 159,000 SA's are required.
- To validate the Indigent Register that is in operation

It was determined that both these projects could be performed concurrently when fieldworkers are deployed to interact with consumers. Fieldworkers have been decentralised according to areas, to ensure quicker completion and collection of the required information on the service agreements. As envisaged, 28 fieldworkers and 10 data capturers were required to perform tasks for the two projects. It was envisaged that the existing 8 data capturers employed by Debt Management would be utilised to update the information recorded in the system. The infrastructure and information technology resources to support the data capturers have been improved. The 2 projects are managed from within the Revenue Management Department.

Valuation and Rates

Priorities and impact made during 2012/13

- Valuing and rating of all properties within the BCMM boundaries and updating the valuation roll by conducting regular supplementary valuations;
- Measures taken to improve performance; and
- Two supplementary valuations are performed each financial year.

Debt Management

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The priorities of the Department were to increase the collection of debt and to reduce the debt book. Due to the continued efforts of the Debt Management Department, BCMM maintained a healthy cash flow during the year. The following highlights are noted:

- The Collection Ratio improved monthly and targets were met;
- Letters were issued to consumers prior to the blocking or disconnection of services, which had a positive impact on the collections;
- Debt collection actions in the form of disconnections and blocking of electricity were increased and had a positive impact on collection;
- 8,596 accounts to the value of R39,362,432 were subjected to the legal collection process as debtors did not respond to the disconnection and blocking action.
- Write-offs to the total value of R70,573,936, as approved by Council, were processed, which resulted in the reduction of the debt book.

Measures taken to improve performance

- Implementation of the Revenue Enhancement Strategy, specifically to enforce the debt collection action.
- Implementation of the expanded Debt Management Operations.
- Implementation of the Outbound Call Centre Function.
- Stricter enforcement of the Credit Control Policy.
- Increased disconnection of electricity meters and hand-over of debt to collection agents.
- Implementation of the Debt Book Analysis findings to clean the debt book by writing off irrecoverable debt.
- Synchronization of the prepayment meters on the prepayment system to the financial system.
- Analysis of returned mail resulting in rectification of postal addresses.
- Updating of consumer data, to ensure that credit control action in the form of telephone calls, SMS notification and letters are successful.
- Inspection of electricity meters to prevent and minimize tampering.

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Debt Recovery							
R' 000							
Details of the types of account raised and recovered	2011/2012 (2011/12)		2012/2013 (2012/13)			2013/2014 (2013/14)	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	R538,651	82.83%	R584,335	R584,335	85.93%	R633,894	Not Available
Electricity - B	Combined	Combined	Combined	Combined	Combined	0	Not Available
Electricity - C	846,021	88.51%	926,698	926,698	88.32%	R1,015,068	Not Available
Water - B	Combined	Combined	Combined	Combined	Combined	0	Not Available
Water - C	R277,525	68.13%	R301,658	R301,658	71.62%	R327,890	Not Available
Sanitation	R220,365	73.15%	R242,029	R242,029	74.39%	R265,823	Not Available
Refuse	R200,077	57.10%	R208,660	R208,660	62.12%	R217,611	Not Available
Other	R107,356	52.85%	R116,613	R116,613	55.36%	R126,668	Not Available

B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.

T 3.25.2

Employees: Financial Services					
Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		87	69	18	21%
4 - 6		164	132	32	20%
7 - 9		86	70	16	19%
10 - 12		46	41	5	11%
13 - 15		7	7	0	0%
16 - 18		6	6	0	0%
19 - 20		3	3	0	0%
Total		399	328	71	18%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

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Financial Performance 2012/2013: Financial Services					
R'000					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 162 767	1 436 417	1 436 417	1 267 085	-13%
Expenditure:					
Employees	80 150	98 438	99 402	65 383	-51%
Repairs and Maintenance	1 184	2 065	2 065	899	-130%
Other	148 149	189 593	168 073	84 635	-124%
Total Operational Expenditure	229 483	290 097	269 541	150 917	-92%
Net Operational Expenditure	(933 284)	(1 146 320)	(1 166 876)	(1 116 168)	-3%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
<i>T 3.25.5</i>					

Capital Expenditure 2012/2013: Financial Services					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	32 600	5 871	2 243	-1353%	
Laptop - N.S. Kati (D. Odendaal)- A12/58	-	22	22	100%	25
Laptop - R. Krug - A12/67	-	22	22	100%	37
Asset Replacement : Desktop Computer - A12/92	-	10	-	#DIV/0!	10
Asset Replacement ; Desktop Computer - A12/79	-	8	8	100%	8
Office Furniture - Revenue Management	1 351	1 501	1 423	5%	3 100
Computer Equipment - Revenue Management	1 249	952	731	-71%	3 000
General Valuations	29 000	-	-	#DIV/0!	-
3x Desktop Computers- A12/64	-	23	23	100%	25
2x Desktop Computers- A12/63	-	15	15	100%	17
Pre-Payment Vending Machines	1 000	-	-	#DIV/0!	2
Insurance Asset Replacement	-	3 318	-	#DIV/0!	11 039
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					
<i>T 3.25.6</i>					

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3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources Department falls under the Directorate of Corporate Services and performs the following human resource support functions to line management:

- Organisational development
- Payroll and benefits administrators
- Recruitment and selection of staff
- Employee relations management
- Talent management
- Staff development
- Occupational health and safety
- Employee wellness
- Employee performance management

BCMM has encountered challenges in the following areas during the financial year 2012/13:

- Recruitment could not be actioned for all vacant posts as BCMM is undergoing an organisational restructuring process. Line management has, however, identified critical service delivery posts and recruitment has been actioned for such identified posts.
- Disciplinary management is a challenge in that hearings are not being finalised timeously as per the Disciplinary Code. This is caused by a variety of factors inclusive of the unrealistic time-limits specified in the disciplinary code. In order to address this, an Employee Relations Improvement Project is being initiated, whereby additional capacity is being provided to the Labour Relations Section with a view to finalising all outstanding disciplinary hearings.

T 3.26.1

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SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

The Human Resources Department provides human resources support services to Council and all line departments in BCMM. HR thus services 100 Councillors and 5,000 staff members.

T 3.26.2

Employees: Human Resource Services					
Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		14	14	0	0%
4 - 6		58	51	7	12%
7 - 9		17	16	1	6%
10 - 12		26	21	5	19%
13 - 15		4	4	0	0%
16 - 18		2	0	2	100%
19 - 20		1	1	0	0%
Total		122	107	15	12%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T3.26.4

Financial Performance 2012/2013: Human Resource Services					
R'000					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3 250	5 371	4 776	407	-1221%
Expenditure:					
Employees	38 424	69 926	66 477	28 242	-148%
Repairs and Maintenance	62	430	430	53	-710%
Other	28 860	33 521	33 016	29 719	-13%
Total Operational Expenditure	67 346	103 877	99 923	58 014	-79%
Net Operational Expenditure	64 096	98 507	95 148	57 607	-71%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.26.5

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Capital Expenditure 2012/2013: Human Resource Services					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2 500	3 124	681	-267%	
3x Desks: A11/45	-	5	4	100%	5
Laptop : A12/13	-	7	7	100%	7
Electronic Attendance Control System	2 500	2 500	-	#DIV/0!	5 000
Laptop : A11/29	-	7	7	100%	7
Asset Replacement : CPU & Screen - A12/62	-	11	9	100%	11
Office Furniture	-	225	144	100%	225
Computer and Software	-	370	511	100%	370
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<i>T 3.26.6</i>

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The primary project for 2012/13 was the electronic attendance control financial system.

Due to the high rate of absenteeism and excessive overtime claimed by BCMM staff, Council resolved that stricter controls should be introduced to curb this abnormal practise. Both the Internal Auditor and Auditor General have raised concerns regarding absenteeism and overtime at BCMM. The Biometric Electronic Attendance Control System is to address the following:

- Absenteeism in the workplace.
- Monitoring of overtime.
- Physical security in the buildings.

T 3.26.7

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3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services and Geographical Information Systems (GIS).

INTRODUCTION GEOGRAPHIC INFORMATION SYSTEMS (GIS) SERVICES

Geographical Information Systems (GIS) is interdependent on adequate hardware and networks provided by the ICT department. As the GIS system is accessible to the metropolitan users, uptime is critical in the provision of real-time, accurate, spatially related data. Currently the GIS system operates on a SQL server (2008) platform using ESRI ArcGIS for desktop, web applications, extensions and database management. The GIS core application includes GISTEXT which was accessed by 298 users during the 2012/2013 period, with a total of 109,363 logins and 247,213 hits on the GISTEXT intranet site. Spatial data is foundational to the management of assets, planning and analysis, operational awareness and field operations. Although not all departments have GIS capacity, the GIS unit has been incorporated into the ISDG programme whereby five GIS interns have been appointed to take part in the programme. The ISDG provides registration with the professional body (PLATO) and obtains mentoring and supervision within the GIS unit. All five GIS interns have been registered with PLATO as GIS Technicians-in-Training. They will provide the GIS professional capacity within the Metro to enhance service delivery.

INFORMATION MANAGEMENT AND TECHNOLOGY

The ICT division is responsible for providing information management and technological support. Key functions of the ICT division are:

- The provision of all software application support to the Municipality.
- The design of a management system and tool to track service delivery and customer satisfaction.
- The sourcing and dissemination of information (research).
- The implementation of sound IT governance principles and policies supported by the appropriate IT governance structures.
- The provision and support of computer hardware and software to the municipality.
- The setting up, support and improvement of the IT systems.
- The development of an integrated IT plan and budgeting process.
- The development and implementation of user allocation policies and all IT policies.

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- The development of a knowledge and process management system to support strategic planning and economic development.
- The provision of support to customer call centres.
- The provision of user education to staff and councillors.
- The provision and upgrade of an informative and accessible interactive website.
- The establishment and facilitation of community access to the municipality through interactive internet participation. . The provision of a help-desk.
- The development and implementation of council's information management and technology strategy.

T 3.27.1

SERVICE STATISTICS FOR ICT SERVICES

The ICT unit received 282 requests for:

- Desktop / Laptops
- Smart tabs / Smart Phones
- Network Access
- Telephone
- 3G / Wifi
- Printers / Scanners / Copiers / Fax
- Applications
- Technology

They responded to a total of 730 incidents, which related to challenges with:

- Network
- Desktop / Laptops
- Electronic Mail
- Applications

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- Storage
- Data Recovery
- Security
- Printers
- Telephones
- Smart Tabs

ICT PROJECTS

The following ICT projects were undertaken during the period under review:

ICT Infrastructure Network – This included the improvement of the BCMM Network, in order to stabilise the data network with quality of services, and the upgrade of Wireless Network in order to improve efficiency.

ICT Disaster Recovery - Offsite Data storage for business continuity and ensuring secured BCMM data. ICT Disaster Recovery increases reliance on BCMM electronic data and minimising the risks of failures in supporting systems.

Enterprise Resource Planning - The Financial System was enhanced with centralised data. The system enables the Municipality to function promptly, which will improve the service delivery to the ratepayers. The municipality is able to focus on new business opportunities. This will also assist in improving access to information.

The following **ICT Systems Improvements** were undertaken:

- Supply Chain Management System
- Electronic Fuel Management System
- Debt Management System
- Time Attendance Biometric System
- Antivirus / intrusion detection System
- Meter Reading System

T 3.27.2

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ICT Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2011/2012		2012/2013			Target		
		Target	Actual	Target		Actual	Target		
		*Previous Year (2010/11) (iii)	2011/2012 (iv)	2011/2012 *Previous Year (v)	*Current Year (vi)	*Current Year (vii)	2013/14 (viii)	2014/15 (ix)	2015/16 (x)
Service Objective – Good Governance									
Improve communication with BCMM communities & beyond	2012 Aerial Photography on the intranet				50% server upgrade	50%, server space upgraded and correction for the ESRI GRID files to be done by 17/07/2013			
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2011/2012 Budget/IDP round; **Current Year' refers to the targets set in the 2012/2013 Budget/IDP round. ***Following Year' refers to the targets set in the 2013/2014 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>									

T 3.27.3

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Employees: ICT Services					
Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		2	2	0	0%
4 - 6		4	3	1	25%
7 - 9		1	1	0	0%
10 - 12		17	11	6	35%
13 - 15		1	1	0	0%
16 - 18		1	1	0	0%
19 - 20		0	0	0	#DIV/0!
Total		26	19	7	27%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T3.27.4

Note: the GIS office is included in T3.24.4 and is not reflected here

Financial Performance 2012/2013: ICT Services					
R'000					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	#DIV/0!
Expenditure:					
Employees	10 330	12 605	12 343	7 613	-66%
Repairs and Maintenance	3 987	4 271	4 271	3 285	-30%
Other	7 162	16 620	16 880	5 655	-194%
Total Operational Expenditure	21 479	33 496	33 494	16 553	-102%
Net Operational Expenditure	21 479	33 496	33 494	16 553	-102%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.27.5

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Capital Expenditure 2012/2013: ICT Services					
R' 000					
Capital Projects	2012/2013				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	30 100	32 479	20 634	-46%	
Councillor's IT Requirements (Laptops)	-	109	29	100%	109
IT Systems (Asset management , SCM, Budget forecasting and Modelling, Demand Management System, Fuel Management System and Stock Coding System, Debt Management System)	20 000	19 986	14 712	-36%	64 500
IT Infrastructure Network	4 600	4 600	139	-3216%	4 600
Disaster Recovery Centre ICT	4 500	4 500	3 022	-49%	4 500
Computer Equipment - BCMM	500	500	547	9%	2 500
Upgrading of BCMM Website (including GIS on the Internet)	500	-	-	#DIV/0!	-
Telecommunications Network System	-	128	121	100%	128
Integrated Enterprise Resource Planning System	-	1 122	984	100%	1 122
Furniture - Shop stewards	-	16	16	100%	11
BCM IT Requirements (All directorates)	-	372	300	100%	372
Computer Equipment - Revenue Management	-	147	512	100%	1 500
Pre-Payment Vending Machines	-	1 000	252	100%	1 000
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<i>T 3.27.6</i>

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The following ICT project were undertaken:

- ICT Systems Improvement – This project is aimed at improving systems within the organisation. Although delays were caused by procurement processes, the project is underway and to be finalized in the 2013/2014 Financial year.
- IT Infrastructure Network – aims to improve the BCMM Network in order to stabilise the data network with quality of services and to upgrade the Wireless Network in order

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to improve efficiency. Delays were experienced with the procurement processes, however, the project is underway and to be finalized in the 2013/2014 Financial year.

- Disaster Recovery Centre - This project, aimed at offsite Data storage for BCMM for business continuity and ensuring secured BCMM data, is 80% complete. The delays to finalise the project have been encountered in the engagement application process with the Host Site and Installation of the Wireless Link. The project will be finalized in the 2013/2014 Financial year.
- Computer Equipment for BCMM - Replaced and /or upgraded BCMM user computers. Additional budget was required as the users computers are old and cannot keep up with evolving technology.

T3.27.7

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Property

The Buffalo City Metropolitan Municipality (BCMM) has a portfolio of approximately 1,900 buildings and 2,540 houses, providing over 1,000,000 m² of accommodation.

These buildings are physical assets, which need to be properly maintained to ensure that they continue to function as efficiently and effectively as possible in supporting the delivery of a wide range of services. At the same time, the deterioration of buildings due to the lack of refurbishment maintenance can lead to future financial burdens, pose health and safety, legal and other industrial relations issues and affect the delivery of services. Therefore, the maintenance of buildings is critical to the proper management of physical assets and the overall management of capital to achieve BCMM policy objectives meet Government requirements and provide a good environment for staff and other users of BCM buildings.

The Architectural Division's Building Maintenance Section is mandated to undertake the day-to-day general maintenance of BCMM's buildings. Their work is more specifically about the fixing of 'leaking taps', 'broken doors', and in some cases the refurbishment of offices or even small sections of a building, and currently not about an overall Facilities Management function. Building Maintenance does at present not deal with formal Conditional Assessments of buildings or the remodeling or redevelopment of entire buildings, which is more of an architectural or property function. The Land Administration Division, as custodians of all of BCMM's buildings, previously used to facilitate this function, but no longer

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provide this service. The Architectural Services Section is currently undertaking Conditional Assessment of a number of the more prominent BCMM buildings, until this matter can be comprehensively addressed.

Furthermore, the Building Maintenance Section only provides a service to departments who do not have their own building maintenance function. Community Services with their Halls and Amenities Sections, for instance, have their own maintenances teams, together with a capital budget for large projects. Building Maintenance has no capital budget.

Building Maintenance functions and staff are not-centralized under the Building Maintenance Branch within Development Planning, but currently reside in other directorates. This has been identified as a risk by the Municipal Manager, Auditor and Council.

The newly proposed organogram suggests the creation of a Facilities Assessment Section under the Architectural Division, which would take on the overall responsibility of BCMM's buildings stock – by identifying and assessing distressed buildings, of provide architectural planning and redevelopment where needed, costing and implementation functions. Thus this Facilities Assessment Section will operate BCMM's entire building capital budgets for maintenance. Its operating budget will thus remain decentralized within its various specialist Directorates.

The current anomaly is that, with the objective of formulating a one-stop Facilities Management Department, Building Maintenance has been given BCMM's entire operating maintenance budget, but without transferring the various currently independent maintenance staff components from other Directorates. This complication is creating some major challenges.

Legal

Legal Services' role seeks to provide strategic, effective and efficient legal advisory services to the municipality, and to inclusively, promote and enhance a risk management culture on a municipal wide basis. As a strategic component of the institution, it is required to ensure that its processes align with and are responsive to the service delivery imperatives of the institution, whilst ensuring that the delivery programmes occur within the prescribed legal framework. The mandate of the Unit forms part of the broader compliance component of the municipality and to this extent, it takes a leading role in ensuring that incidences of risk exposure are kept at manageable levels as far as possible. Its practitioners from part of the Public Sector Lawyers Forum in the Province and participate meaningfully in the establishment of a Code of Ethics for Public Sector Lawyers. Internal processes take into account best practice models drawn from networking experiences during these sessions and other interactive programmes.

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It's role therefore continues to grow progressively and is part of the dynamic development of the Metro. To meet its accountability requirements, the Department is required to report and make inputs into the annual reporting programme about its activities.

Measures taken to improve performance:

An increase in the staff complement is underway, with the new organogram for the CM's office having been approved. This will slowly be phased in once funding has been made available for the posts.

We are continuously striving to achieve a faster turnaround time in terms of responses to the departments and action for any matters that must be defended.

Engage with the compliance section in order to manage any risks that might be identified and assist in implementing the action plans.

In 2011/2012 the department achieved a 100 % success rate in our litigation cases. In the 2011/12 financial year, the department dealt with 96 litigations and claims, and finalised 15 cases. The 2012/13 report had not been submitted to Council at the time of writing. However, preliminary figures suggest that the department dealt with 97 litigations and claims and finalised 26 cases.

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Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2011/2012		2012/2013		2013/2014	2014/2015	2015/2016		
		Target	Actual	Target	Actual	Target				
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	2013-2014 (viii)	2014-2015 (ix)	2015-2016 (x)	
Service Objective: Improve performance, compliance, processes and systems - enhancement of performance of the institution										
Progress towards implementation of Risk, Fraud and Internal Audit Initiatives as evidenced by the formulation and implementation of mitigation strategies.	Top Management Minute adopting Risk Policy and Fraud Mitigation Strategy				Approval of Risk and Fraud Strategies.	Risk Management Framework and Fraud Mitigation Strategies adopted	Completion of Risk Assessment and implementation of selected initiatives from the Fraud Mitigation Strategy	Revised Risk Assessment and implementation of further initiatives from the Fraud Mitigation Strategy		
Internal Audit Reports issued	Completed Internal Audit Reports for tabling in Management Meeting.				12					
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the 2012/2013 Budget/IDP round; **Current Year' refers to the targets set in the 2013/2014 Budget/IDP round. **Following Year' refers to the targets set in the 2014/2015 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>										

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Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		9	8	1	11%
4 - 6		44	42	2	5%
7 - 9		5	3	2	40%
10 - 12		1	1	0	0%
13 - 15		3	2	1	33%
16 - 18		1	1	0	0%
19 - 20		0	0	0	#DIV/0!
Total		63	57	6	10%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T 3.28.4

Financial Performance 2012/2013: Property; Legal; Risk Management and Procurement Services					
R'000					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	6 634	5 210	5 210	1 991	-162%
Expenditure:					
Employees	27 455	30 617	57 032	21 508	-42%
Repairs and Maintenance	42	60	60	41	-47%
Other	51 814	48 065	48 973	28 994	-66%
Total Operational Expenditure	79 311	78 742	106 064	50 543	-56%
Net Operational Expenditure	72 676	73 531	100 854	48 552	-51%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.28.5