



MBHASHE GOVERNANCE FRAMEWORK

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ACRONYMS

AC	Audit Committee
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BSC	Bid Specifications Committee
IDP	Integrated Development Plan
MMC	Member of Mayoral Committee
MPAC	Municipal Public Accounts Committee
LLF	Local Labour Forum
LM	Local Municipality
PAC	Performance Audit Committee
SDBIP	Service Delivery and Budget Implementation Plan

1. Executive Summary

The implementation of the principles of good governance as promoted in the third King Report on Governance for South Africa, 2009, and enshrined in the Code of Governance Principles for South Africa (hereinafter referred to collectively as 'King III') have been accepted as a crucial element towards the success of Government, including local governments in meeting the needs of the people of South Africa.

One of the key principles of good governance is the establishment of ethical leadership within an institution. In a municipal setting this translates into:

- the need to clearly define the roles and responsibilities of the leadership and individual leaders in a municipality;
- the embedding within the leadership of an ethical culture based on the vision and values of the institution and Constitutional principles, both to guide and to measure against, the actions of leaders; and
- the entrenchment of the principle of holding leaders accountable for their actions.

Hence, the first step to achieving ethical leadership is for the leadership within a municipality, whether office bearers, managers, political committees or any other structure promoting leadership within the municipality, to clearly understand their roles and responsibilities, including the separation of duties as provisioned in legislation. A clear understanding of such roles and responsibilities will then allow for an ethical culture and the principle of accountability can take root within the institution.

Therefore, the Mbashe Local Municipality, through this document seeks to outline in summary the different roles of different structures within the municipality. The framework will outline the working areas and boundaries for all structures and office bearers and its basis will be the provisions made by legislation. The purpose of this framework is ensuring that political and administrative structures are aware of their roles and responsibilities to ensure synergy in the way Council structures operate; in the delivery of Mbashe's core objectives against a code of ethics.

2. Definition of Governance

The King III report defines good governance as following:

“Good corporate governance is essentially about effective, responsible leadership. Responsible leadership is characterized by the ethical values of responsibility, accountability, fairness and transparency. “

The Constitution of South Africa Chapter 7, s151.1.a) states that:

The objects of local government are-

*(a) to provide democratic and **accountable** government for local communities; (emphasis).*

The Internal Audit Framework, released by National Treasury defines governance as;

“Governance entails how an organisation is managed, which includes culture, policies and strategies and the way it deals with stakeholders.”

The Mbhashe ascribes to the following tenants of good governance:

- a) Accountability;
- b) Transparency;
- c) Participatory;
- d) Responsive;
- e) Selflessness;
- f) Promotes efficient and effective service delivery;
- g) Promotes Batho Pele principles;
- h) Comply with current trends of good corporate governance;
- i) Exercise a clear separation of powers between political and administrative structures;

3. Purpose and Objectives of the framework

This framework seeks to promote:

- Synergy and alignment in the manner that the municipality executes its Constitutional obligations;
- Decision making that is not only consistent with statutory and policy requirements, but also upholds Constitutional principles and the values of the Mbhashe,

Accordingly, the objectives of the framework are as follows:

- a) to outline the processes to be followed in decision making;
- b) to document roles and responsibilities of political and administrative structures, the relationships within these structures, office bearers, managers and officials; and
- c) to outline the authority of office bearers and managers.

In order for the this document to be understood in the intended context, the Mbhashe functions and powers, vision, mission and values will be discussed briefly.

4. Mbhashe's functions and powers

In terms of Sections 83 and 84 of the Municipal Structures Act, read with Schedule 4B and 5B of the Constitution, the Mbhashe are assigned powers and functions in respect of:

a) Local Economic Development;

- Agricultural management
- Heritage resource management
- Environmental management
- Enterprise development
- Economic research
- Tourism and marketing

b) Municipal Planning;

- Coordinate the development and review of the Integrated Development Plan;
- Coordinate the development and review of the Performance Management Framework;
- Coordinate the development the of the Service Delivery and Budget Implementation Plan;
- Coordinate the development of the Annual Report;
- Coordinate Sector Plan development and review;
- Ensure IDP, Budget and SDBIP alignment;
- Ensure vertical and horizontal alignment of development planning;
- Ensure monitoring and evaluation of performance, quarterly and annually;
- Ensure compliance with IDP and PMS relevant legal requirements.

c) Solid Waste Disposal sites:

- Determination of a waste disposal strategy;
- Regulating of waste disposal;
- The establishment, operation and control of waste disposal sites and facilities for more than one local municipality in the district.

VISION

"A municipality that excels in promoting social cohesion, stimulates economic growth and sustainable development"

MISSION

By becoming an effective and efficient municipality with accountable leadership that is able to involve communities in the provision of quality services.

VALUES

- I. Commitment
- II. Accountability
- III. Teamwork
- IV. People centred development
- V. Discipline and respect
- VI. Environmental friendly
- VII. Service excellency

5. SECTION ONE - COUNCIL STRUCTURES

The Mbhashe Local Municipality Council is made up of 63 Councillors, 12 Traditional Leaders and is chaired by the Municipal Speaker. The Mbhashe Council has a full time Executive Mayor, Mayoral Committee members, Speaker, and the Whip of Council. The Council meets six times a year

The Mbhashe has the following committees:

- Council Committees;
- Mayoral Committees;
- Ad hoc Committees;
- Statutory committees;
- Fora;
- Administrative Committees.

The list of committee and their roles is detailed below.

S.1.1. COUNCIL COMMITTEES

These are committees that have been established by Council as provided for terms of Section 79 of the Municipal Structures Act 117 of 1998

Rules Committee

- It is constituted proportionally, by Councillors as represented in Council and is chaired by the Speaker. The Committee reports directly to Council. The duties of the committee are as follows:
- It reviews and considers amendments to the Standing Rules of Council
- It performs the functions entrusted by these Rules or by resolutions of the Council; and
- It meets when the need arises.

Women's Caucus

- The Committee was established by Council through a Council resolution and is a committee of Council composed of female Councillors.
- It is chaired by a female Councillor nominated by Council.
- It is classified as a Section 79 Committee as there are no external stakeholders serving on the Committee.
- The formulation of the Committee was an emulation of best practise as seen from both national and provincial Government.
- The committee is mainly responsible for dealing with issues affecting Women within the jurisdiction of Mbashe and also responsible for raising their plight.

S.1.2 MAYORAL COMMITTEE:

The Mayoral Committee consists of 9 Councillors appointed by the Executive Mayor in terms of Section 60 of the Municipal Structures Act 117 of 1998, and is chaired by the Executive Mayor;

- The Committee assists and advises the Executive Mayor in exercising the powers and function of the Executive Mayor as set out in Section 56 of the Municipal Systems Act or as delegated by Council to the Executive Mayor;
- It advises the Executive Mayor on reports from Standing Committees;
- It meets fortnightly.

Standing Committees

Section 80 (1) of the Municipal Structures Act states that:

"If a municipal council has an executive committee or executive mayor, it may appoint in terms in terms of section 79, committees of councillors to assist the executive committee or executive mayor"

1. Municipal Transformation and Organizational Development Committee (former Finance & Admin Standing Committee)

1.1 Primary Role:

To assist the Executive Mayor in his/her responsibility to monitor the management of the municipality's administration in accordance with the directions of Council.

1.2 Areas of responsibility of the Committee:

- Industrial Relations;
- Personnel Administration;
- Public Administration;
- Occupational Health and Safety in respect of Council officials;
- Conditions of Services and Staff Benefits;
- Building Maintenance and Administration;
- Monitor progress on the implementation of the SDBIP (projects).

2. Local Economic Development Committee (Former Development & Planning standing Committee)

2.1 Primary Role:

To assist the Executive Mayor in his/her responsibilities to:

- identify the social and economic needs of the municipality;
- review and evaluate those needs in order of priority;
- recommend to Council strategies, programmes and services to address priority needs through the integrated development plan and the estimates of revenue and expenditure involved;
- recommend to Council the best way to deliver those strategies, programmes and services to the maximum benefit of the municipality;
- identify and develop criteria in terms of which progress in the implementation of the recommended strategies, programmes and services can be evaluated, including the key performance indicators;

2.2 Areas of Responsibility of the Committee:

- Tourism;
- Local Economic Development;
- Land Reform and Settlement Planning;
- Town and Regional Planning;
- Land Use and Development;

- Building regulation services
- Environmental Management;
- Expanded Public Works Programme.
- Monitor progress on the implementation of the SDBIP (projects).

3. Basic Service Delivery & Infrastructure Committee (Former Infrastructure and Community Services Standing Committee)

3.1 Primary role:

To assist the Executive Mayor in his/her responsibility to oversee the provision of services to communities in a sustainable manner.

3.2 Areas of Responsibility of the Committee:

- Solid waste disposal services;
- Municipal Law Enforcement
- Disaster Coordination;
- Management of community facilities
- Security regarding staff and Council assets.

- Monitor progress on the implementation of the SDBIP (projects).

4. Municipal Financial Viability Committee (Admin and Finance)

4.1 Primary Role:

To assist the Executive Mayor in his/her responsibilities to:

- provide political guidance of the fiscal and financial affairs of the municipality, including the budget process and the priorities that must guide the preparation of the budget;
- monitor and oversee the exercise of financial responsibilities assigned to the Accounting Officer and Chief Financial Officer in terms of the MFMA;
- take reasonable steps to ensure the municipality performs its Constitutional and statutory functions within the limits to the municipalities approved budget;
- submit a report to Council, within 30 days of the end of each quarter, on the implementation of the budget and the financial state of affairs of the municipality; co-ordinate the annual revision of the Integrated Development Plan (IDP), and the preparation of the annual budget, and determining how the IDP is to be taken into account, or revised, for the purpose of the budget;
- ensure that the budget is approved by Council before the start of the budget year;

-ensure that revenue and expenditure projections for each month and service delivery targets and performance indicators for each quarter, as set out in the SDBIP, are made public within 14 days of the approval of the SDBIP;

check budget implementation is being done in accordance with the SDBIP; approve the Service Delivery and Budget Implementation Plan (SDBIP) within 28 days after the approval of the budget;- ensure that any revision of the SDBIP does not alter service delivery targets and performance indicators in the plan without the approval of Council after approving an adjustment budget;

- issue appropriate instructions to the Accounting Officer to ensure budget implementation with the SDBIP and to ensure spending of funds and revenue collection proceed in accordance with the budget;

- submit a report on the mid-year budget and performance assessment to Council by 31 January each year;

- review the performance of the municipality in order to improve:

- o the economy, efficiency and effectiveness of the municipality;
- o the efficiency of credit control and revenue and debt collection services; and
- o the implementation of the municipality's by-laws; - identify financial problems facing the municipality;

- initiate remedial or corrective steps where financial problems are identified;

4.2 Areas of Responsibility:

- Municipal Budget;
- Integrated Development Planning;
- Service Delivery and Budget Implementation Plan;
- Performance Management;
- Risk Management;
- Mid-year Budget review;
- Financial Management;
- Asset and Liability management;
- Revenue Management;
- Expenditure Management;
- Insurance of Council assets
- Supply Chain Management. Monitor progress on the implementation of the SDBIP(projects).

5. Good Governance & Public Participation Committee (New Committee)

5.1 Primary Role:

To assist the Executive Mayor in his/her responsibilities to:

- ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;
- monitor the management of the municipality's administration in accordance with the directions of Council;
- oversee the exercise of responsibilities assigned in law to the Accounting Officer and the Chief Financial Officer but in a manner that does not interfere in the exercise of those responsibilities.
- ensure that regard is given to public views and report on the effect of consultation on the decisions of the Council;

- annually report on the involvement on the involvement of communities and community organizations in the affairs of the municipality.

5.2 Areas of Responsibility:

- Political & Administrative Structures of Council;
- Ethics Management;
- Auditing and Compliance Management
- Integrated Development Plan
- Inter-governmental relations;
- Municipal Support Services;
- Community participation;
- Mayoral Imbizo's;
- Communication.
- Special Programmes (Gender, people with disabilities and Youth)
- Performance management
- Monitor progress on the implementation of the SDBIP (projects).

Role and responsibility of the Chairperson of Standing Committees

Each chairperson is responsible for:

- chairing the meetings of that particular committee;
- signing the agenda of a committee meeting;
- ensuring that Rules of order are maintained in the meetings.

The chairperson has no authority to:

- to approve apologies for Councillors not in attendance at meetings. The Executive Mayor or Speaker where relevant (Cllrs) are responsible for approving apologies and the Municipal Manager is responsible in respect of officials;
- to appoint an Acting Chairperson in his/ her absence and that responsibility lies with the Executive Mayor for Standing Committees and the Speaker in the case of a section 79 committee and Council meetings.

AD HOC COMMITTEES

These are committees set for specific functions or tasks. The completion of the task/ function means that the committees cease to exist. These committees can be established by the Council and Executive Mayor.

S.1.3 STATUTORY COMMITTEES

These are committees that are required to be established by law in terms of specific statutory provisions.

Performance Audit Committee

Performance Audit Committee are established in terms of Regulation 14(2) of the Municipal Planning and Performance Management Regulations (promulgated under the Municipal Systems Act).

In the Mbashe:

- It is made up of persons independent of Council, to:
- Advise and make recommendations to the Executive Mayor and/or Council regarding establishment of a Performance Management System;
- Advise the Executive Mayor on the establishment of mechanisms to monitor and review the Performance Management System;
- It monitors and oversees the auditing of performance measurements as provided for in terms of section 41(1)(c) of the Systems Act and submits a report to the Mayoral Committee of the results of the audit performed;
- It helps the institution in identifying policy gaps; and
- It assists to give early warnings about the performance of the institution,
- It recommends and monitors the implementation of measures which may best serve to enhance the reliability, integrity, objectivity of financial statements and the performance activities within the municipality.
- The Committee has the authority:
- to interview members of Senior Management, Consultants and employees of Council and to deal directly with external auditing functionaries, the office of the Auditor General and any external parties it may deem necessary;
- make recommendations to the Executive Mayor regarding the management of the valuation of the adequacy and efficiency of the Internal Control Systems, Risk Management, Accounting Practices, Information Systems and Auditing processes applied in the daily management of the Municipality.

Audit Committee

The Audit Committee is established in terms of Section 166 of the Municipal Finance Management Act 56 of 2003.

The Audit Committee (AC) is an independent governance structure whose function is to provide an oversight role on the systems of internal control, risk management and governance.

The MFMA state that the AC must consist of at least three people, of whom the majority may not be in the employ of the municipality. No Councillor may be a member of the Audit Committee. The members of the AC must be selected from different areas of expertise to enhance the AC's overall knowledge of the organization. The AC needs to operate independent of management in order to ensure objective deliberations.

The roles and responsibilities of the AC are as follows;

□ Risk Management

- reviewing and recommending disclosures on matters of risk in the annual financial statements;
- reviewing and recommending disclosures on matters of risk and risk management in the annual report;
- providing regular feedback to the Accounting Officer / Authority on the adequacy and effectiveness of risk management in the Institution, including recommendations for improvement;
- ensuring that the internal and external audit plans are aligned to the risk profile of the Institution;
- satisfying itself that it has appropriately addressed the following areas:
 - financial reporting risks, including the risk of fraud;
 - internal financial controls; and
 - IT risks as they relate to financial reporting.

□ Internal Audit

- Act as a forum for communication between management, internal and external audit;
- Review the IA Strategic and operational plan, ensure these plans are based on the organization's risk assessment;
- Oversee the coordination of audit programs conducted by internal and external audit;
- Review all audit reports and provide advice on significant issues identified in audit reports and action taken on issues raised;
- Monitor management's implementation of recommendations;
- Periodically review the performance.

- External audit
 - Provide input and feedback on the financial statements and audit coverage proposed by external audit and provide feedback on the audit services provided;
 - Review all external audit plans and reports and monitor managements implementation of audit recommendations;
 - Provide advice on action to be taken on significant issues raised in the external audit reports;
 - Review external audit costs.

Budget Steering Committee

Regulation 4 of the Municipal Budget and Reporting Regulations (promulgated under the Municipal Finance Management Act) requires the Executive Mayor to establish a Budget Steering Committee to provide technical assistance to the Executive Mayor in discharging the responsibilities set out in Section 53 of the MFMA such as:

- The Mayor must provide general political guidance over budget process;
- Co-ordinate annual revision of the IDP, budget and SDBIP approval;
- Ensure that performance agreements of the MM and Senior Managers are aligned to SDBIP;
- Publication of SDBIP, performance agreements of MM and Sec 56 managers;

Such a committee must consist of the following:

- the Councillor responsible for financial matters;
- the Municipal Manager;
- the Chief Financial Officer;
- the senior managers responsible for at least the three largest votes in the municipality;
- the manager responsible for budgeting;
- the manager responsible for planning;
- any technical experts on infrastructure; and
- Chairpersons of Standing Committees.

Local Labour Forum

The Local Labour Forum is a statutory forum established in terms of the Organisational Rights Agreement (ORA) and in terms of the Labour Relations Act.

- The Forum is chaired by the Portfolio head of Corporate Services within Mbhashe Local Municipality and alternate with the labor chairperson on a yearly basis;
- The membership of the LLF is constituted of the employer component and organised labour. The organised labour has 5 members and the employer component is consisted of 3 Councillors and 2 officials;
- The purpose of the Local Labour Forum is to provide a forum for engagement between employer and organised labour;
- It also exists to negotiate and /or consult on matters of mutual concern pertaining to the employer/ employees;
- It further deals with matters not dealt with by the South African local Government Bargaining Council (SALGBC) and its divisions; and
- Also to note is that, the LLF also deals with any other matters referred to it by the National SALGBC and its divisions. The LLF meets Monthly.

Bid Committees

In terms of section 115 of the MFMA

“115(1) The accounting officer of a municipality or municipal entity must—

- (a) implement the supply chain management policy of the municipality or municipal entity; and*
- (b) take all reasonable steps to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices.*

(2) No person may impede the accounting officer in fulfilling this responsibility”.

In terms of Regulation 26(1) of the Municipal Supply Chain management (SCM) Regulations a SCM policy must provide for a committee system for competitive bids consisting of at least –

- (i) a bid specification committee;
- (ii) a bid evaluation committee; and
- (iii) a bid adjudication committee.

Accountability of Bid committees

On appointment of the said committees, with the express purpose to assist the Accounting Officer, the MFMA and its SCM Regulations divests the responsibility on the Accounting Officer to appoint members of the said Committees.

Bid Adjudication Committee

Powers and Functions

The bid adjudication committee must –

- (a) consider the report and recommendations of the bid evaluation committee; and
- (b) either –
 - (i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
 - (ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.
- (2) The bid adjudication committee must consist of at least four (4) senior managers of the municipality or municipal entity which must include –
 - (i) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer;
 - (ii) the senior manager responsible for the bid or another manager reporting directly to that senior manager;
 - (iii) at least one senior supply chain management practitioner who is an official of the municipality; and
 - (iv) a technical expert in the relevant field who is an official, if such an expert exists.
- (3) The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- (4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.

Bid Evaluation Committee

Powers and Functions

- (1) The bid evaluation committee must –

- (a) evaluate bids in accordance with –
 - (i) the specifications for a specific procurement; and
 - (ii) the points system set out in terms of the PPPFA.
 - (b) evaluate each bidder's ability to execute the contract;
 - (c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears,
 - (d) obtain an original and valid tax clearance certificate issued by SARS; and
 - (d) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.
- (2) The bid evaluation committee must as far as possible be composed of –
- (a) Officials (technical experts) from departments requiring the goods or services;
 - (b) at least one supply chain management practitioner of the municipality to ensure compliance with SCM procedures;
 - (c) the composition of the bid evaluation committee can change to accommodate different scenarios;
 - (d) members from the bid specification committee may also form part of the bid evaluation committee; and
 - (e) a member from the bid evaluation committee may present reports to the bid adjudication committee, but only as an advisor.
- (3) The evaluation committee must evaluate all the bids received and submit a report and recommendation(s) regarding the award of the bid(s) to the adjudication committee.

Bid Specification Committee

Powers and Functions

- (1) The bid specification committee must compile the specifications for each procurement of goods or services by the municipality or municipal entity.
- (2) Specifications –
 - (a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognized by the South African National Accreditation System with which the equipment or material or workmanship should comply;

- (c) where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
 - (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
 - (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the words "equivalent";
 - (f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2001; and
 - (g) must be approved by the accounting officer or his/her delegate prior to publication of the invitation for bids in terms the Supply Chain Management Regulations.
- (3) The bid specification committee must be composed of one or more officials of the municipality or municipal entity, preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.
- (4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

1.4 INTERGOVERNMENTAL COORDINATION CLUSTERS

The clusters are sub-committees of the IGR. The clusters were established to provide support to the IGR Forum. The clusters afford an opportunity for learning and sharing of information and experiences as well as to discuss matters of coordination of their respective areas of responsibility between the government departments.

The municipality established the following clusters:

1. Municipal Transformation and Organisational development
2. Infrastructure
3. Social and Economic
4. Financial Viability
5. Good Governance and Public Participation

S.1.5 ADMINISTRATIVE COMMITTEES

Planning and Monitoring Committees

- In terms of the Municipal Systems Act 32 of 2000 Section 34, the following structures were established to accomplish the objectives of IDP:
- IDP Steering Committee;
- IDP Representative Forum

IDP Steering Committee

- It is constituted by Senior Officials and is chaired by the Municipal Manager; It is responsible for commission research studies; It considers inputs from provincial departments and support providers; It processes, summarizes and drafts outputs; It prepares, submits reports and makes recommendations to the IDP Rep Forum; Its meetings are determined by the process plan.

IDP Representative Forum

- It is constituted by Senior Officials of Mbhashe, Councillors of Mbhashe, Sector Departments and external stakeholders and is chaired by the Executive Mayor; It facilitates public participation to ensure that the IDP addresses the real issues, It meets after the completion of each phase.

S.1.6 MANAGEMENT COMMITTEES

Senior Management Committee

- It is made up of all Heads of Departments and is chaired by the Municipal Manager. It receives reports from the departments and deal with those that are operational/ administrative and forward those that need executive and/or legislative approval to the relevant Standing Committees and thereafter Mayoral Committee and then Council. The meetings of Senior Management are held on a monthly basis
- The extended management meetings also sits on a monthly basis which is composed of senior management and middle management.

Risk Management Committee

MFMA states that;

- (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure-
 - (a) That the resources of the municipality are used effectively, efficiently and economically;
-

- (b) That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
- (c) that the municipality has and maintains effective , efficient and transparent systems-
 - (1) of financial and risk management and internal control;
 - (2) of internal audit operating in accordance with any prescribed norms and standards.

The King III report on Corporate Governance also reflects on risk management as an integral part of strategic and operational activities. King III Code states “The municipal council is responsible for the total process of risk management, as well as for forming its own opinion on the effectiveness of the process.”

According to the Institute of Internal Auditors “Risk Management is charged with overseeing the establishment, administration, and evaluation of the process of risk management control”

Furthermore, Mbhashe Risk Management Strategy states that “The risk management committee will be responsible for addressing the corporate governance requirements of risk management and monitoring the Municipality’s performance with risk management”.

The risk management committee will meet on at least a monthly basis. Functions and responsibilities of the risk management committee include:

- Establishment and monitoring of the implementation of the risk management strategy;
- Ensuring that the responsibilities and co-ordination of risk management are clear;
 - Advising the Council and Municipal Manager on urgent risk management issues and required initiatives as part of its monthly reporting process;
 - Overseeing the implementation and maintenance of the ongoing process of risk identification, quantification, analysis and monitoring throughout the Municipality;
 - Ensuring that the risk management induction, training and education programs are targeted appropriately for all levels of personnel and that it is established and implemented;
 - Reviewing and recommending actions for improvement regarding outstanding actions on risk management plans;
 - Evaluating the risk profile of the Municipality as well as for major projects and new ventures, requiring the approval of the Council;
 - Reviewing the risk assessments on a quarterly basis to take note of the material risks to which the Municipality may be exposed and consider, notes and if necessary, comments on the strategy for managing those risks;
 - Considering, notes and if necessary, comments on management responses to significant risks; and

- Keeping abreast of all changes to the risk management and control system and ensures that the risk profile and common understanding is updated, as appropriate.

Ad hoc Management Committees

These are committees set for specific functions or tasks. The completion of the task/ function means that the committees cease to exist. These committees can be established by the Senior Management Committee or the Municipal Manager.

S.1.7 POLITICAL MANAGEMENT STRUCTURES

TROIKA

The TROIKA is a meeting whose purpose is to ensure effective political management of the institution. The TROIKA has to convene frequently, to discuss governance issues within the institution and ensure smooth running of operations. The Troika membership consists of Whip of Council, Executive Mayor and Speaker.

EXTENDED TROIKA (AGENDA COMMITTEE MEETING)

Extended Troika refers to a meeting of the Whip of Council, Speaker, Executive Mayor, plus 1 to include the Municipal Manager and support staff. This Extended Troika meeting is chaired by the Council Speaker. Its name is reflective of the nature of the meeting which includes support staff.

Amongst its many duties, the Extended Troika is also responsible for:

- a. Consider Council agenda;
- b. Ensure items brought to Council are competent;
- c. Facilitate for the political management of the Council meeting;
- d. Ensure smooth running of the council; and
- e. Facilitate a common understanding amongst the political offices on items before council.

SECTION TWO – PUBLIC OFFICE BEARERS

“Public Office Bearer” as defined in the Regulation of the Remuneration of Public Office Bearers Act 20 of 1998, includes members of a municipal council as well as traditional leaders.

2.1 EXECUTIVE MAYOR

The Executive Mayor is elected by Council at its first sitting after its election. The functions, power and responsibilities of the Executive Mayor are assigned by legislation, in terms of section 56 of the Municipal Structures Act and Chapter 7 of the MFMA, as well by resolutions of Council passed from time to time to allocate specific responsibilities to the Executive Mayor. Provided that the legislation permits sub-delegation, or Council has authorized the power to sub-delegate in respect of Council delegations of authority made to the Executive Mayor, the Executive Mayor may sub-delegate such functions to the Mayoral Committee members of Standing Committees;

A summary of the powers and functions of the Executive Mayor assigned in terms of Section 56 of the Municipal Systems Act, are as follows:

- identify the needs of the municipality and recommend to Council strategies, programmes and services to address such needs;
- identify and develop criteria for the evaluation of strategies, programmes and services implemented to address needs of the municipality;
- evaluate progress against key performance indicators;
- review the performance of the municipality in terms of its:
 - economy, efficiency and effectiveness;
 - Credit control and debt collection efficiency;
 - Implementation of by-laws;
- monitor the management of Administration;
- oversee the sustainable provision of services to communities;
- perform duties and exercises powers as delegated by Council;
- reports annually on the involvement of communities and community organisations in the affairs of the municipality;
 - such reports must be presented at institutional political forum to ensure ownership of the reports by the Executive;
- gives attention to the public views and report on the effect of consultation on the decisions of council.

In addition to the above, the Executive Mayor is assigned financial responsibilities as prescribed under Chapter 7 of the MFMA, which can be summarised as follows:

- providing general political guidance of the fiscal and financial affairs of the municipality;
- monitoring and overseeing the exercise of financial responsibilities assigned to the Accounting Officer and Chief Financial Officer in terms of the MFMA;
- taking all reasonable steps to ensure the municipality performs its Constitutional and statutory functions within the limits to the municipality's approved budget;
- submitting a report to Council, within 30 days of the end of each quarter, on the implementation of the budget and the financial state of affairs of the municipality;
- performing any other powers and duties that may be delegated by Council;

In terms of the Budget Process:

- providing general political guidance over the budget process and the priorities that must guide the preparation of the budget;
- coordinating the annual revision of the Integrated Development Plan (IDP), and the preparation of the annual budget, and determining how the IDP is to be taken into account, or revised, for the purpose of the budget;
- taking all reasonable steps to ensure that the budget is approved by Council before the start of the budget year; that the Service Delivery and Budget Implementation Plan (SDBIP) is approved by the Mayor within 28 days after the approval of the budget;
- taking all reasonable steps to ensure that performance agreements for S56 managers are in accordance with the Municipal Systems Act and relevant regulations, and are concluded as per the Act;
- reporting to the MEC for finance in the province regarding any delays in tabling the budget for approval, in approval of the SDBIP, or the signing of annual performance agreements for S56 managers;
- ensuring that revenue and expenditure projections for each month and service delivery targets and performance indicators for each quarter, as set out in the SDBIP, are made public within 14 days of the approval of the SDBIP;
- ensuring that S56 managers' performance agreements, are made public within 14 days after the approval of the SDBIP, and are submitted to Council and the MEC for local government in the province;

In terms of budgetary control:

- on receipt of monthly budget statements or mid-year budget and performance assessment reports submitted by the Accounting Officer:
 - checking budget implementation is being done in accordance with the SDBIP; -
 - considering the revision of the SDBIP, provided that the service delivery targets

- and performance indicators in the plan may only be made with the approval of Council after approving an adjustment budget;
- ensuring that the public are informed promptly of any revisions to the SDBIP; - issuing appropriate instructions to the Accounting Officer to ensure budget implementation with the SDBIP and to ensure spending of funds and revenue collection proceed in accordance with the budget;
 - submitting a report on the mid-year budget and performance assessment to Council by 31 January each year;
 - identifying financial problems facing the municipality;
 - initiating remedial or corrective steps where financial problems are identified;
 - alerting Council and the MEC for local government to financial problems identified

2.2 SPEAKER

The Speaker of Council is elected by Council at its first meeting after its election. The Speaker is a full time Councillor. The functions of the Speaker are set out in Section 37 of the Municipal Structures Act as follows:

- presides at meetings of the Council;
- performs the duties and exercises the powers delegated to the speaker by the Council
- must ensure that the council meets at least quarterly;
- must maintain order during meetings;
- must ensure compliance in the council and council committees with the Code of Conduct for Councillors as set out in Schedule 1 of the Municipal Systems Act ; and
- must ensure that council meetings are conducted in accordance with the rules and orders of the council.

In addition to the statutory functions listed above, in the Mbhashe, the Speaker has been assigned further responsibilities and duties which are articulated in the Delegation Policy. A summary of these are listed hereunder:

- encouraging participation of communities and community organisations in the decision making process of the municipality
- developing mechanisms to ensure and monitor participation of communities in the decision making process;
- ensuring that communities and community organizations are educated on their rights and responsibilities to participate and give input to the municipality's policy development processes as well as planning and budget processes;
- monitoring the effectiveness of public participation in the municipality;

- ensuring that the Standing Rules of Council are developed and regularly updated, and in this regard is delegated the authority to establish the Rules Committee and to ensure the functioning of the committee;
- in consultation with the Executive Mayor and the Whip, developing a schedule of meetings for the Council and Committees of Council.
- ensure that Council and Standing Committees observe the calendar and meet on the dates allocated in the schedule of meetings;
- receiving and considering apologies and leaves of absence from Councillors in relation to meetings that Councillors are required to attend in terms of item 3 of Schedule 1 of the Municipal Systems Act, 2
- After consultation with the Whip, and the chairperson of the committee concerned, advising the chairperson of the committee and the Councillor concerned whether the apology has been accepted or not by no later than 12 hours before the time set for the meeting concerned;
- Reporting twice yearly to Council on the attendance of Councillors at meetings of Council and Standing Committees;
- investigating any suspected breach of the Code of Conduct for Councillors, and report to Council on the outcome;
- ensuring that reports on investigations into possible breaches of the Code of Conduct for Councillors are submitted to the MEC in line with item 13(3) of Schedule 1 of the Municipal Systems Act, 2000;
- developing mechanisms to monitor the general conduct and performance of Councillors and report to Council annually on the conduct and performance of Councillors;.
- after consultation with the Whip, deploying identified Councillors to such Committees;
- ensuring that traditional leaders are designated to attend and participate in any meetings of Council or any Committees of Council;
- ensuring that Council develops guidelines to determine the manner and level of participation of traditional leaders in Council;
- establishing and co-ordinating a forum to enable the Speakers of local municipalities and the district to cooperate with one another on a sharing and learning basis;
- facilitating the sharing of lessons and experiences on matters peculiar to the local government legislative sector.
- ensuring that political structures promoting public participation, such as ward committees , are functional and effective;

- co-ordinating the establishment of a forum to enable structures of civil society to interact with the municipality on issues of service delivery, policy formulation, and social transformation;
- ensuring that such structures of civil society are convened at least once a year to interact with the municipality's planning process and input on development of policies;
- Ensuring that structures of civil society are afforded an opportunity to assess the performance of the municipality in respect of service delivery, within the context of community oversight and accountable governance.
- developing mechanisms to facilitate the review of the annual report and preparation of the oversight report, including the establishment of an oversight committee or any similar structure to give effect to the provisions of the Municipal Finance Management Act,;
- ensuring the involvement of the community and community organizations in the process of reviewing the municipality's performance and the annual report;
- Ensuring the preparation and adoption of the oversight report, within the timeframes specified in the Municipal Finance Management Act.
- ensuring that the public is invited to attend meetings of the Council where the annual report is to be tabled or discussed;
- providing guidance on mechanisms to enable members of the community and community organizations to make submissions on the annual report;
- ensuring that submissions made by the community and community organizations are considered and responded to during discussions of the annual report;
- Performing all functions and responsibilities regarding the Moral Regeneration Program and other related social transformation program.

2.3 Whip of Council

The Whip is elected by Council and is a full time Councillor.

The following functions are delegated by Council to the Whip of Council, in terms of national conventions on the duties and functions of the Whippers. The Whip of Council is required to:

- (i) ensure the effective and efficient functioning of the Whips Committee and the Whippers system;
- (ii) assist with the smooth running of Council meetings by:
 - (a) determining, prior to Council meetings, items on the agenda which political parties may wish to discuss and advising the Speaker accordingly;
 - (b) ensuring that all political parties have nominated councillors to represent their parties and lead discussion on those areas identified by the party, and forwarding such names to the Speaker at least 12 hours before the time set for the Council meeting to commence;
 - (c) allocating speaking times for each of the political parties, in line with the principles of democracy;
 - (d) ensuring that Councillors adhere to the speaking times allocated to their political parties; and
 - (e) assisting the Speaker to maintain order in Council by requiring Councillors to adhere to the Rules of Council regarding general conduct in meetings;
- (iii) ensure the allocation of Councillors to standing committees in accordance with the representation of parties in Council;
- (iv) ensure that Councillors observe the Code of Conduct for Councillors in any meetings, workshops or seminars approved by the Speaker; and
- (v) ensure that Councillors are familiar with the Code of Conduct for Councillors and to facilitate training as and when there is such a need.

2.4 MPAC CHAIR

The chairperson of the MPAC is appointed by Council. The chairperson may not be a member of the Mayoral Committee. The chairperson of the MPAC should be an experienced Councillor, due to the important role to be played by the MPAC in the council. The chairperson is from the ruling party, at the choice of the municipal council.

2.5 MUNICIPAL MANAGER

The Municipal Manager is appointed by Council in terms of Section 82 of the Municipal Structures Act and is accordingly both the Head of Administration and the Accounting officer.

Roles and responsibilities of the Municipal Manager

As the Head of Administration and the Accounting Officer, the Municipality is assigned by Section 55 of the Municipal Systems Act, read with Part 1 of Chapter 8 of the MFMA, specific areas of responsibility and accountability. These are summarised below:

- The formation and development of an economical, effective, efficient and accountable administration;
- Management of the municipality's administration;
- Implementation of the IDP and monitoring of implementation progress thereof;
- Accountable for the institutional performance;
- Appointment and discipline of staff (excluding the appointment of Sec 56 managers); consulting with council in respect of the appointment and disciplining of Sec 56 managers;
- Responsible for sound intergovernmental relations;
- Ensure sound governance within the institution;
- Ensure capacity building (support) of Mbhashe's local municipalities;
- Management of staff;
- Promotion of sound labour relations and compliance with labour legislation;
- Advising the political structures and political office bearers of the municipality;
- Managing communication between the municipality's administration and its political office bearers;
- Carry out decisions of political structures and political office bearers of the municipality;
- Administration and implementation of by-laws and other legislation;
- Exercise of powers and performance of duties as delegated by Council;

- Facilitate participation by the community in the affairs of the municipality;
- Develop and maintain a system of community satisfaction assessment with municipal services;
- Perform financial management in terms of relevant legislation, including all income and expenditure, all assets and the discharging of liabilities and compliance with the MFMA;; and
- Perform role of spokesperson of the institution.

2.6 CHIEF FINANCIAL OFFICER

The responsibilities of the Chief Financial Officer are summarised below:

- and managing the organisation's financial risks to protect its fiscal well-being;
- proactively participate in identifying the organisation's key risks, including regular monitoring and updating of the profile;
- quantifying trades-off between different policy options in order to ensure that financial and risk implications related to each policy initiative are fully assessed and addressed adequately and that resources are allocated to options that provide the greatest benefit at the least cost;
- empowering senior management team by providing detailed information on the true lifetime costs attached to particular decisions such that future obligations are fully understood and programme funding is prioritised accordingly;
- instilling financial mind-set among officials in the institution in order to root out financial management inefficiencies;
- proactively seeking out areas within the organisation in which financial insight among managers can benefit the organisation's mission;
- assessing the financial risk management skills required of the senior managers in the institution and enhance those skills to enable the managers to discharge their roles and responsibilities effectively;
- providing guidance to senior management regarding threshold of operating losses that the organisation has the capacity to bear;
- driving organisational behaviour by using his or her position of influence as a catalyst for change i.e. assist to embed a culture of risk management in the organisation;
- support the development and implementation of a risk management policy and strategy meant to ensure effective governance of risk in organisation.

SECTION THREE – DOCUMENT FLOW IN MBHASHE

Outline the flow of documents within the municipality and accountability at each level

1. Introduction

In line with ensuring that there is proper document management system within the organisation and accountability in the decisions that are made, a documentation process has to be put in place. The documentation process in any organisation can happen in the following manner:

- a) Typing or Writing- document creation
- b) Movement documents- protocol from the author to the approval of the document
- c) Reviewing and approval- need to be sent to various accountability levels before being official documents
- d) Filing documents- for future reference
- e) Storing documents- for records and safekeeping

The Mbhashe Local Municipality currently has a file plan in place which outlines the recording of documentation within the institution. All documents that are produced within Mbhashe have to make provision to a reference that will ensure that the proper filing and storage of the document. The challenges that are being experienced with the implementation of the file plan is mainly centred around the non-understanding of the purpose of the file plan and the role it plays in recording and storing of documents.

2. Flow of Documentation

All documents in the institution must entail accountability levels in order to ensure clearance and alignment of the document with the institutional vision and mission.

It must be noted that all HOD's in the institution have delegations that have been assigned to them by the Municipal Manager as per the relevant functions that they have to perform in their department.

Within the context of this document the line functions delegations refers to the core functions of the department and the supporting functions delegations refers to all the functions that do not form the core mandate of the department.

The following recommendations are made on flow of documentations within the LM and its accountability agreement:

- a) Document flow from initiator/officer to the Head of Department for approval as per the delegations on the line functions:

Author	Supporter	Approve
Initiator/Officer Level	Section Head	Senior Manager

- b) Document flow from Section Head to the Senior Manager for approval as per the delegations on the line functions:

Author	Supporter	Approve
Section Head	Not applicable	Senior Manager

- c) Document flow from Section Head to Municipal Manager with reference for approval as per the delegations to support functions

Author	Supporter	Approve
Section	Senior Manager	Municipal Manager

- d) Document flow from Senior Manager to Municipal Manager with reference for approval as per the delegations to the Executive Mayor

Author	Supporter	Approve
Senior Manager	Not Applicable	Municipal Manager

3. Document flow of submission to the Council Agenda

Once the Council approves the Integrated Development Plan, Budget and the Service Delivery Budget Implementation Plan (SDBIP), it's of importance for departments to report to Council on the implementation of the projects and programmes.

Council Support has been put in place in order to assist with the Secretariat Services of the structure however contents of such reports originate from the departments.

3.1. Documentation flow for submission to the Council Agenda

Currently the standard flow of documentation is as follows:

- **Department** (inputs and recommend on items)
- **Senior Management** (inputs and recommended on items that need Council Approval but some items may be approved at this level, as per delegation)
- **Standing Committees** (inputs and recommends on the items that need Council Approval)
- **Mayoral Committee** (inputs and recommends on the items that need Council Approval but some items may be approved at this level as per delegation)
- **Extended Troika** (to consider Council agenda to ensure all items brought to Council are competent; to ensure that there is common understanding amongst the Troika + Municipal Manager before the Council meeting)
- **Council** (inputs, recommends and approves items)

4. Concluding Remarks

An institution should ensure that it preserves and stores its information through a documentation management system. A common understanding in the role that record management plays in an institution is of crucial importance.

The documentation process may involve various forms of managing communication but accountability must be achieved at each level in order to be clear and precise about that the delegations that each Director has and can be able to monitor.

The Heads of the department must know that they are ultimately accountable for the reporting and management of the resources against the core functions including the supporting functions of an institution.

Council is in place to ensure that the Municipality is in-line with the attainment of the mandate as bestowed on them by the electorate. Their functionality is mainly based on the reports of the departments and in that way they may be able to report back to the constituencies on the performance of the institution against the attainment of the targets that have been set.

SECTION FOUR – POLITICAL AND ADMINISTRATIVE INTERFACE

Introduction

This section is set to ensure that the general conflict that exists in South African municipalities is diffused by clearly outlining the different roles of politicians and officials. In simpler terms, councillors set policy and direction; officials implement the policy and manage delivery.

Legislations, in the form of the Municipal Systems Act and the Municipal Structures Act places responsibility for the administration clearly on the Municipal Manager. Legislative compliance is very important and it is important that all councillors and officials understand their roles and responsibilities as defined in these acts in particular.

Politicians, as well as defining policy direction, are the primary means for conveying community concerns over service delivery and are the deciders of resource allocations. They have values about what and how things are managed. For all these reasons they must be part of managing the municipality without attempting to do the managers' job.

Managers (administration) on the other hand have professional and local expertise about what is possible and appropriate. They hold values about what and how things should be changed. They must be part of leading the municipality without doing the politicians' job.

The overlap of responsibilities means there are three arenas of work for the Mayoral Committee and the top management team – two separate ones for each team and one joint arena for both teams.

The three areas are:

- **Political** – where politicians in mayoral committees or caucuses draw their authority from being appointed by the Council to positions and elections. Their legitimacy comes from the fact that they were elected by the people usually on the basis of a manifesto. Within the council, they have the authority to define the council's strategic direction and priorities, decide budgets and negotiate the relationships between different political parties and partners.
- **Managerial** – where managers individually and in management teams draw their authority from their formal appointments within the council. Their authority stems from the legal, governmental and Organisational implications of delivering services and good governance.
- **Joint** – where politicians and managers share responsibility for agreeing overall strategy and managing overall performance. They have to bring together all the essential parts of major decisions so that they meet the political, community, governmental and professional realities of the situation. To be effective, senior politicians and managers must be clear on which responsibilities are shared and which are separate. These responsibilities will vary with new arrivals (managerial and, particularly, political) who will need to learn the ropes. Municipal leadership must be clear, first with one another and then with others within the organisation and with political groupings, communities and partner agencies about who does what.

Framework for understanding roles

The roles of politicians and administration can be summarised against six key activities of namely:

- establishing the council's strategic direction, priorities and resource levels;
- monitoring and managing the council's performance;
- engaging in community and community leadership;
- directing partnership working at strategic and service delivery levels;
- organising and changing the council; and
- taking responsibility for individual, team and organisational capacity development.

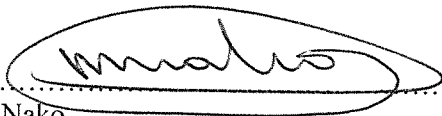
The six points above can be summarised as follows:

Political	Joint	Managerial
Strategies, priorities and resources		
Defining core political priorities and outcomes often represented by the manifesto	Devising and agreeing on the municipal direction, priorities and budget plans (through IDP processes)	Establishing working priorities derived from government policy and the IDP
Performance Management		
Scrutinising performance and actions	Agreeing on targets, outcomes and performance systems	Achieving results and running an effective performance management system
Community leadership		
Setting political values, objectives and commitments	Agreeing with council's leadership and contribution to the community	Establishing administrative values, and consulting to establish community priorities
Partnership working		
Leading through partnerships	Agreeing on partnership priorities, representation and roles	Delivering through partnerships
Organising and changing the municipality		
Working with other politicians and the public, facilitating political change and sustaining ethical and political values	Working across the political/managerial interface and jointly managing capacity and resources	Aligning the work of employees and others, facilitating change adaptation and sustaining ethical, professional and financial values
Developing individual, team and organisational skills and capacity		
Developing self and personal skills, developing the	Developing self and personal skills, developing the	Developing self and personal skills, developing the

Conclusion

The intention of this framework is not to replicate the provisions within legislation, but to provide a holistic approach to governance within municipality. Good corporate governance is viewed as very critical in the local government sector as the delivery of services to communities is dependent on the governance culture of an institution. The framework is not intended to ensure that office bearers and officials only meet the requirements set out in the law, but also ensures that governance is carried out in the context of Mbhashe's vision, mission and values.

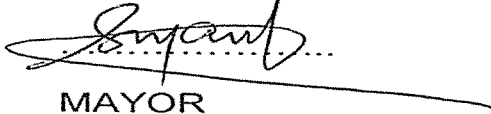
Approved by Council and Signed by:



M Nako
Acting Municipal Manager

04/07/2017
Date

Cllr. Janda S.N



MAYOR

04/07/17