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REPORT BY THE EXECUTIVE OFFICER

NOVEMBER 2010

INTRODUCTION

The organisation is in its thirteenth year of existence. While the 2009 AGM and report of the Executive Officer focused mostly on correcting financial and governance issues of a historical nature, we can report some organisation progress and also reflect on organisational development processes that are evolving for the iLGM.

ORGANISATIONAL STRATEGY

A special workshop of the NEC has developed a strategy based on three processes to take the organisation into the future. This strategy aims to focus the organisation on three deliverables to members and their particular industry:

- Representing the Executive Management level of Local Government
- Professionalisation of Municipal Executive Management
- Member Networking and Development

To this end the workshop and the NEC has agreed to put in place three processes:

- Establish working relationships with strategic stakeholders.
- Expand the scope of the NEC to include strategic stakeholders.
- Establish sub-committees for Regulation, Professionalisation, Papers and Funding.

The evolution and execution of this plan will be outlined later in this report.

GOVERNANCE

During the past twelve months the national executive committee has met on four occasions and we can report that quorums were present at all meetings, which represents an improvement on the previous year. Minutes of these meetings can be viewed on the website of the iLGM.

National Executive Council:

Mr Khayo E Mpungose	President
Mr Luzuko M Mdunyelwa	Vice President
Ms Dudu G Maseko	Imm Past President
Mrs Pilisiwe Twala-Tau	Gauteng – Chair
Mr Hennie J Labuschagne	Gauteng – Vice Chair
Mr Abram N Luruli	Limpopo – Chair
Ms Irene Moakamela	Limpopo
Mr Johannes D J Brand	Western Cape – Secretary
Dr Michelle Gratz	Western Cape
Mrs Vuyiwe Tsako	Eastern Cape – Chair
Ms Marlene Ludick	Eastern Cape
Mr Mxolisi Nkosi	KwaZulu Natal – Chair
Ms Thembeke Cibane	KwaZulu Natal – Secretary
Ms Sibongile Mnisi	Mpumalanga
Mr George G Seitisho	COGTA – Co-opted
Dr Pravine Naidoo	Reg. & Prof Committee Chair

The active provincial branches during the year, in order of activity were KwaZulu-Natal, Western Cape, Mpumalanga, Gauteng, and Limpopo, Eastern Cape. North West, Freestate, and Northern Cape were dormant. Eastern Cape only elected an interim committee late in the year and consequently could only attend one NEC meeting. The Kwazulu-Natal and Gauteng Branches have elected new committees of ten persons each, while the Eastern Cape has elected a two person interim committee. Other active branches will hold annual general meetings in late November or December.

KZN:

Mr Mxolisi Nkosi (Chair)
Ms Jabu Majola (Deputy Chair)
Ms Thembeke Cibane (Secretary)
Ms Mbali Ndlovu (Treasurer)
Mr DD Naidoo
Ms Grace Mavundla
Mr Simon Mashabane
Dr Mpilo Ngubane
Mr Vincent Cebekhulu
Ms Boniwe Zulu

Gauteng:

Mrs. Philisiwe Twala-Tau (Chair)
Mr. Hennie Labuschagne (Deputy Chair)
Ms Betty Makupu (Secretary)
Harvey Phalatsi
Ntokozo Mkwebane

Konopi (Geoff) Ramogakgadi
Lawrence Molatela
Serutle Ntlatleng
Frans Ledwaba

Eastern Cape:

Mrs Vuyiwe Tsako (Chair)
Ms Marlene Ludick

While the year did take the iLGM forward in some respects, a critical review of the iLGM governance processes indicate that some further development is required:

- Low level of member engagement and involvement.
- Tendency to prefer commercial processes over member driven processes.
- Most senior metro managers are not involved.
- Weak relations with strategic stakeholders.
- NEC involvement in sub committees can be better.

We believe that the current organisational strategy mentioned in the previous section will go a long way to redress these deficiencies. In this regard the secretariat did invite members to volunteer their time and effort to the Regulatory and Professionalisation committees, and some thirteen volunteers did come forward. An inaugural combined meeting of the committees was held some weeks ago.

Regulatory and Professionalisation Committee:

Dr Pravine Naidoo (Chair)
Mr Larry S Steyn
Mrs Vuyiwe Tsako
Ms Shiva Makotoko
Prof Omphemetse Sibanda
Mr Jakes van den Berg
Mr Bongo Rulashe
Adv Rudolf G Bosman
Mr Oscar N Nkosi
Mr Louis A Scheepers
Prof David Mello
Mr Kevin Wall
Ms Zanele Dlamini
Ms Stella Nqanda
Mr Luzuko M Mdunyelwa
Mr Abram N Luruli
Ms Rejeleng Kokoropo
Ms Ivy Makgoe

During this period, Advocate Rudi Bosman assisted the iLGM with legal work, Messrs Harris, Dowden and Fontaine served as auditors, while the general secretariat and day management was provided by Messrs VdW&Co.

No material contracts was entered into during the period other than debt rescheduling agreements discussed later in this document as well as contracts with suppliers as was needed to stage this conference and AGM.

We urge members and the NEC to maintain a close focus on the strategic deliverables of the organisation and to follow through on these with some vigour.

- Representing the Executive Management level of Local Government
- Professionalisation of Municipal Executive Management
- Member Networking and Development

We now proceed to report on progress in these areas of endeavour:

REPRESENTING MUNICIPAL EXECUTIVE MANAGEMENT

The iLGM participated in eight instances in processes of COGTA, SALGA and Parliament:

- 1) Messrs Luruli and Venter addressed the Parliamentary Portfolio Committee on Co-ordinated Service Delivery.
- 2) iLGM Commented to COGTA on the draft Disciplinary Code and Procedures for Senior Managers.
- 3) iLGM commented and Messrs Mpungose, Luruli and Venter attended a meeting with COGTA on the amendments to the Municipal Systems Act.
- 4) iLGM commented on the Skills Dictionary and associated documents being prepared by COGTA for the new skills regulations in terms of the amended Systems Act.
- 5) iLGM hosted three meetings of municipal associations to facilitate the covering of substantial gaps in the skills dictionary and associated documents.
- 6) iLGM engaged with LGSETA to solicit funding for research into municipal management professionalisation.
- 7) Chairman of the Regulatory and Professionalisation committee has met with COGTA on the COGTA professionalisation of municipal management process offering iLGM assistance with this project.
- 8) Messrs Mdunyelwa and Venter attended the SALGA Members Assembly in Kimberley.

While this representation processes was done on a more or less ad hock basis during the period, we trust that the Regulatory and Professionalisation committee will assist in formalising these processes in the fullness of time.

On the international arena, the iLGM president attended the annual conference of the society of Local Authority Chief Executives in Scotland as an international guest in October 2010.

PROFESSIONALISATION OF MUNICIPAL EXECUTIVE MANAGEMENT

Members may remember that an iLGM committee on this subject developed a framework document during 2009, which we believe was shared with the minister of co-operative governance and traditional affairs. At the SALGA assembly in Kimberley the Minister spoke strongly on this subject of professionalisation and also of the need for municipal executives to meet and network on a regular basis. It is also evident that COGTA has initiated a professionalisation process under instruction of the minister.

This initiative is additional to the quick gains that the ministry hopes to derive from the proposed changes in the Systems Act, which focuses on minimum competencies for municipal executives.

Note that most Section 57 contract will expire in the next year, and that the entire top municipal structure will be appointed in terms of the regulations crafted in terms of the amended Systems Act. (Provided the amendments pass through parliament in time)

It should be clear from the aforesaid that COGTA is and will be driving the professionalisation process and that iLGM should be assisting this process where ever it can.

The SA Qualifications Authority has published a draft framework for the recognition of professional institutions and designations. These processes are being monitored, but members are of the opinion that a SAQA driven process may be of little value unless it is backed up by government legislation to enforce professionalisation.

MEMBER NETWORKING AND DEVELOPMENT

We can report that the network events of the organisation entailed the following:

- 2009 Conference in Mogale City
- 2010 Woman in Local Government Conference in Richards Bay
- 2010 KZN Members Conference and AGM in Richards Bay
- 2010 Management Development Conference and AGM in Mbombela
- Provincial AGM in Queenstown
- Provincial AGM in Gauteng
- Small events in Polokwane and Johannesburg on the King 3 Report
- Four NEC meetings.
- One NEC workshop.

- One meeting of the Regulatory and Professionalisation Committee.
- Two general meetings of the Western Cape Branch members.

We urge members to come forward and volunteer time and meeting facilities to host member meetings on a regular basis, in all provinces. We challenge members to show leadership in this matter and to at least hold member meetings on a quarterly basis in all provinces.

All our members have access to meeting rooms, administrative staff, and I am sure funds for basic catering can be found. Meetings must preferably be “members only” and free of charge.

FINANCIAL RESULTS

We can report that for the financial year ended June 2010, the organisation generated a financial surplus of R23 559 compared to a deficit of R427 742 for the preceding year. Operating costs before interest and conference costs, amounted to R489 000, down from R1373 000, in the previous year.

Liabilities exceeds the assets by R1 164 000 at year end, down from R 1188 000 the previous year.

The audit report made mention of the fact that substantial branch funds are not reflected in the statements, while the going concern status of the organisation was uncertain, prompting the auditor not to express an opinion on the statements.

Members will no doubt remember that we managed to table up to date and audited financial statements at the 2009 AGM, for the few preceding years. You may also remember that these statements indicated that the organisation was trading under insolvent conditions. At the time we concluded “four year” repayment terms with most creditors excluding the receiver of revenue who was not prepared to enter into a further repayment agreement. The receiver indicated verbally its intentions to proceed against past office bearers but to date we have not seen any such action and recent enquiries did not yield any indications on the future intentions of the receiver.

With due regard for the fact that we are trading under insolvent conditions, the secretariat has been careful to balance contractual commitments for the Woman’s Conference and for the current conference with the availability of funds in the bank, to avoid creating further creditors for the organisation. We have also restricted expenditure on both conferences as far as we could to ensure that we can meet the commitments of the institute in terms of its agreements with creditors.

MEMBERSHIP

The paid up membership is currently numbering 141, the highest number in years. The total number of full members on our database numbers 536. In our opinion it is time for the iLGM to once again open its events and meetings only to paid-up members, in fairness to those who pay their membership fees.

We suggest that regular iLGM provincial branch meetings will increase membership engagement levels substantially and will reverse this retention issue once and for all.

IN CONCLUSION

We strongly urge members to accept a common vision for the iLGM based on the three objectives set by the NEC:

- Representing the Executive Management level of Local Government
- Professionalisation of Municipal Executive Management
- Member Networking and Development

To deliver strong member value within this framework, will require very close relationships with SALGA and COGTA, a broad base of involved members in the five operating committees, as well as regular branch meetings.

iLGM must move from being inward focused to be outgoing, connected and bonded together with a network of members around the country that meet on a regular basis.

We wish members well for the festive season and trust that you will all prosper in 2011.

Yours faithfully



JEAN VENTER
VdW&Co