

# Emthanjeni Municipality

## Review and Amendment of Organisational Structure Report

Prepared by



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**Emthanjeni Municipality**  
**Review and Amendment of the Organisational Structure**  
**Framework Report**

### **1. Background**

It was decided during October 2006 that the organisational structure needs revision; the current structure did not address the needs and challenges of the municipality. The service provider were elected and appointed in December 2006 to start with the process of addressing the organisational structure. The first draft will be ready for discussion with management by the end of March 2007.

### **2. Process Followed**

To ensure that the organisational structure is reviewed in a methodical manner considering all aspects the following process was followed:

<b>Step Nr</b>	<b>Key Steps</b>
Step 1	Analysis and understanding of the current structure
Step 2	Analysis of Strategic Plan, IDP and SDBIP
Step 3	Determine legislative requirements
Step 4	Determine and assess required functions and services
Step 5	Determine functions and activities performed by all departments
Step 6	Determine gaps between actual and required functions and competencies.
Step 7	Determine resource requirements
Step 8	Assessment of key management and institutional system and processes
Step 9	Formulate skeleton organisational structure
Step 10	Ensure consultation with: <ul style="list-style-type: none"> <li>• Councillors</li> <li>• Staff</li> <li>• Unions</li> </ul>
Step 11	Final Report

The process framework allowed a system approval to ensure the last possible result.

### **3. Findings on the Organisational Analysis**

In analysing the organisational structure it become evident that the structure was due for an overall and that the organisation needs to be restructured to achieve its strategic and IDP objectives. The analysis highlighted the following differences.

- The current structure did not reflect the strategic and IDP priorities of the Municipality. The structure also did not support the implementation of the IDP and SDBIP and therefore made the implementation of this IDP and spending of the budget difficult.
- The structure did not make provision for the implementation of Powers and Functions in terms of Section 84 of the Municipal Structure Act. An example

thereof is the implementation of Disaster Management, Municipal Roads, and Municipal Health functions.

- Because of the above the organisational structure was more geared towards the implementation of institutional and organisational needs than external services delivery.
- The current organisational structure did not reflect all the organisational changes and staff movements that took place over the past couple of years.
- The structure stifled cross-departmental communication and cooperation and as an example the IDP and Development are all in different departments with different line reporting structures.
- Functions are wrongly placed within departments, not allowing optimum and effective organisational functioning.
- Not reflecting latest government policies and expectations.

It is clear from the analysis that the organisational structure needs to be transformed to improve organisational and service delivery performances.

#### **4. Key Aspects for Consideration**

In considering the new functional organisational structure for the Municipality the following aspects had to be considered

##### **Strategic Planning and IDP**

<b>Key Objective</b>	<b>Key Issues</b>
Financial Management	<ul style="list-style-type: none"> <li>• To manage expenditure and income in accordance with approved budget and provision of MFMA</li> <li>• To improve the financial viability of the municipality and improve revenue collection</li> </ul>
Social and Economic Development	<ul style="list-style-type: none"> <li>• Maintenance of a database of SMME contractors in Emthanjeni municipal area</li> <li>• Promote the involvement of SMME's in construction and related projects</li> <li>• Participation in the PKSDGDS process</li> <li>• Promotion of local economic development and tourism</li> <li>• To coordinate/ manage the effective utilisation of commonage</li> </ul>
Institutional Transformation	<ul style="list-style-type: none"> <li>• To deliver a support services to Council and Committees of the Council</li> <li>• To ensure that the municipality has comprehensive human resources management policies (excluding national negotiated policies)</li> <li>• To enhance morale and commitment of employees</li> </ul>
Democracy and Governance	<ul style="list-style-type: none"> <li>• Programme for Public Participation</li> <li>• To enhance stakeholder communication</li> </ul>
Infrastructure and Services	<ul style="list-style-type: none"> <li>• To deliver Essential Services.</li> <li>• To ensure a clean and healthy municipal area</li> <li>• Active participation in the Municipality's IDP process</li> <li>• To manage the housing needs of the Municipality and address the backlogs</li> <li>• To improve customer care and services delivery</li> </ul>

	<ul style="list-style-type: none"> <li>• To decrease water &amp; electricity distribution losses</li> <li>• To reduce the infrastructural backlogs in accordance with equity and sustainable principles</li> <li>• Maintenance and Management of Infrastructure</li> </ul>
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### Service Delivery Budget Implementation Plan (SDBIP)

KPA	Objectives
Basic Services Delivery and Infrastructure Development	<ul style="list-style-type: none"> <li>• To deliver Essential Services.</li> <li>• To Ensure a clean and healthy municipal area</li> <li>• Active participation in the Municipality's IDP process</li> <li>• To manage the housing needs of the Municipality and address the backlogs</li> <li>• To improve customer care and services delivery</li> <li>• To decrease water &amp; electricity distribution losses</li> <li>• To reduce the infrastructural backlogs in accordance with equity and sustainable principles</li> <li>• Maintenance and Management of Infrastructure</li> </ul>
Local Economic Development	<ul style="list-style-type: none"> <li>• Maintenance of a database of SMME contractors in Emthanjeni municipal area</li> <li>• Promote the involvement of SMME's in construction and related projects</li> <li>• Participation in the PKSDGDS process</li> <li>• Promotion of local economic development and tourism</li> <li>• To coordinate/ manage the effective utilisation of commonage</li> </ul>
Municipal Financial Viability	<ul style="list-style-type: none"> <li>• To manage expenditure and income in accordance with approved budget and provision of MFMA</li> <li>• To improve the financial viability of the municipality and improve revenue collection</li> </ul>
Municipal Transformation and Institutional Development	<ul style="list-style-type: none"> <li>• To deliver a support services to Council and Committees of the Council</li> <li>• To ensure that the municipality has comprehensive human resources management policies (excluding national negotiated policies)</li> <li>• To enhance morale and commitment of employees</li> </ul>
Good Governance	<ul style="list-style-type: none"> <li>• Programme for Public Participation</li> <li>• To enhance stakeholder communication</li> </ul>

### 5. Key Principles in Formulating the Organisational Structure

In formulating and considering a new structure it is optional to consider the principles that will guide the review process and is able to steer the thinking towards cost effective solutions and that will enable the effective functioning of the organisation. The following principles are considered:-

1. Informed by Strategic direction of Municipality.

2. Cost effectiveness and affordability.
3. No duplication of functions.
4. Clear communication lines.
5. Clear accountabilities and responsibilities.
6. Clear segregation of duties for audit purposes
7. In alignment with government policies and directives.
8. Give meaning and substance to positions at management level.
9. Manageable span of control

**The following aspects were considered in drafting the organisational structure:**

- The powers and functions of the Municipality
- The strategic priorities, IDP and SDBIP.
- Legislative requirements especially Local Government Legislation.
- Functional needs expressed by Departments.
- Current realities of the Municipality

## **6. Conceptual Framework**

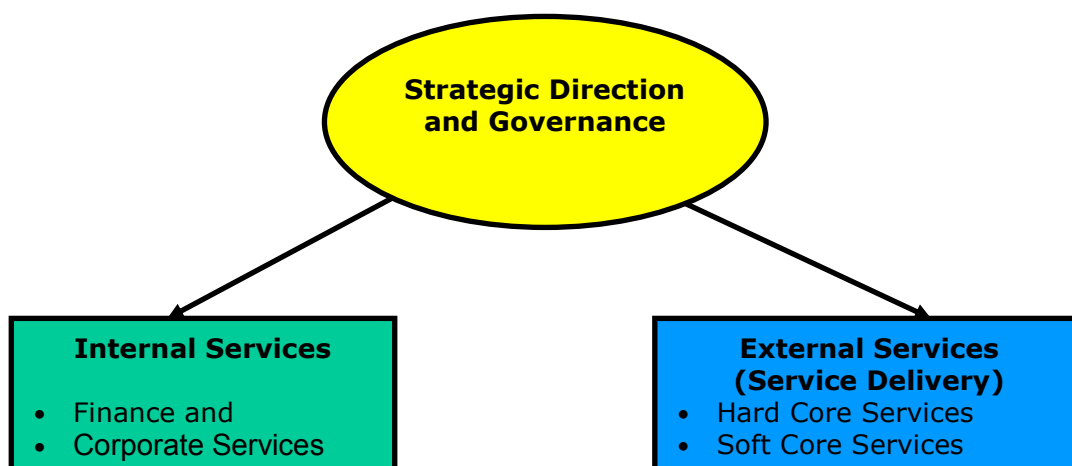
In drafting a conceptual framework for the organisational structure the two most important aspects that we had to consider was the following:

- The strategic direction of the Municipality. The popular say is that “structure follows strategy” as a strategy can only be implemented if the organisation structure and the allocation of resources allow this to happen.
- To change the mindset of the organisation from being an institutional structure to a service delivery institution. The sustainable future of Municipality lies in its ability to transform itself to a service delivery orientated institution of excellence.

This is critical if one considers how new local municipalities are struggling to implement the new system of local government i.e.:

- The implementation of the IDP.
- The implementation of the PMS
- The implementation of Ward Committees
- The implementation of the budget reform process.
- Sound financial management
- Proper maintenance and operation of infrastructure services.
- Formulation of by-laws and policies etc.

With the service delivery perspective as a point of departure it is critical to transform the organisational structure of the Municipality to allow it to provide effective services. In considering sound organisational principles and clustering functions together that will enhance teamwork and the achievement of a common vision and goals it will be important to separate internal services and functions from the service delivery functions. The following diagram demonstrates this perspective.



If one accepts the above model as the best mechanism to transform the organisation to be a service delivery orientated institution it will be important to keep focus within the key segments by keeping functions together that is closely associated and that will enhance communication and cooperation. Based on the above model the following conceptual framework is proposed

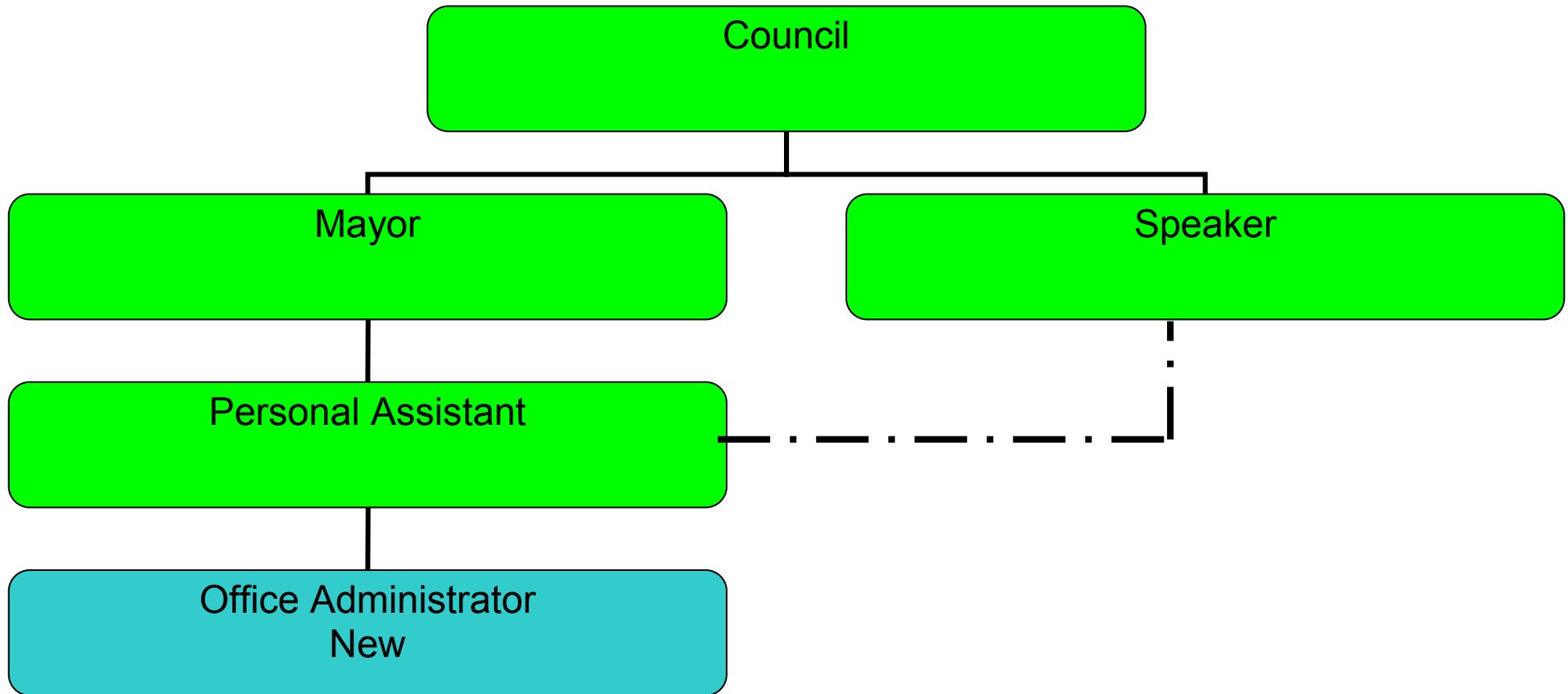
We believe the proposed model is the best option in transforming the Municipality for the following reasons:

- Not increasing the top structure of the municipality.
- Improving communication by keeping functions together that is closely associated.
- Creating mechanisms for implementing the service delivery mandate of the organisation.
- Keeping focus within Departments on its key functions.

In the following paragraphs the current macro structure and the proposed structure per department will be discussed.

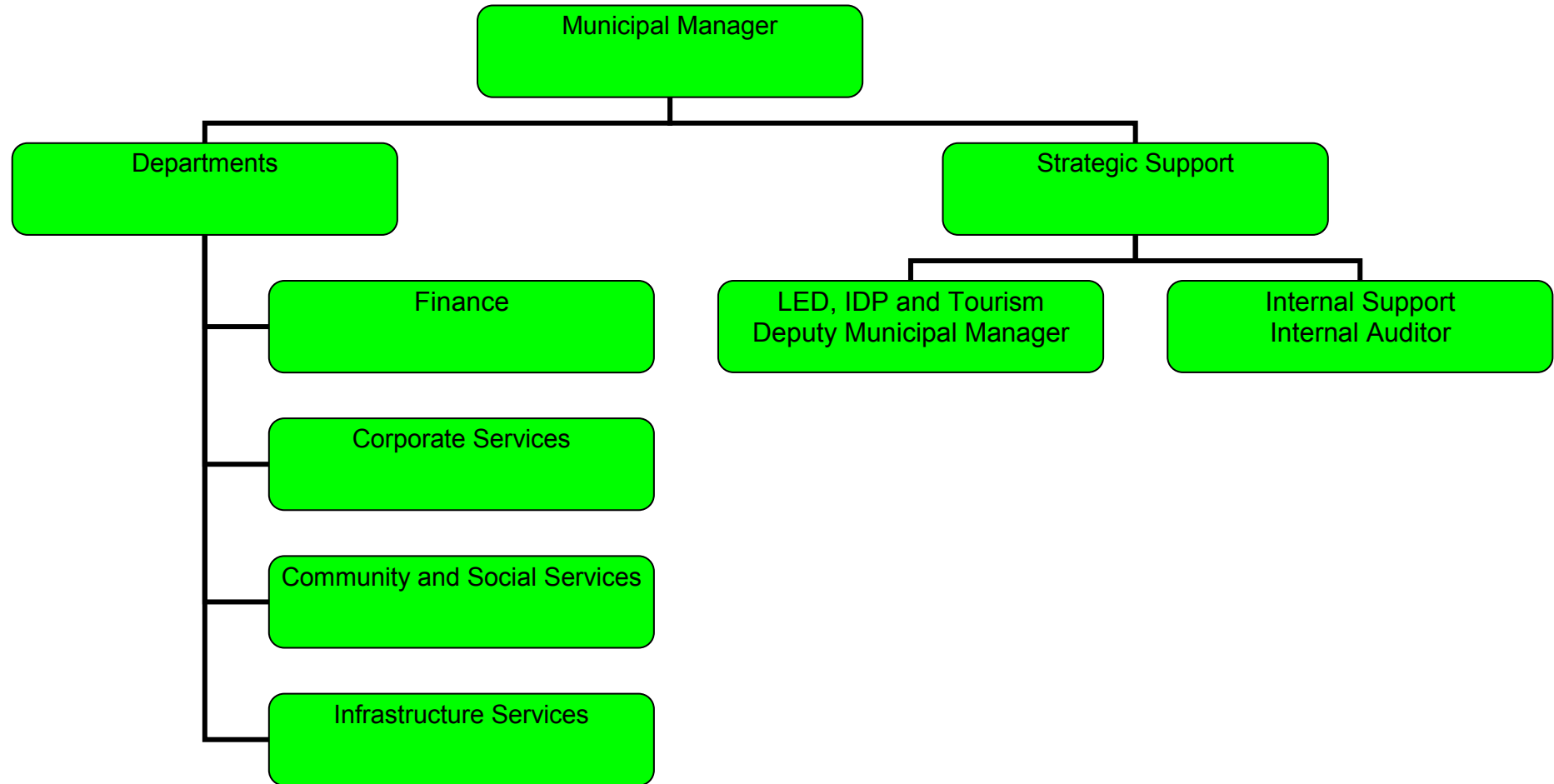
### 7. Current Macro Organisational Structure

Office of the Mayor

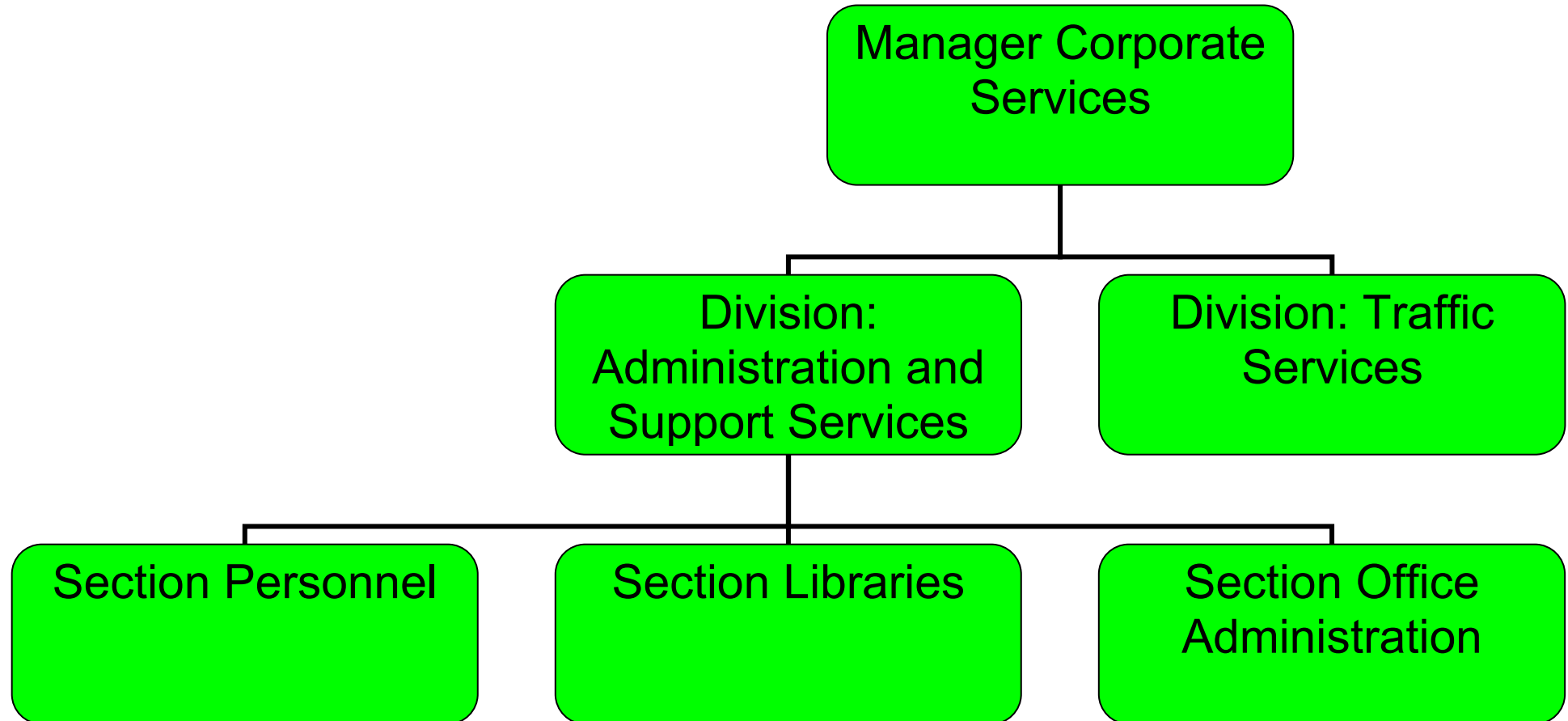




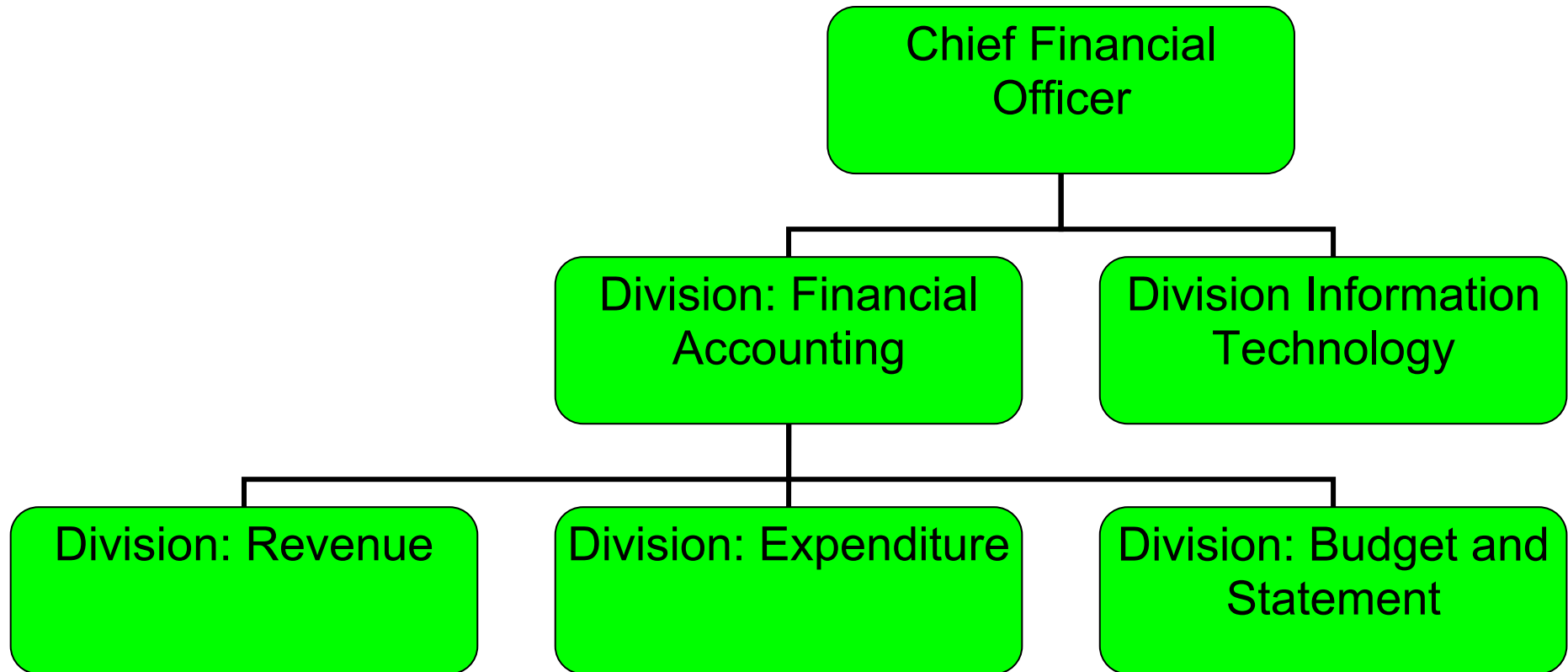
Office of the Municipal Manager



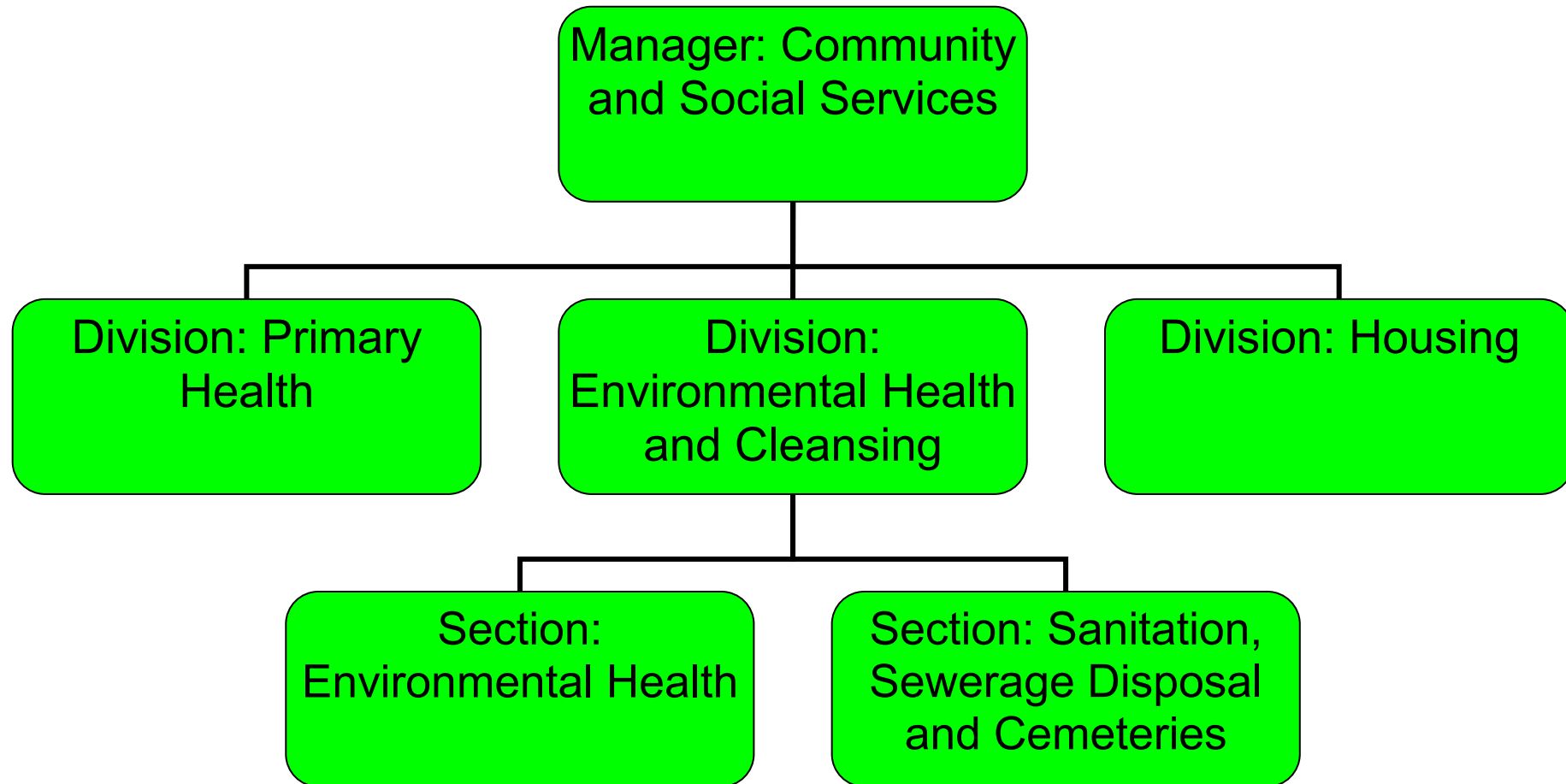
Department Corporate Services:



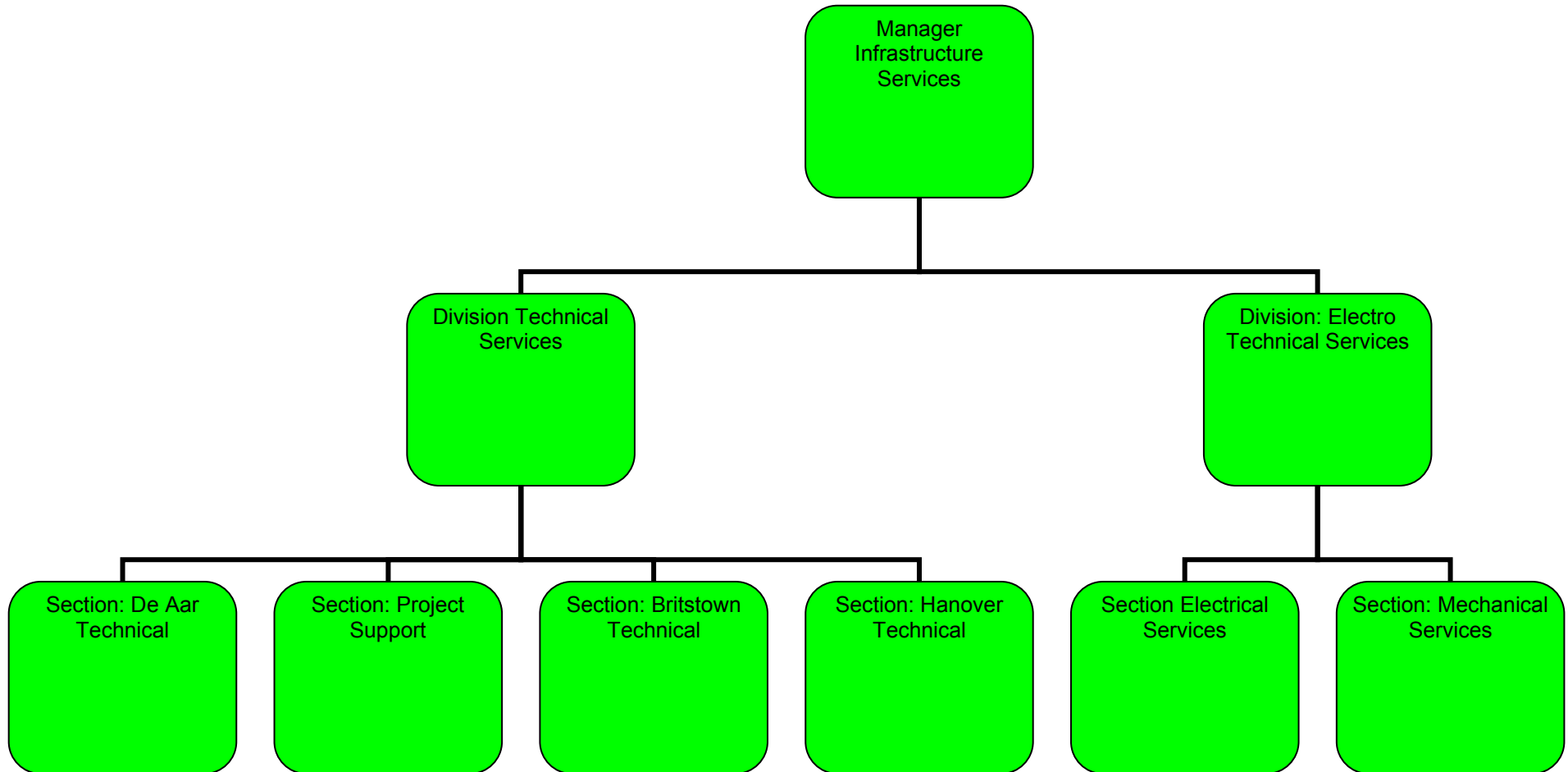
Department of Finance



Department Community and Social Services

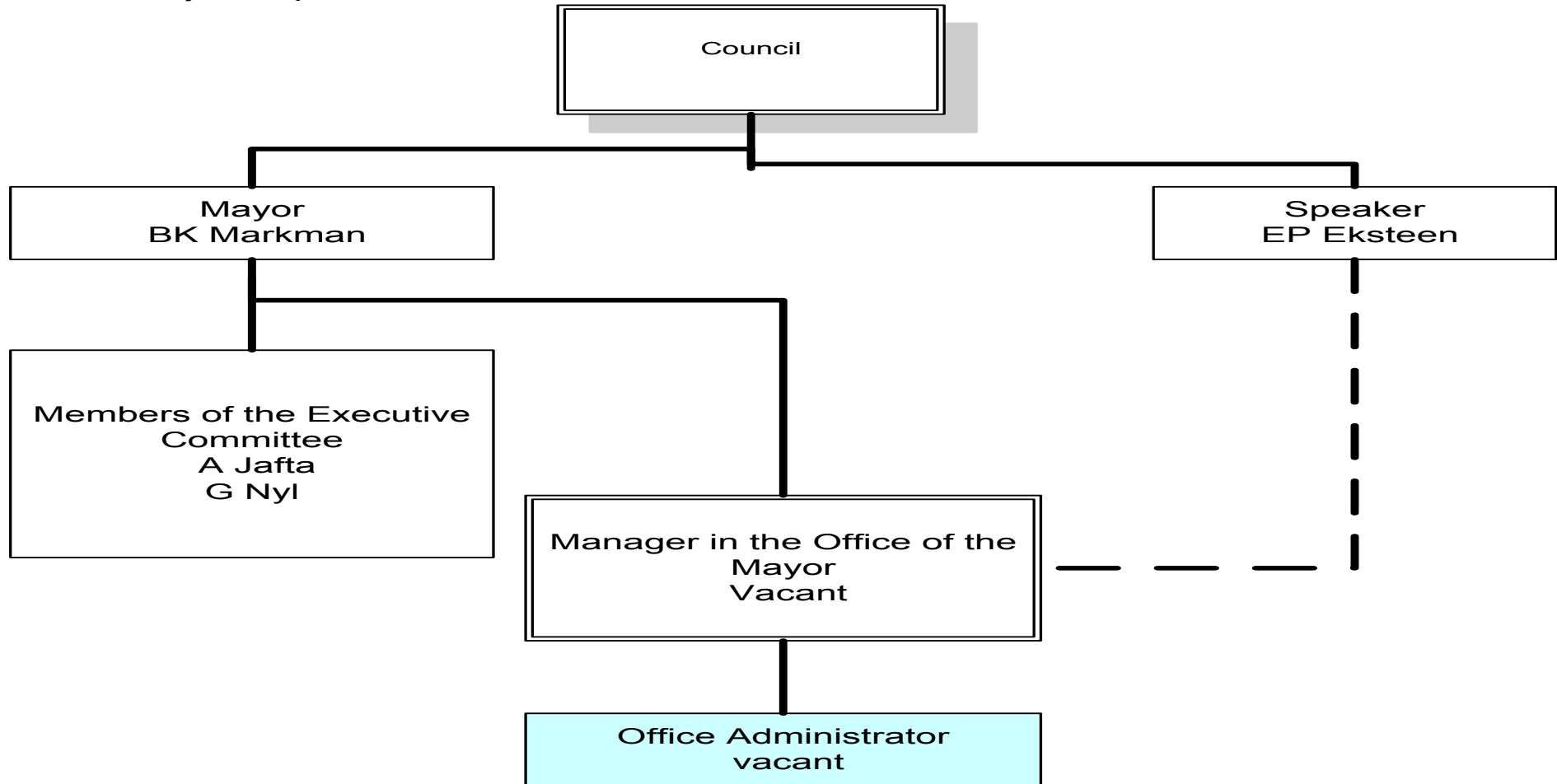


Department Infrastructure Services

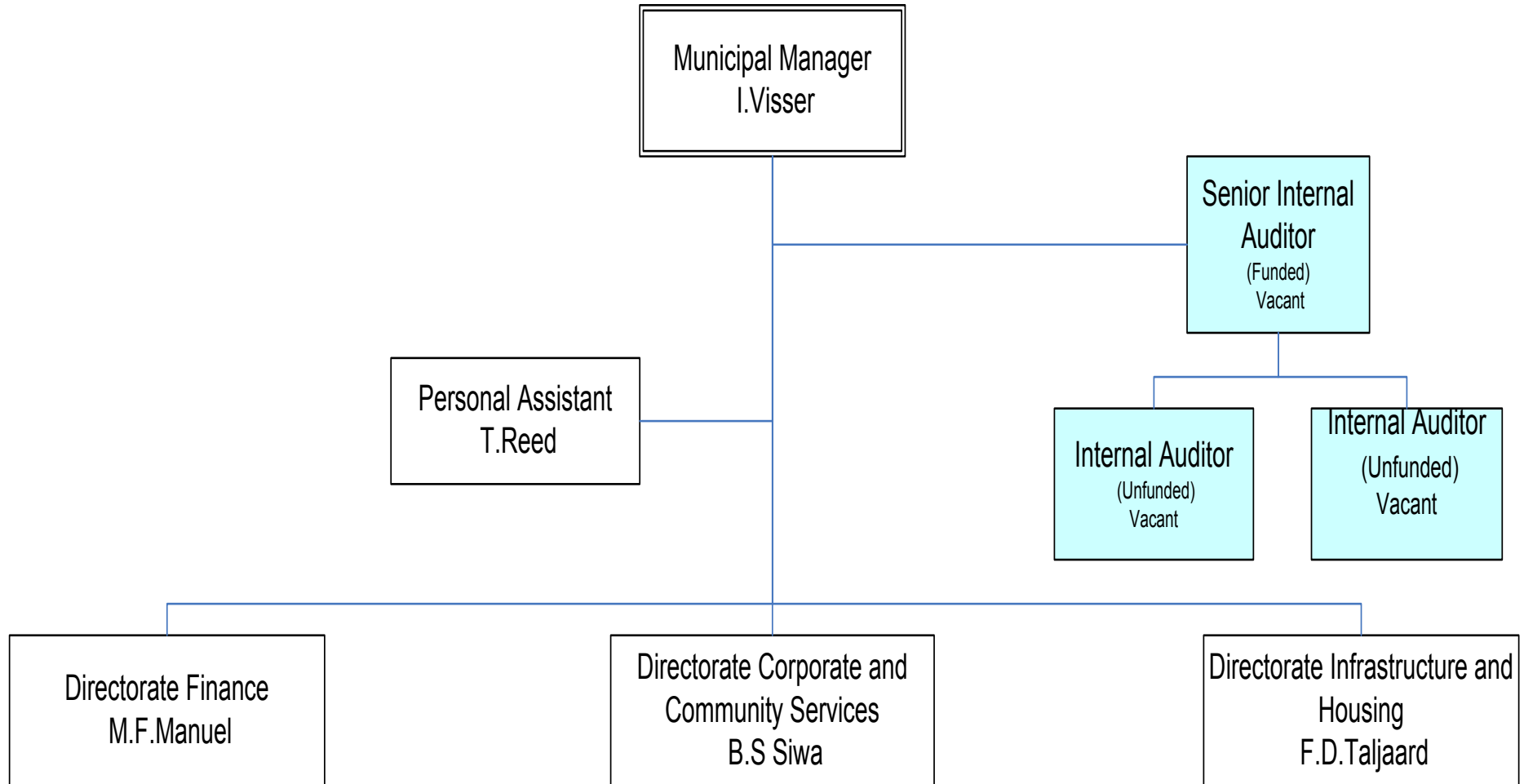


### 8. Proposed Organisational Structure:

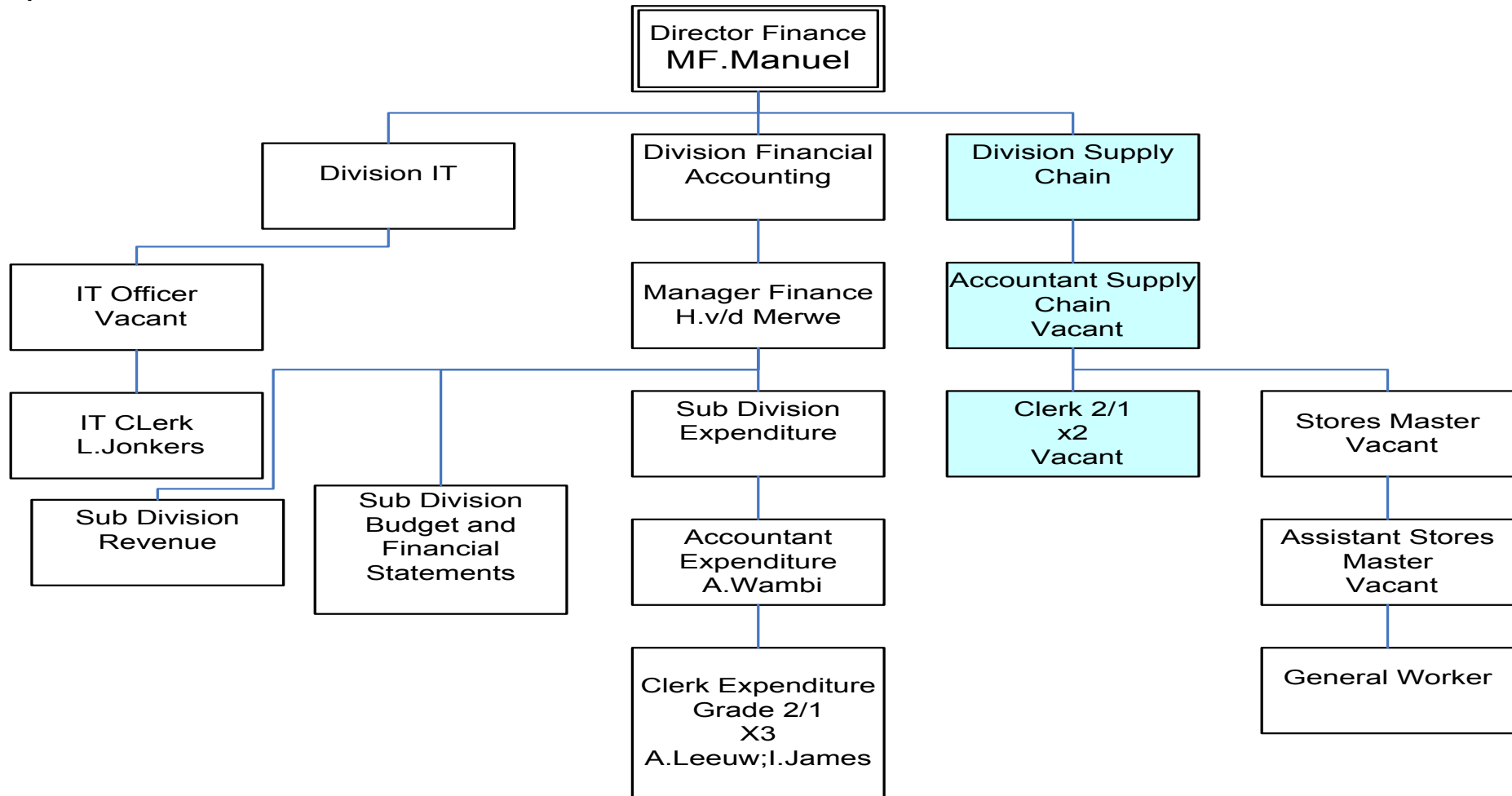
Office of the Mayor and Speaker:



**Office of the Municipal Manager:**

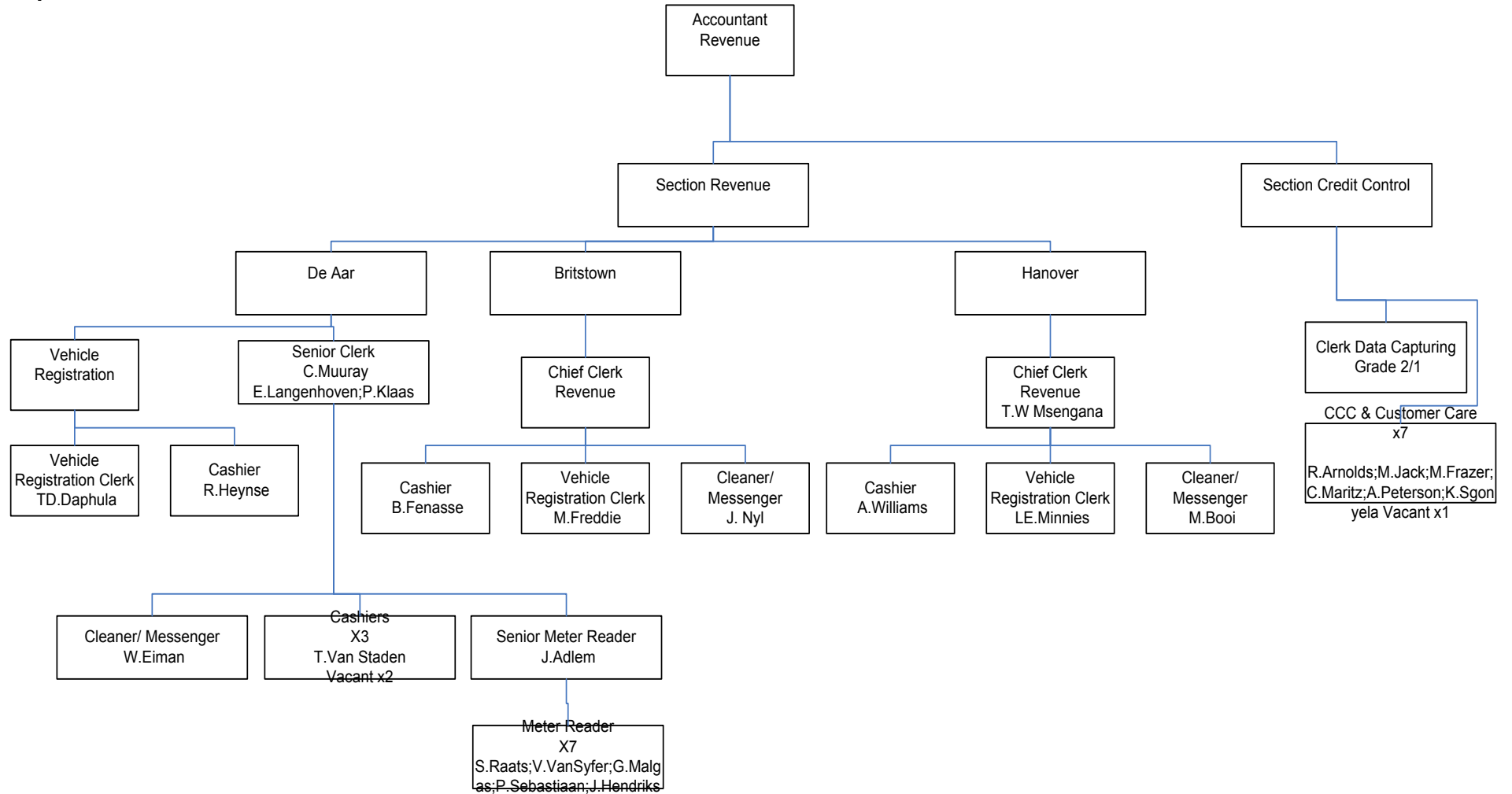


**Department of Finance:**

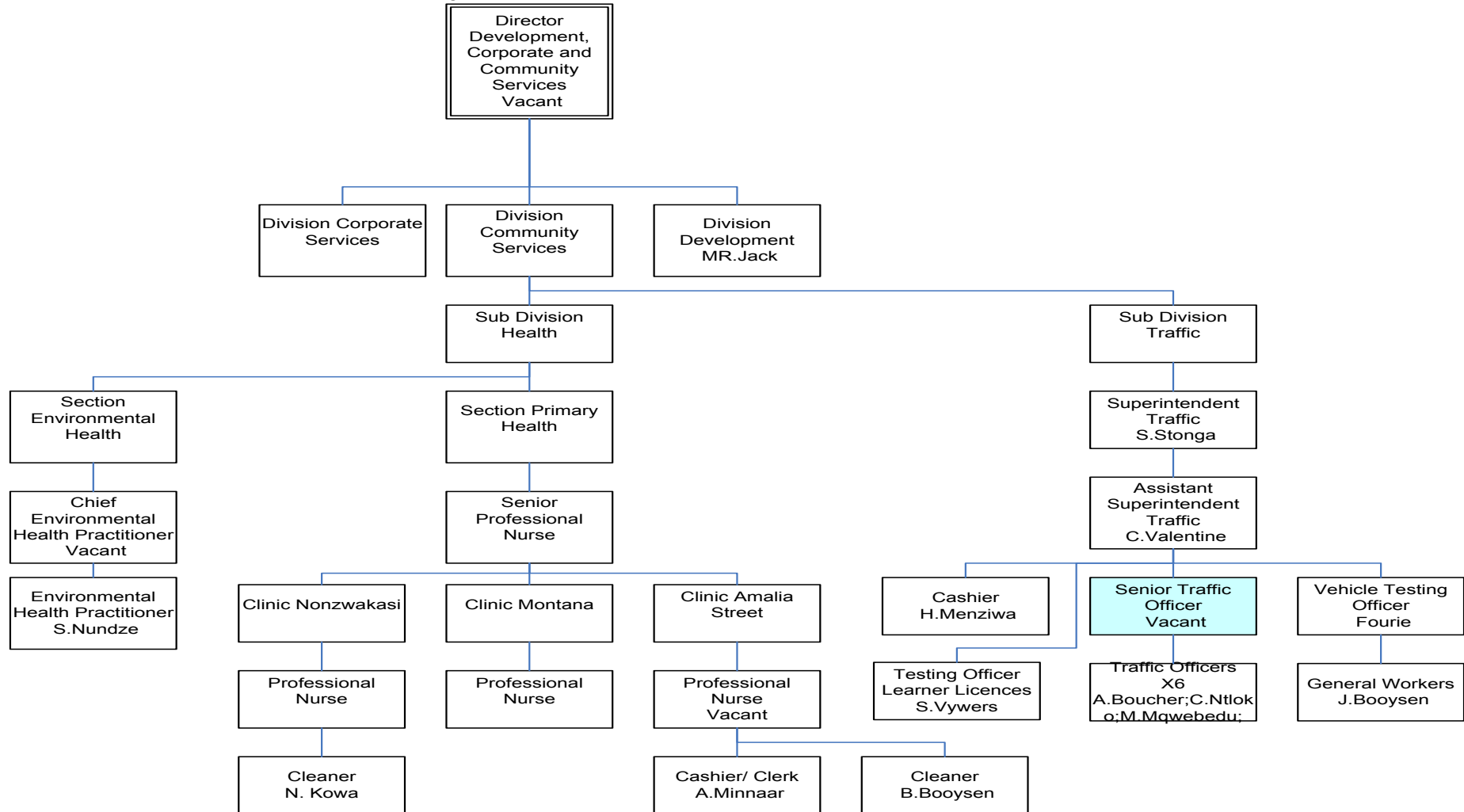




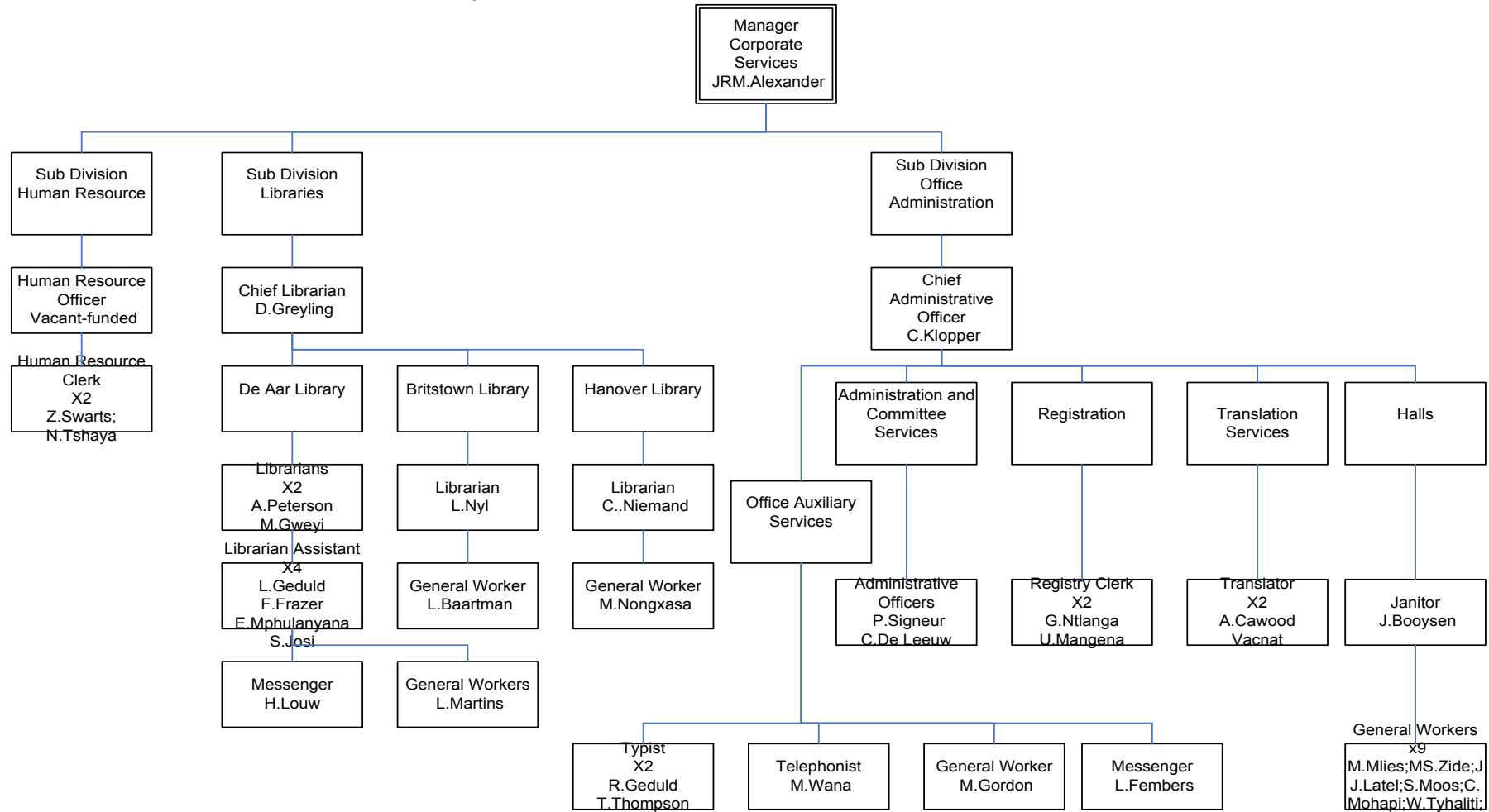
**Department Finance:**



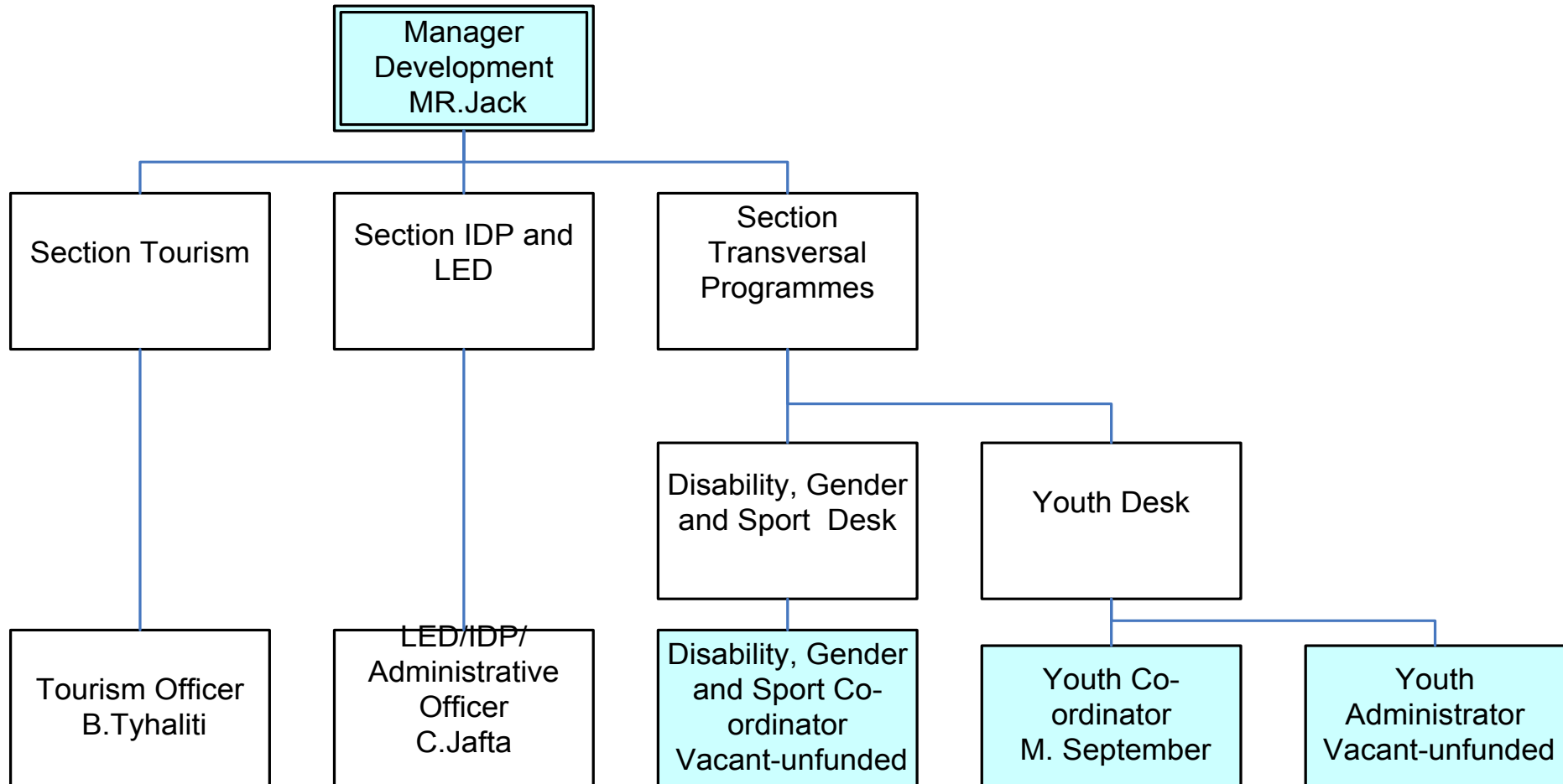
**Department of Corporate and Community Services:**



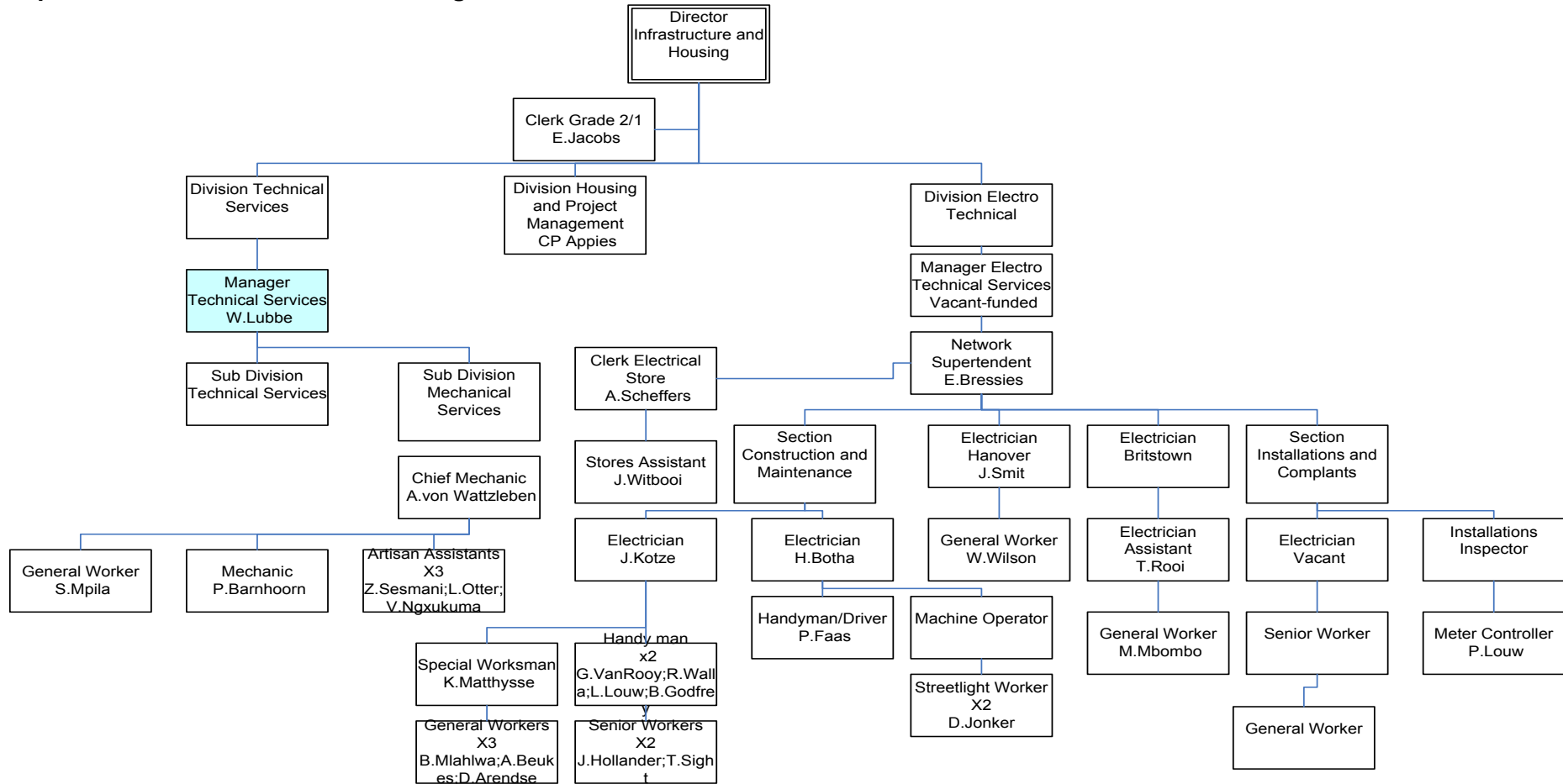
**Department of Corporate and Community Services:**



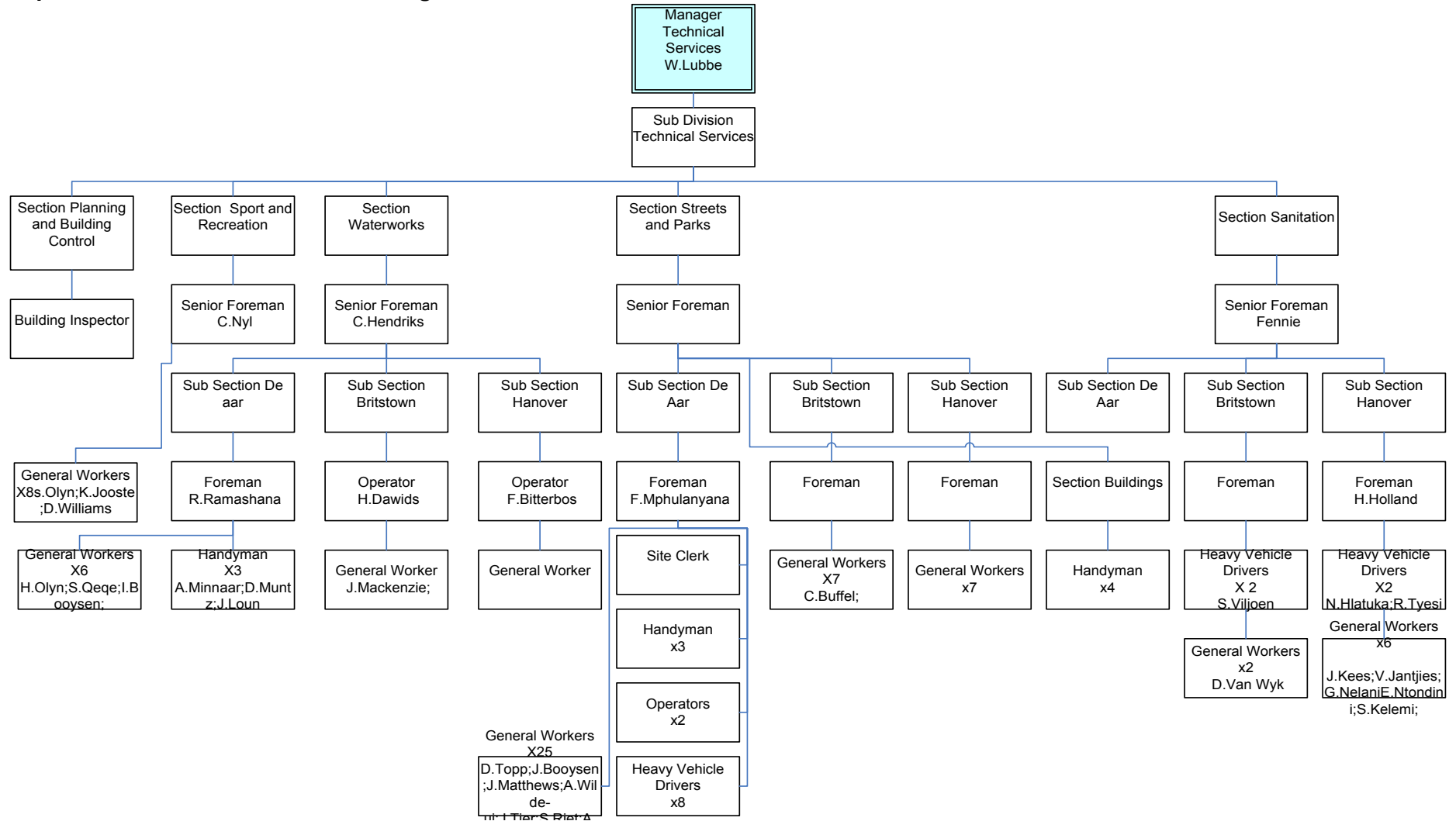
**Department of Corporate and Community Services:**



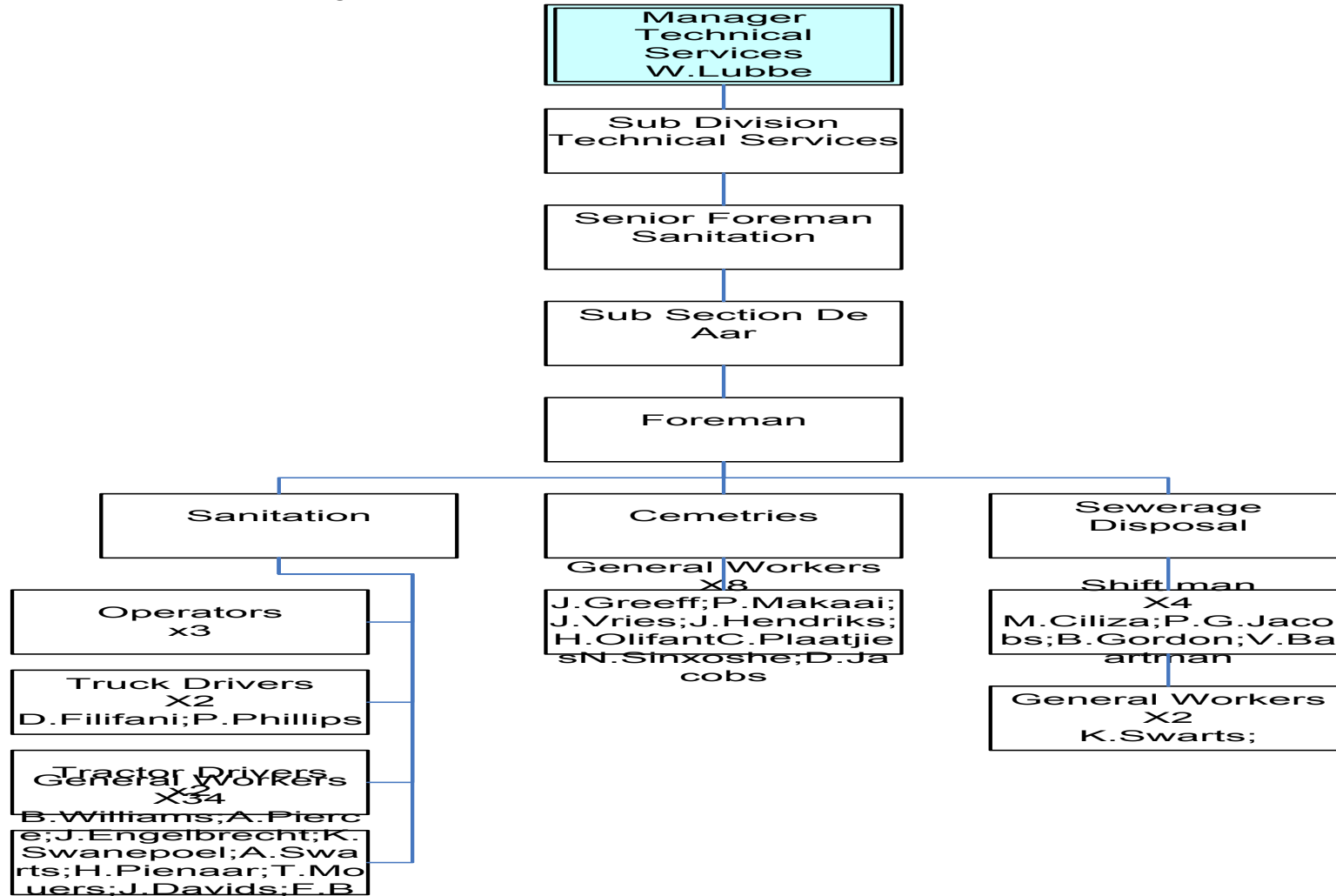
### Department Infrastructure and Housing



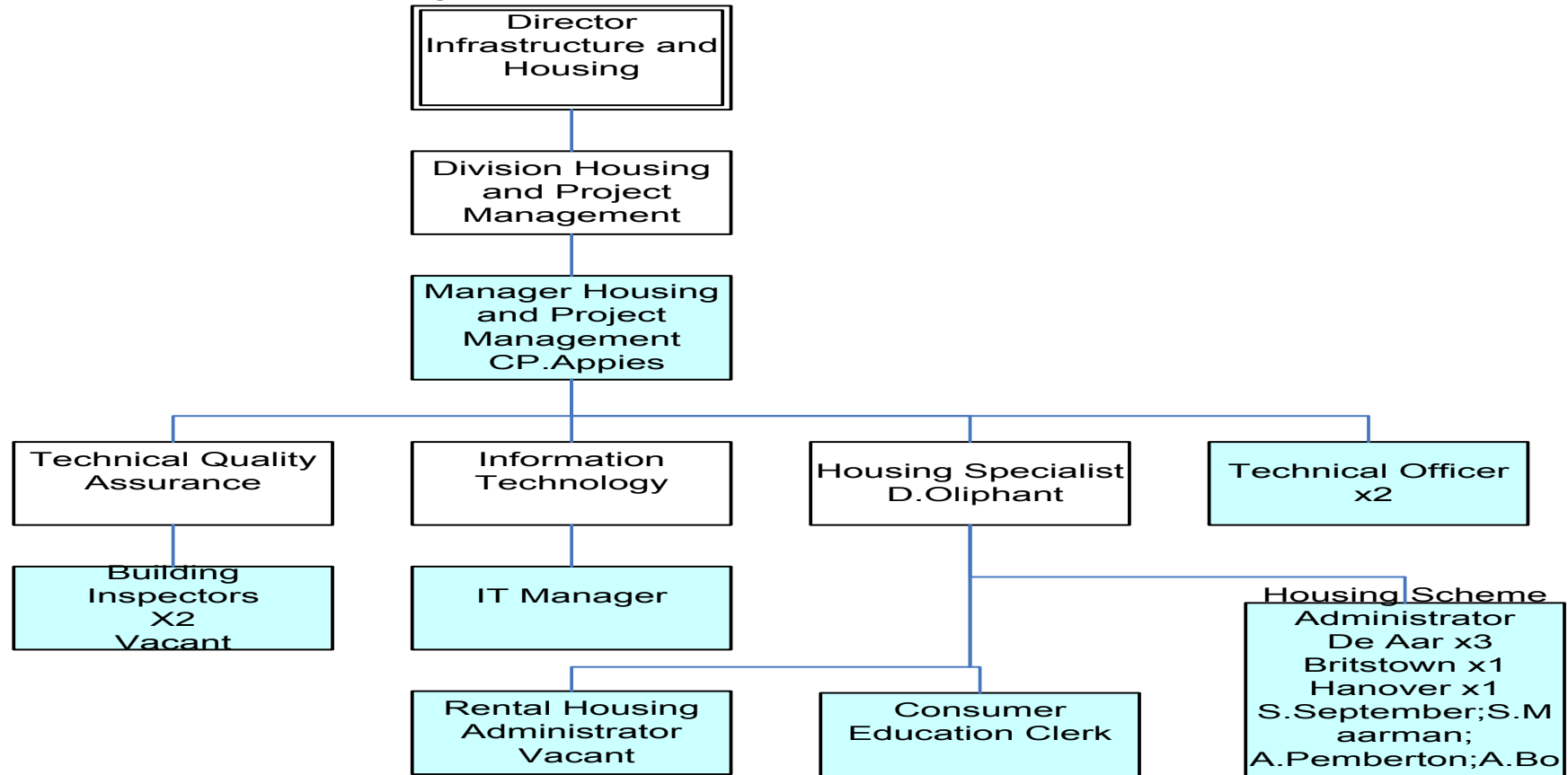
**Department Infrastructure and Housing:**



**Department Infrastructure and Housing:**



**Department Infrastructure and Housing:**





### 9. List of New Posts in the Proposed Organisational Structure

<b>Department</b>	<b>New Post</b>
<b>Office of Mayor &amp; Speaker</b>	
<b>Office of the Municipal Manager</b>	Senior Internal Auditor
	Internal Auditors x2
<b>Department of Finance</b>	Procurement: Accountant
<b>Department of Corporate Services</b>	Senior Traffic Officer
	Traffic Officer
	Technical Officer x2
	Manager Development
	Disability, Gender and Co-ordinator
	Youth Administrator
	Youth Co-ordinator
<b>Department Infrastructure and Technical Services</b>	Manager: Technical Services
	Manager: Housing and Project Management
	Technical Officer x2
	Housing Scheme Administrator x5
	Building Inspectors x2
	IT Manager
	Consumer Education Clerk
	Rental Housing Administrator