Message of Support by the His Worship, the Mayor

Cllr James Nxumalo

on the occasion of the eThekwini Municipality’s Audit and Risk Management Services (EMARAS) and Corporate and HR Joint Seminar

10 June 2015

Moses Mabhida Stadium, Mixed Zone

Thank you, Programme Director,

• Deputy Mayor, Councillor Nomvuzo Shabalala,
• Members of the Executive Committee,
• Chairpersons of the oversight committees,
• City Manager, Mr Sibusiso Sithole,
• Deputy City Managers,
• Councillors,
• Guest speakers,
• Senior Officials
• Distinguished guests,
• Ladies and gentlemen,

• All protocol observed,
I am pleased to welcome you all this morning to the third Continuous Development and Awareness Programme sessions aimed at promoting good corporate governance in the Municipality.

The eThekwini Municipality’s Audit and Risk Management Services (EMARAS), in partnership with the Speaker’s Office, the Corporate and HR Unit and the Municipal Institute of Learning (MILE) have collaborated to develop a package of programmes to support and sustain good governance in the city. The goal of this initiative is to foster accountability and uphold high standards of good governance in the organisation.

This seminar aims to discuss the challenges and opportunities of leading in a highly regulated environment. It aims to deepen understanding and cultivate a common ethos in translating good governance for sustainable service delivery.

So what exactly is corporate governance? This term broadly refers to the mechanisms, processes and relations by which corporations are controlled and directed. Governance structures identify the distribution of rights and responsibilities among different participants in the corporation. It also includes the rules and procedures for making decisions in corporate affairs.

Corporate governance includes the processes through which corporations’ objectives are set and pursued in the context of the social, regulatory and market environment. Governance mechanisms include monitoring the actions, policies and decisions of corporation and their agents.
The six most common principals of good corporate governance are:

- Accountability - Responsibility for one’s own decision and actions and ensuring they can be explained and clarified,
- Responsibility – efficient performance of duties and to and to the best of one’s ability,
- Equitable treatment – fair and equitable treatment of all stakeholders,
- Transparency – ensuring corporative operations can be examined and information is disclosed to relevant parties,
- Vision to create long-term value – looking towards the future to create long-term added value and sustainable growth and,
- Ethics – the existence of business ethics and code of conduct.

Research shows that best corporate governance practice translates to best management practice. The essence of success in a business is to have a clear and achievable goal, to have a feasible strategy to achieve it, creating an organisation appropriate to deliver and to have in place a reporting system to guide progress.

There are three models of corporative governance that are recognised internationally. These are the Anglo-US model, the Japanese model and the German model.
Programme Director, this discussion comes at a critical time as we have just approved the R39.1bn budget for the next financial year. As we head into the new financial cycle, let us bear in mind the information grasped at these seminars so that we can ensure good corporate governance across the Municipality in our efforts to deliver services to our communities.

Our goal of becoming Africa’s most caring and liveable City by 2030, where all citizens live in harmony is clear. It will be achieved by growing its economy and meeting people’s needs so that all citizens enjoy a high quality of life with equal opportunities, in a City they are truly proud of.

...................... Don't underestimate the power of a vision. The founder of McDonald's, Ray Kroc, pictured his empire long before it existed, and he saw how to get there. He invented the company motto: quality, service, cleanliness and value - and kept repeating it to employees for the rest of his life.

Our Municipality, politically and administratively, has responded decisively to the challenges related to non-compliance with our Supply Chain Management regulations and through strengthening our internal controls, we have seen continuous improvement in our compliance with the principles of good governance.

The Municipal Public Accounts Committee recently heard that the out of 24 000 employees last year, there were only seven employees found to be doing business with the Municipality and no Councillors were awarded contracts. This is a huge achievement compared to previous years.
We applaud the role that is played by our Internal Audit and City Integrity and Investigations Units, in ensuring that there is strict compliance with our policies and in ensuring that our officials are held accountable for their actions.

This programme will impact positively on the way we do business as a City and as leadership and management, it improve our decision making in key strategic areas. These interventions, ladies and gentlemen, are important ingredients that will enable us to be better positioned to respond to our service delivery mandate.

Programme Director, I am pleased that this leadership development programme involves both councillors and officials. By working together and dealing with these critical discussions as leaders, we will emerge more knowledgeable, more united and inspired to serve our communities.

I would like to see this as a meaningful platform for dialogue and debate to deal with the demands and expectations of service delivery, while not compromising on the integrity of the legislative processes required for good governance.

I hope that today, we will be able to engage meaningfully with our expert panel of speakers, collaborate, discuss and debate issues honestly and openly. What is important is that we should take back important lessons that will propel our City forward towards our vision of becoming Africa’s most caring and liveable City by 2030.

Ladies and gentlemen, I would like to welcome you all to this third session on cultivating good governance.

I thank you.